

AN ACT

relating to the determination of the market value of a residence homestead for purposes of ad valorem taxation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 23.01, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Section 1.04(7)(C), in determining the market value of a residence homestead, the chief appraiser may not exclude from consideration the value of other residential property that is in the same neighborhood as the residence homestead being appraised and would otherwise be considered in appraising the residence homestead because the other residential property:

(1) was sold at a foreclosure sale conducted in any of the three years preceding the tax year in which the residence homestead is being appraised and was comparable at the time of sale based on relevant characteristics with other residence homesteads in the same neighborhood; or

(2) has a market value that has declined because of a declining economy.

SECTION 2. This Act takes effect January 1, 2010.

---

President of the Senate

---

Speaker of the House

I certify that H.B. No. 1038 was passed by the House on March 31, 2009, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

---

Chief Clerk of the House

I certify that H.B. No. 1038 was passed by the Senate on May 26, 2009, by the following vote: Yeas 31, Nays 0.

---

Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

---

Governor