

1-1 By: Paxton, et al. (Senate Sponsor - Patrick) H.B. No. 1038
1-2 (In the Senate - Received from the House April 1, 2009;
1-3 April 27, 2009, read first time and referred to Committee on
1-4 Finance; May 25, 2009, reported favorably by the following vote:
1-5 Yeas 11, Nays 0; May 25, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the determination of the market value of a residence
1-9 homestead for purposes of ad valorem taxation.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 23.01, Tax Code, is amended by adding
1-12 Subsection (c) to read as follows:

1-13 (c) Notwithstanding Section 1.04(7)(C), in determining the
1-14 market value of a residence homestead, the chief appraiser may not
1-15 exclude from consideration the value of other residential property
1-16 that is in the same neighborhood as the residence homestead being
1-17 appraised and would otherwise be considered in appraising the
1-18 residence homestead because the other residential property:

1-19 (1) was sold at a foreclosure sale conducted in any of
1-20 the three years preceding the tax year in which the residence
1-21 homestead is being appraised and was comparable at the time of sale
1-22 based on relevant characteristics with other residence homesteads
1-23 in the same neighborhood; or

1-24 (2) has a market value that has declined because of a
1-25 declining economy.

1-26 SECTION 2. This Act takes effect January 1, 2010.

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