

By: Otto

H.B. No. 3454

A BILL TO BE ENTITLED

AN ACT

relating to the determination of the value of property for ad
valorem tax purposes.

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

SECTION 1. Section 23.01(b), Tax Code, is amended to read as
follows:

(b) The market value of property shall be determined by the
application of generally accepted appraisal methods and
techniques. If the appraisal district determines the appraised
value of a property using mass appraisal standards, the mass
appraisal standards must comply with the Uniform Standards of
Professional Appraisal Practice. The same or similar appraisal
methods and techniques shall be used in appraising the same or
similar kinds of property. However, each property shall be
appraised based upon the individual characteristics that affect the
property's market value, and all available evidence that is
specific to the value of the property shall be taken into account in
determining the property's market value.

SECTION 2. Section 23.013, Tax Code, is amended to read as
follows:

Sec. 23.013. MARKET DATA COMPARISON METHOD OF APPRAISAL.

(a) If the chief appraiser uses the market data comparison method of
appraisal to determine the market value of real property, the chief
appraiser shall use comparable sales data and shall adjust the

1 comparable sales to the subject property.

2 (b) A sale of real property is not considered to be a
3 comparable sale unless the sale occurred within 24 months of the
4 date as of which the market value of the subject property is to be
5 determined and is appropriately adjusted for changes in the market
6 value over the time period between the dates of the sale and the
7 appraisal. Whether a property is comparable to the subject
8 property shall be determined based on similarities with regard to
9 location, square footage of the lot and improvements, property age,
10 property condition, property access, amenities, views, income,
11 operating expenses, occupancy, and the existence of easements, deed
12 restrictions, or other legal burdens affecting marketability.

13 SECTION 3. This Act applies only to the appraisal of
14 property for a tax year beginning on or after the effective date of
15 this Act.

16 SECTION 4. This Act takes effect January 1, 2010.

1 COMMITTEE AMENDMENT NO. 1

2 Amend H.B. No. 3454 by adding the following SECTIONS to the
3 bill, appropriately numbered, and renumbering existing SECTIONS
4 accordingly:

5 SECTION _____. Section 23.24, Tax Code, is amended to read as
6 follows:

7 Sec. 23.24. FURNITURE, FIXTURES, AND EQUIPMENT. (a) If
8 real property is appraised by a method that takes into account the
9 value of furniture, fixtures, and equipment in or on the real
10 property, the furniture, fixtures, and equipment shall not be
11 subject to additional appraisal or taxation as personal property.

12 (b) In determining the market value of the real property,
13 the chief appraiser may not separately appraise or take into
14 account any personal property valued as a portion of the income of
15 the real property, and the market value of the real property must
16 include the combined value of the real property and the personal
17 property.

18 SECTION _____. Section 23.014, Tax Code, is repealed.