

By: Patrick, Dan

S.B. No. 700

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem tax relief.

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

ARTICLE 1. ELIGIBILITY FOR RESIDENCE HOMESTEAD EXEMPTION AND
EFFECT ON CALCULATION OF TAXES.

SECTION 1.01. Section 11.42(c), Tax Code, is amended to read as follows:

(c) An exemption authorized by Section 11.13 [~~11.13(c) or (d)~~] is effective as of January 1 of the tax year in which the person qualifies for the exemption and applies to the entire tax year.

SECTION 1.02. Section 11.431, Tax Code, is amended to read as follows:

Sec. 11.431. LATE APPLICATION FOR [~~OF~~] HOMESTEAD EXEMPTION. (a) The chief appraiser shall accept and approve or deny an application for a residence homestead exemption after the deadline for filing the application [~~it~~] has passed if the application [~~it~~] is filed not later than December 31 of the fifth [~~one~~] year after the year in which [~~delinquency date for~~] the taxes for which the exemption is claimed were imposed [~~on the homestead~~].

(b) If a late application for an exemption for one or more tax years is approved after approval of the appraisal records for the appropriate year or years by the appraisal review board, the chief appraiser shall correct the appraisal records and notify the collector for each unit in which the residence is located. The

1 collector shall deduct from the person's tax bill for the
2 appropriate tax year or years the amount of tax imposed on the
3 exempted amount if the tax has not been paid and any unpaid
4 penalties and accrued interest relating to that tax. If the tax has
5 been paid, the collector:

6 (1) shall refund the amount of tax imposed on the
7 exempted amount if a late application is approved for one or both of
8 the tax years preceding the year in which the late application is
9 filed; and

10 (2) may not refund taxes, penalties, or interest paid
11 on the property for which an exemption is granted under this section
12 for a tax year preceding the tax years described by Subdivision (1).

13 SECTION 1.03. Section 26.112, Tax Code, is amended to read
14 as follows:

15 Sec. 26.112. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD
16 [~~OF ELDERLY OR DISABLED PERSON~~]. (a) Except as provided by Section
17 26.10(b), if at any time during a tax year property is owned by an
18 individual who qualifies for an exemption under Section 11.13 with
19 respect to the property [~~11.13(c) or (d)~~], the amount of the tax due
20 on the property for the tax year is calculated as if the person
21 qualified for the exemption on January 1 and continued to qualify
22 for the exemption for the remainder of the tax year.

23 (b) If a person qualifies for an exemption under Section
24 11.13 [~~11.13(c) or (d)~~] with respect to the property after the
25 amount of the tax due on the property is calculated and the effect
26 of the qualification is to reduce the amount of the tax due on the
27 property, the assessor for each taxing unit shall recalculate the

1 amount of the tax due on the property and correct the tax roll. If
2 the tax bill has been mailed and the tax on the property has not been
3 paid, the assessor shall mail a corrected tax bill to the person in
4 whose name the property is listed on the tax roll or to the person's
5 authorized agent. If the tax on the property has been paid, the tax
6 collector for the taxing unit shall refund to the person who paid
7 the tax the amount by which the payment exceeded the tax due.

8 SECTION 1.04. This article takes effect January 1, 2010.

9 ARTICLE 2. METHOD OF APPRAISAL

10 SECTION 2.01. Section 23.01(b), Tax Code, is amended to
11 read as follows:

12 (b) The market value of property shall be determined by the
13 application of generally accepted appraisal methods and
14 techniques. If the appraisal district determines the appraised
15 value of a property using mass appraisal standards, the mass
16 appraisal standards must comply with the Uniform Standards of
17 Professional Appraisal Practice. The same or similar appraisal
18 methods and techniques shall be used in appraising the same or
19 similar kinds of property. However, each property shall be
20 appraised based upon the individual characteristics that affect the
21 property's market value and upon the use for which the property is
22 currently used or designed or suited to be used and not the highest
23 and best potential use of the property.

24 SECTION 2.02. This article applies only to the appraisal
25 for ad valorem tax purposes of property for a tax year that begins
26 on or after the effective date of this Act.

27 SECTION 2.03. This article takes effect January 1, 2010.

ARTICLE 3. NOTICE OF APPRAISAL

SECTION 3.01. Section 25.19, Tax Code, is amended by adding Subsection (b-3) to read as follows:

(b-3) For real property, in addition to the information required by Subsection (b), the chief appraiser shall state in a notice required to be delivered under Subsection (a) the following for the current tax year and each of the preceding five tax years:

(1) the appraised value of the property; and

(2) the difference, expressed as a percent increase or decrease, as applicable, in the appraised value of the property compared to the appraised value of the property for the preceding tax year.

SECTION 3.02. This article takes effect January 1, 2010.

ARTICLE 4. ROLLBACK TAX RATE AND REQUIRED ELECTION

SECTION 4.01. Section 26.04(c), Tax Code, is amended to read as follows:

(c) An officer or employee designated by the governing body shall calculate the effective tax rate and the rollback tax rate for the unit, where:

(1) "Effective tax rate" means a rate expressed in dollars per \$100 of taxable value calculated according to the following formula:

$$\text{EFFECTIVE TAX RATE} = (\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})$$

; and

(2) "Rollback tax rate" means a rate expressed in dollars per \$100 of taxable value calculated according to the

1 following formula:

2 ROLLBACK TAX RATE = (EFFECTIVE MAINTENANCE AND OPERATIONS RATE x
3 1.05 [~~1.08~~]) + CURRENT DEBT RATE

4 SECTION 4.02. Sections 26.041(a), (b), and (c), Tax Code,
5 are amended to read as follows:

6 (a) In the first year in which an additional sales and use
7 tax is required to be collected, the effective tax rate and rollback
8 tax rate for the unit are calculated according to the following
9 formulas:

10 EFFECTIVE TAX RATE = $\frac{[(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})]}{1} - \text{SALES TAX GAIN RATE}$

12 and

13 ROLLBACK TAX RATE = (EFFECTIVE MAINTENANCE AND OPERATIONS RATE x
14 1.05 [~~1.08~~]) + CURRENT DEBT RATE - SALES TAX GAIN RATE

15 where "sales tax gain rate" means a number expressed in dollars per
16 \$100 of taxable value, calculated by dividing the revenue that will
17 be generated by the additional sales and use tax in the following
18 year as calculated under Subsection (d) [~~of this section~~] by the
19 current total value.

20 (b) Except as provided by Subsections (a) and (c) [~~of this~~
21 ~~section~~], in a year in which a taxing unit imposes an additional
22 sales and use tax the rollback tax rate for the unit is calculated
23 according to the following formula, regardless of whether the unit
24 levied a property tax in the preceding year:

25 ROLLBACK TAX RATE = $[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS}$
26 $\text{EXPENSE X } \underline{1.05} [\underline{1.08}]) / ((\text{[TOTAL]} \text{ CURRENT } \underline{\text{TOTAL}} \text{ VALUE} - \text{NEW PROPERTY}$
27 $\text{VALUE})] + (\text{CURRENT DEBT RATE} - \text{SALES TAX REVENUE RATE})$

1 where "last year's maintenance and operations expense" means the
 2 amount spent for maintenance and operations from property tax and
 3 additional sales and use tax revenues in the preceding year, and
 4 "sales tax revenue rate" means a number expressed in dollars per
 5 \$100 of taxable value, calculated by dividing the revenue that will
 6 be generated by the additional sales and use tax in the current year
 7 as calculated under Subsection (d) [~~of this section~~] by the current
 8 total value.

9 (c) In a year in which a taxing unit that has been imposing
 10 an additional sales and use tax ceases to impose an additional sales
 11 and use tax the effective tax rate and rollback tax rate for the
 12 unit are calculated according to the following formulas:

13 EFFECTIVE TAX RATE = [(LAST YEAR'S LEVY - LOST PROPERTY LEVY) /
 14 (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + SALES TAX LOSS RATE

15 and

16 ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND OPERATIONS
 17 EXPENSE X 1.05 [~~1.08~~]) / (~~[TOTAL]~~ CURRENT TOTAL VALUE - NEW PROPERTY
 18 VALUE)] + CURRENT DEBT RATE

19 where "sales tax loss rate" means a number expressed in dollars per
 20 \$100 of taxable value, calculated by dividing the amount of sales
 21 and use tax revenue generated in the last four quarters for which
 22 the information is available by the current total value and "last
 23 year's maintenance and operations expense" means the amount spent
 24 for maintenance and operations from property tax and additional
 25 sales and use tax revenues in the preceding year.

26 SECTION 4.03. Section 26.07, Tax Code, is amended to read as
 27 follows:

1 Sec. 26.07. ELECTION TO RATIFY TAX [~~REPEAL~~] INCREASE OF
2 TAXING UNIT OTHER THAN SCHOOL DISTRICT. (a) The [~~If the~~] governing
3 body of a taxing unit other than a school district may not adopt
4 [~~adopts~~] a tax rate that exceeds the rollback tax rate calculated as
5 provided by this chapter without voter approval as provided by this
6 section. To adopt a tax rate that exceeds the rollback tax rate,
7 the governing body must adopt the rate as a proposed tax rate and
8 call an election to permit[~~7~~] the qualified voters of the taxing
9 unit [~~by petition may require that an election be held to determine~~
10 ~~whether or not~~] to approve or disapprove [~~reduce~~] the proposed tax
11 rate [~~adopted for the current year to the rollback tax rate~~
12 ~~calculated as provided by this chapter~~].

13 (b) The [~~A petition is valid only if:~~

14 [~~(1) it states that it is intended to require an~~
15 ~~election in the taxing unit on the question of reducing the tax rate~~
16 ~~for the current year;~~

17 [~~(2) it is signed by a number of registered voters of~~
18 ~~the taxing unit equal to at least:~~

19 [~~(A) seven percent of the number of registered~~
20 ~~voters of the taxing unit according to the most recent list of~~
21 ~~registered voters if the tax rate adopted for the current tax year~~
22 ~~would impose taxes for maintenance and operations in an amount of at~~
23 ~~least \$5 million; or~~

24 [~~(B) 10 percent of the number of registered~~
25 ~~voters of the taxing unit according to the most recent official list~~
26 ~~of registered voters if the tax rate adopted for the current tax~~
27 ~~year would impose taxes for maintenance and operations in an amount~~

1 ~~of less than \$5 million; and~~

2 ~~[(3) it is submitted to the governing body on or before~~
3 ~~the 90th day after the date on which the governing body adopted the~~
4 ~~tax rate for the current year.~~

5 ~~[(c) Not later than the 20th day after the day a petition is~~
6 ~~submitted, the governing body shall determine whether or not the~~
7 ~~petition is valid and pass a resolution stating its finding. If the~~
8 ~~governing body fails to act within the time allowed, the petition is~~
9 ~~treated as if it had been found valid.~~

10 ~~[(d) If the] governing body [finds that the petition is~~
11 ~~valid (or fails to act within the time allowed), it] shall order~~
12 ~~that the [an] election be held in the taxing unit on a date not less~~
13 ~~than 30 or more than 90 days after the [last] day on which the~~
14 ~~governing body adopted the proposed tax rate. Section 41.001,~~
15 ~~Election Code, [it could have acted to approve or disapprove the~~
16 ~~petition. A state law requiring local elections to be held on a~~
17 ~~specified date] does not apply to the election unless a [specified]~~
18 ~~date specified by that section falls within the time permitted by~~
19 ~~this section. At the election, the ballots shall be prepared to~~
20 ~~permit voting for or against the proposition: "Approving~~
21 ~~["Reducing] the proposed ad valorem tax rate of \$_____ per \$100~~
22 ~~valuation in (name of taxing unit) for the current year, a rate that~~
23 ~~is \$_____ higher per \$100 valuation than the [from (the rate~~
24 ~~adopted) to (the] rollback tax rate [calculated as provided by this~~
25 ~~chapter]." The ballot proposition must include the proposed tax~~
26 ~~rate and the difference between that rate and the rollback tax rate~~
27 ~~in the appropriate places.~~

1 (c) [~~(e)~~] If a majority of the votes cast [~~qualified voters~~
2 ~~voting on the question~~] in the election favor the proposition, the
3 proposition is approved and the tax rate for the [~~taxing unit for~~
4 ~~the~~] current year is the proposed [~~rollback~~] tax rate that was
5 [~~calculated as provided by this chapter; otherwise, the tax rate~~
6 ~~for the current year is the one~~] adopted by the governing body.

7 (d) [~~(f)~~] If the proposition is not approved as provided by
8 Subsection (c), the governing body may not adopt a tax rate for the
9 taxing unit for the current year that exceeds the taxing unit's
10 rollback tax rate [~~is reduced by an election called under this~~
11 ~~section after tax bills for the unit are mailed, the assessor for~~
12 ~~the unit shall prepare and mail corrected tax bills. He shall~~
13 ~~include with the bill a brief explanation of the reason for and~~
14 ~~effect of the corrected bill. The date on which the taxes become~~
15 ~~delinquent for the year is extended by a number of days equal to the~~
16 ~~number of days between the date the first tax bills were sent and~~
17 ~~the date the corrected tax bills were sent)].~~

18 [~~(g)~~] ~~If a property owner pays taxes calculated using the~~
19 ~~higher tax rate when the rate is reduced by an election called under~~
20 ~~this section, the taxing unit shall refund the difference between~~
21 ~~the amount of taxes paid and the amount due under the reduced rate~~
22 ~~if the difference between the amount of taxes paid and the amount~~
23 ~~due under the reduced rate is \$1 or more. If the difference between~~
24 ~~the amount of taxes paid and the amount due under the reduced rate~~
25 ~~is less than \$1, the taxing unit shall refund the difference on~~
26 ~~request of the taxpayer. An application for a refund of less than~~
27 ~~\$1 must be made within 90 days after the date the refund becomes due~~

1 ~~or the taxpayer forfeits the right to the refund.]~~

2 SECTION 4.04. Sections 31.12(a) and (b), Tax Code, are
3 amended to read as follows:

4 (a) If a refund of a tax provided by Section 11.431(b),
5 ~~[26.07(g),]~~ 26.15(f), 31.11, or 31.111 is paid on or before the 60th
6 day after the date the liability for the refund arises, no interest
7 is due on the amount refunded. If not paid on or before that 60th
8 day, the amount of the tax to be refunded accrues interest at a rate
9 of one percent for each month or part of a month that the refund is
10 unpaid, beginning with the date on which the liability for the
11 refund arises.

12 (b) For purposes of this section, liability for a refund
13 arises:

14 (1) if the refund is required by Section 11.431(b), on
15 the date the chief appraiser notifies the collector for the unit of
16 the approval of the late homestead exemption;

17 (2) ~~[if the refund is required by Section 26.07(g), on~~
18 ~~the date the results of the election to reduce the tax rate are~~
19 ~~certified,~~

20 ~~(3)]~~ if the refund is required by Section 26.15(f):

21 (A) for a correction to the tax roll made under
22 Section 26.15(b), on the date the change in the tax roll is
23 certified to the assessor for the taxing unit under Section 25.25;
24 or

25 (B) for a correction to the tax roll made under
26 Section 26.15(c), on the date the change in the tax roll is ordered
27 by the governing body of the taxing unit;

1 (3) [~~(4)~~] if the refund is required by Section 31.11,
2 on the date the auditor for the taxing unit determines that the
3 payment was erroneous or excessive or, if the amount of the refund
4 exceeds the applicable amount specified by Section 31.11(a), on the
5 date the governing body of the unit approves the refund; or

6 (4) [~~(5)~~] if the refund is required by Section 31.111,
7 on the date the collector for the taxing unit determines that the
8 payment was erroneous.

9 SECTION 4.05. Section 33.08(b), Tax Code, is amended to
10 read as follows:

11 (b) The governing body of the taxing unit or appraisal
12 district, in the manner required by law for official action, may
13 provide that taxes that become delinquent on or after June 1 under
14 Section [~~26.07(f)~~] 26.15(e), 31.03, 31.031, 31.032, or 31.04 incur
15 an additional penalty to defray costs of collection. The amount of
16 the penalty may not exceed the amount of the compensation specified
17 in the applicable contract with an attorney under Section 6.30 to be
18 paid in connection with the collection of the delinquent taxes.

19 SECTION 4.06. Section 49.236, Water Code, as added by
20 Chapters 248 (H.B. 1541) and 335 (S.B. 392), Acts of the 78th
21 Legislature, Regular Session, 2003, is reenacted and amended to
22 read as follows:

23 Sec. 49.236. NOTICE OF TAX HEARING. (a) Before the board
24 adopts an ad valorem tax rate for the district for debt service,
25 operation and maintenance purposes, or contract purposes, the board
26 shall give notice of each meeting of the board at which the adoption
27 of a tax rate will be considered. The notice must:

1 (1) contain a statement in substantially the following
2 form:

3 "NOTICE OF PUBLIC HEARING ON TAX RATE

4 "The (name of the district) will hold a public hearing on a
5 proposed tax rate for the tax year (year of tax levy) on (date and
6 time) at (meeting place). Your individual taxes may increase or
7 decrease, depending on the change in the taxable value of your
8 property in relation to the change in taxable value of all other
9 property and the tax rate that is adopted.

10 "(Names of all board members and, if a vote was taken, an
11 indication of how each voted on the proposed tax rate and an
12 indication of any absences.)";

13 (2) contain the following information:

14 (A) the district's total adopted tax rate for the
15 preceding year and the proposed tax rate, expressed as an amount per
16 \$100;

17 (B) the difference, expressed as an amount per
18 \$100 and as a percent increase or decrease, as applicable, in the
19 proposed tax rate compared to the adopted tax rate for the preceding
20 year;

21 (C) the average appraised value of a residence
22 homestead in the district in the preceding year and in the current
23 year; the district's total homestead exemption, other than an
24 exemption available only to disabled persons or persons 65 years of
25 age or older, applicable to that appraised value in each of those
26 years; and the average taxable value of a residence homestead in the
27 district in each of those years, disregarding any homestead

1 exemption available only to disabled persons or persons 65 years of
2 age or older;

3 (D) the amount of tax that would have been
4 imposed by the district in the preceding year on a residence
5 homestead appraised at the average appraised value of a residence
6 homestead in that year, disregarding any homestead exemption
7 available only to disabled persons or persons 65 years of age or
8 older;

9 (E) the amount of tax that would be imposed by the
10 district in the current year on a residence homestead appraised at
11 the average appraised value of a residence homestead in that year,
12 disregarding any homestead exemption available only to disabled
13 persons or persons 65 years of age or older, if the proposed tax
14 rate is adopted; and

15 (F) the difference between the amounts of tax
16 calculated under Paragraphs (D) and (E), expressed in dollars and
17 cents and described as the annual percentage increase or decrease,
18 as applicable, in the tax to be imposed by the district on the
19 average residence homestead in the district in the current year if
20 the proposed tax rate is adopted; and

21 (3) contain a statement in substantially the following
22 form:

23 "NOTICE OF VOTE ON TAX RATE [~~TAXPAYERS' RIGHT TO~~
24 ~~ROLLBACK ELECTION~~]

25 "If taxes on the average residence homestead increase by more
26 than five [~~eight~~] percent, [~~the qualified voters of the district by~~
27 ~~petition may require that~~] an election must be held to determine

1 whether to ratify [~~reduce~~] the operation and maintenance tax rate
2 [~~to the rollback tax rate~~] under Section 49.236(d), Water Code."

3 (b) Notice of the hearing shall be:

4 (1) published at least once in a newspaper having
5 general circulation in the district at least seven days before the
6 date of the hearing; or

7 (2) mailed to each owner of taxable property in the
8 district, at the address for notice shown on the most recently
9 certified tax roll of the district, at least 10 days before the date
10 of the hearing.

11 (c) The notice provided under this section may not be
12 smaller than one-quarter page of a standard-size or tabloid-size
13 newspaper of general circulation, and the headline on the notice
14 must be in 18-point or larger type.

15 (d) If the governing body of a district adopts a combined
16 debt service, operation and maintenance, and contract tax rate that
17 would impose more than 1.05 [~~1.08~~] times the amount of tax imposed
18 by the district in the preceding year on a residence homestead
19 appraised at the average appraised value of a residence homestead
20 in the district in that year, disregarding any homestead exemption
21 available only to disabled persons or persons 65 years of age or
22 older, [~~the qualified voters of the district by petition may~~
23 ~~require that~~] an election must be held to determine whether [~~or not~~]
24 to ratify [~~reduce~~] the tax rate adopted for the current year [~~to the~~
25 ~~rollback tax rate~~] in accordance with the procedures provided by
26 Section 26.07 [~~Sections 26.07(b)-(g) and 26.081~~], Tax Code. For
27 purposes of Section 26.07, Tax Code, [~~Sections 26.07(b)-(g)~~] and

1 this subsection, the rollback tax rate is the current year's debt
2 service and contract tax rates plus the operation and maintenance
3 tax rate that would impose 1.05 [~~1.08~~] times the amount of the
4 operation and maintenance tax imposed by the district in the
5 preceding year on a residence homestead appraised at the average
6 appraised value of a residence homestead in the district in that
7 year, disregarding any homestead exemption available only to
8 disabled persons or persons 65 years of age or older.

9 SECTION 4.07. (a) The change in law made by this article
10 applies to the ad valorem tax rate of a taxing unit beginning with
11 the 2009 tax year, except as provided by Subsection (b) of this
12 section.

13 (b) If the governing body of a taxing unit adopted an ad
14 valorem tax rate for the taxing unit for the 2009 tax year before
15 the effective date of this article, the change in law made by this
16 article applies to the ad valorem tax rate of that taxing unit
17 beginning with the 2010 tax year, and the law in effect when the tax
18 rate was adopted applies to the 2009 tax year with respect to that
19 taxing unit.

20 SECTION 4.08. This article takes effect immediately if this
21 Act receives a vote of two-thirds of all the members elected to each
22 house, as provided by Section 39, Article III, Texas Constitution.
23 If this Act does not receive the vote necessary for immediate
24 effect, this article takes effect on the 91st day after the last day
25 of the legislative session.

26 ARTICLE 5. ELECTRONIC PROTEST PROCEDURE

27 SECTION 5.01. Subchapter C, Chapter 41, Tax Code, is

1 amended by adding Section 41.415 to read as follows:

2 Sec. 41.415. ELECTRONIC FILING OF NOTICE OF PROTEST. (a)
3 This section applies only to an appraisal district established for
4 a county having a population of 500,000 or more.

5 (b) The appraisal district shall implement a system that
6 allows the owner of a property that for the current tax year has
7 been granted a residence homestead exemption under Section 11.13,
8 in connection with the property, to electronically:

9 (1) file a notice of protest under Section 41.41(a)(1)
10 or (2) with the appraisal review board;

11 (2) receive and review comparable sales data and other
12 evidence that the chief appraiser intends to use at the protest
13 hearing before the board;

14 (3) receive, as applicable:

15 (A) a settlement offer from the district to
16 correct the appraisal records by changing the appraised value of
17 the property to the value as redetermined by the district; or

18 (B) a notice from the district that a settlement
19 offer will not be made; and

20 (4) accept or reject a settlement offer received from
21 the appraisal district under Subdivision (3)(A).

22 (c) With each notice sent under Section 25.19 to an eligible
23 property owner, the chief appraiser shall include information about
24 the system required by this section, including instructions for
25 accessing and using the system.

26 (d) A notice of protest filed electronically under this
27 section must include, at a minimum:

1 (1) a statement as to whether the protest is brought
2 under Section 41.41(a)(1) or under Section 41.41(a)(2);

3 (2) a statement of the property owner's good faith
4 estimate of the value of the property; and

5 (3) an electronic mail address that the district may
6 use to communicate electronically with the property owner in
7 connection with the protest.

8 (e) If the property owner accepts a settlement offer made by
9 the appraisal district, the chief appraiser shall notify the
10 appraisal review board. The board shall determine the protest
11 accordingly and otherwise comply with Section 41.47.

12 (f) If the property owner rejects a settlement offer, the
13 appraisal review board shall hear and determine the property
14 owner's protest in the manner otherwise provided by this subchapter
15 and Subchapter D.

16 (g) An appraisal district is not required to make the system
17 required by this section available to an owner of a residence
18 homestead located in an area in which the chief appraiser
19 determines that the factors affecting the market value of real
20 property are unusually complex.

21 (h) An electronic mail address provided by a property owner
22 to an appraisal district under Subsection (d)(3) is confidential
23 and may not be disclosed by the district.

24 SECTION 5.02. Section 41.415, Tax Code, as added by this
25 article, applies only to a tax year that begins on or after the
26 effective date of this article.

27 SECTION 5.03. This article takes effect January 1, 2010.

ARTICLE 6. APPEAL TO SMALL CLAIMS COURT

SECTION 6.01. Section 41.47(e), Tax Code, is amended to read as follows:

(e) The notice of the issuance of the order must contain a prominently printed statement in upper-case bold lettering informing the property owner in clear and concise language of the property owner's right to appeal the board's decision to district court or to small claims court if the amount of taxes in dispute is within the jurisdiction of a small claims court. The statement must describe the deadline prescribed by Section 42.06(a) [~~of this code~~] for filing a written notice of appeal[~~r~~] and the deadline prescribed by Section 42.21(a) [~~of this code~~] for filing the petition for review with the appropriate [~~district~~] court.

SECTION 6.02. The heading to Subchapter B, Chapter 42, Tax Code, is amended to read as follows:

SUBCHAPTER B. JUDICIAL REVIEW [~~BY DISTRICT COURT~~]

SECTION 6.03. Section 42.21(a), Tax Code, is amended to read as follows:

(a) A party who appeals as provided by this chapter must file a petition for review with the appropriate [~~district~~] court within 45 days after the party received notice that a final order has been entered from which an appeal may be had. Failure to timely file a petition bars any appeal under this chapter.

SECTION 6.04. Subchapter B, Chapter 42, Tax Code, is amended by adding Sections 42.211 and 42.212 to read as follows:

Sec. 42.211. JURISDICTION. (a) Except as provided by this section, an appeal under this subchapter must be made to a district

1 court.

2 (b) A property owner may appeal an order of an appraisal
3 review board under Section 42.01(1) to a small claims court if the
4 amount of taxes due on the portion of the taxable value of the
5 property that is in dispute calculated using the preceding year's
6 tax rates is an amount that is within the jurisdiction of that small
7 claims court.

8 (c) If the small claims court determines that the appeal is
9 not within the court's jurisdiction, the court shall dismiss the
10 appeal. In that event, the property owner may appeal the order to
11 district court by filing a petition for review with the district
12 court not later than the 30th day after the date of the dismissal.

13 Sec. 42.212. REPRESENTATION IN SMALL CLAIMS COURT. In an
14 appeal brought under Section 42.01(1) to a small claims court, an
15 appraisal district may be, but is not required to be, represented by
16 legal counsel.

17 SECTION 6.05. Section 42.22, Tax Code, as amended by
18 Chapters 667 (S.B. 548) and 1033 (H.B. 301), Acts of the 73rd
19 Legislature, Regular Session, 1993, is reenacted and amended to
20 read as follows:

21 Sec. 42.22. VENUE. (a) Except as provided by Subsections
22 (b) and (c), and by Section 42.221, venue in an appeal to district
23 court is in the county in which the appraisal review board that
24 issued the order appealed is located.

25 (b) Venue of an action brought under Section 42.01(1) in
26 district court is in the county in which the property is located or
27 in the county in which the appraisal review board that issued the

1 order is located.

2 (c) Venue is in Travis County if the order appealed was
3 issued by the comptroller.

4 (d) Venue of an action brought under Section 42.01(1) in
5 small claims court is in any justice precinct in the county in which
6 the appraisal review board that issued the order appealed is
7 located.

8 SECTION 6.06. Section 42.23(a), Tax Code, is amended to
9 read as follows:

10 (a) Review is by trial de novo. The [~~district~~] court shall
11 try all issues of fact and law raised by the pleadings in the manner
12 applicable to civil suits generally.

13 SECTION 6.07. Section 42.24, Tax Code, is amended to read as
14 follows:

15 Sec. 42.24. ACTION BY COURT. In determining an appeal, the
16 [~~district~~] court may:

17 (1) fix the appraised value of property in accordance
18 with the requirements of law if the appraised value is at issue;

19 (2) enter the orders necessary to ensure equal
20 treatment under the law for the appealing property owner if
21 inequality in the appraisal of the owner's [~~his~~] property is at
22 issue; or

23 (3) enter other orders necessary to preserve rights
24 protected by and impose duties required by the law.

25 SECTION 6.08. Section 42.26(a), Tax Code, is amended to
26 read as follows:

27 (a) The [~~district~~] court shall grant relief on the ground

1 that a property is appraised unequally if:

2 (1) the appraisal ratio of the property exceeds by at
3 least 10 percent the median level of appraisal of a reasonable and
4 representative sample of other properties in the appraisal
5 district;

6 (2) the appraisal ratio of the property exceeds by at
7 least 10 percent the median level of appraisal of a sample of
8 properties in the appraisal district consisting of a reasonable
9 number of other properties similarly situated to, or of the same
10 general kind or character as, the property subject to the appeal; or

11 (3) the appraised value of the property exceeds the
12 median appraised value of a reasonable number of comparable
13 properties appropriately adjusted.

14 SECTION 6.09. Subchapter B, Chapter 42, Tax Code, is
15 amended by adding Section 42.27 to read as follows:

16 Sec. 42.27. SMALL CLAIMS COURT JUDGMENT NOT APPEALABLE.
17 The final judgment of a small claims court in an appeal to the small
18 claims court brought under Section 42.01(1) may not be appealed by
19 any person.

20 SECTION 6.10. Section 28.003, Government Code, is amended
21 by adding Subsection (a-1) to read as follows:

22 (a-1) The small claims court has jurisdiction over appeals
23 brought under Section 42.01(1), Tax Code, if the amount of taxes in
24 dispute does not exceed \$5,000.

25 SECTION 6.11. Section 28.011, Government Code, is amended
26 to read as follows:

27 Sec. 28.011. VENUE. An action in small claims court must be

1 brought in the county and precinct in which the defendant resides,
2 except that:

3 (1) an action on an obligation that the defendant has
4 contracted to perform in a certain county may be brought in that
5 county; ~~and~~

6 (2) an action for which venue is proper under Section
7 15.099, Civil Practice and Remedies Code, may be brought as
8 provided by that section; and

9 (3) an appeal brought under Section 42.01(1), Tax
10 Code, must be brought as provided by Section 42.22 of that code.

11 SECTION 6.12. The change in law made by this article applies
12 to the appeal of an order of an appraisal review board without
13 regard to whether the order was issued before the effective date of
14 this article.

15 SECTION 6.13. This article takes effect September 1, 2009.