

By: Hegar

S.B. No. 721

A BILL TO BE ENTITLED

AN ACT

relating to a temporary prohibition on increasing the appraised value of a residence homestead for ad valorem tax purposes following determination of a protest or appeal.

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

SECTION 1. Subchapter A, Chapter 23, Tax Code, is amended by adding Section 23.04 to read as follows:

Sec. 23.04. TEMPORARY PROHIBITION ON INCREASING APPRAISED VALUE OF RESIDENCE HOMESTEAD. (a) The appraised value of a residence homestead may not exceed the appraised value of the homestead for the preceding tax year if the appraised value of the property as determined by the chief appraiser for the preceding tax year was reduced:

(1) by the appraisal review board pursuant to a protest filed under Chapter 41 and the board's determination was not overturned on appeal;

(2) as a result of the final determination of an appeal of an order of the appraisal review board determining a protest under Chapter 41; or

(3) by the chief appraiser pursuant to an agreement under Section 1.111(e)(1).

(b) This section does not apply to property:

(1) that does not qualify for an exemption under Section 11.13 in the current tax year or did not qualify for an

1 exemption under that section in the preceding tax year;

2 (2) that was subject to this section in the preceding
3 tax year; or

4 (3) the appraised value of which as determined by the
5 chief appraiser for the preceding tax year was reduced in the manner
6 provided by Subsection (a) on the ground that the property was
7 appraised unequally.

8 (c) Subsection (a) does not prohibit an increase in
9 appraised value attributable to a new improvement, as defined by
10 Section 23.23(e).

11 (d) The appraised value of a residence homestead appraised
12 as provided by this section is considered to be the market value of
13 the property for purposes of the studies required by Chapter 5 of
14 this code and by Section 403.302, Government Code. A residence
15 homestead appraised as provided by this section may not be used as a
16 comparable property or a ratio study sample for the purpose of
17 determining whether another property is unequally appraised.

18 SECTION 2. This Act applies only to the appraisal of a
19 residence homestead for ad valorem tax purposes for a tax year
20 beginning on or after the effective date of this Act.

21 SECTION 3. This Act takes effect January 1, 2010.