

By: Williams

S.B. No. 771

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, Tax Code, is amended by amending
Subsection (b) and adding Subsection (c) 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.

(c) Notwithstanding any provision of this subchapter to the
contrary, if the appraised value of property in a tax year is
determined under Subtitle F, the appraised value of the property as
finally determined under that subtitle is considered to be the
appraised value of the property for that tax year. In the following
tax year, the chief appraiser may not increase the appraised value

1 of the property unless the increase by the chief appraiser is
2 reasonably supported by substantial evidence when all of the
3 reliable and probative evidence in the record is considered as a
4 whole.

5 SECTION 2. Sections 23.013 and 23.24, Tax Code, are amended
6 to read as follows:

7 Sec. 23.013. MARKET DATA COMPARISON METHOD OF APPRAISAL.

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

12 (b) A sale is not considered to be a comparable sale unless
13 the sale occurred within 24 months of the date as of which the
14 market value of the subject property is to be determined, except
15 that a sale that did not occur during that period may be considered
16 to be a comparable sale if enough comparable properties were not
17 sold during that period to constitute a representative sample.

18 (c) A sale of a comparable property must be appropriately
19 adjusted for any change in the market value of the comparable
20 property during the period between the date of the sale of the
21 comparable property and the date as of which the market value of the
22 subject property is to be determined.

23 (d) Whether a property is comparable to the subject property
24 shall be determined based on similarities with regard to location,
25 square footage of the lot and improvements, property age, property
26 condition, property access, amenities, views, income, operating
27 expenses, occupancy, and the existence of easements, deed

1 restrictions, or other legal burdens affecting marketability.

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

7 (b) In determining the market value of the real property,
8 the chief appraiser may not separately appraise or take into
9 account any personal property valued as a portion of the income of
10 the real property, and the market value of the real property must
11 include the combined value of the real property and the personal
12 property.

13 SECTION 3. Section 23.014, Tax Code, is repealed.

14 SECTION 4. This Act applies only to the appraisal of
15 property for a tax year beginning on or after the effective date of
16 this Act.

17 SECTION 5. This Act takes effect January 1, 2010.