

By: Williams

S.B. No. 771

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the determination of the value of property for ad  
3 valorem tax purposes.

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

5 SECTION 1. Section 23.01, Tax Code, is amended by amending  
6 Subsection (b) and adding Subsection (c) to read as follows:

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

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

1 of the property by a percentage that exceeds the average percentage  
2 increase in the final appraised value of the property for the  
3 preceding five years unless the increase by the chief appraiser is  
4 reasonably supported by substantial evidence when all of the  
5 reliable and probative evidence in the record is considered as a  
6 whole.

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

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

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

14 (b) A sale of real property is not considered to be a  
15 comparable sale unless the sale occurred within six months of the  
16 date as of which the market value of the subject property is to be  
17 determined. Whether a property is comparable to the subject  
18 property shall be determined based on similarities with regard to  
19 location, square footage of the lot and improvements, property age,  
20 property condition, property access, amenities, views, and the  
21 existence of easements, deed restrictions, or other legal burdens  
22 affecting marketability.

23 SECTION 3. This Act applies only to the appraisal of  
24 property for a tax year beginning on or after the effective date of  
25 this Act.

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