

By: Davis

S.B. No. 1342

A BILL TO BE ENTITLED

AN ACT

relating to evidence of inequality of appraisal in judicial appeals of appraisal review board orders.

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

SECTION 1. Sec. 42.26, Tax Code, is amended by amending Subsections (a) and (b) to read as follows:

(a) The district court shall grant relief on the ground that a property is appraised unequally if:

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

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

(3) the appraised value of the property exceeds the median level of appraisal ~~[appraised value]~~ of a reasonable and representative sample ~~[number]~~ of comparable properties appropriately adjusted; or.

(4) if:

A) the property qualifies as the owner's residence homestead

1 under Section 11.13; or

2 (B) the appraised or market value, as applicable,
3 of the property as determined by the order is \$1 million or less,
4 the appraised value of the property exceeds the median appraised
5 value of a reasonable sample [~~number~~] of comparable properties
6 appropriately adjusted. The comptroller shall by rule establish
7 standards for development and calibration of adjustments for
8 industrial, petrochemical refining and processing, and utility
9 properties.

10 (a-1) For the purposes of subsections (a)(3) and (a)(4),
11 whether a property is comparable to the subject property shall be
12 determined based on similarities with regard to location, highest
13 and best use, square footage of the lot and improvements, property
14 age, property condition, property access, amenities, views,
15 income, operating expenses, occupancy, economic conditions, and
16 the existence of easements, deed restrictions, or other legal
17 burdens affecting marketability. Improved property is not
18 comparable to unimproved property.

19 (a-2) For the purposes of subsections (a)(4), adjustments
20 must be developed and calibrated in compliance with generally
21 accepted appraisal standards.

22 (b) If a property owner is entitled to relief under
23 Subsection (a)(1), the court shall order the property's appraised
24 value changed to the value as calculated on the basis of the median
25 level of appraisal according to Subsection (a)(1). If a property
26 owner is entitled to relief under Subsection (a)(2), the court
27 shall order the property's appraised value changed to the value

1 calculated on the basis of the median level of appraisal according
2 to Subsection (a)(2). If a property owner is entitled to relief
3 under Subsection (a)(3), the court shall order the property's
4 appraised value changed to the value calculated on the basis of the
5 median appraised value according to Subsection (a)(3). If a
6 property owner is entitled to relief under Subsection (a)(4), the
7 court shall order the property's appraised value changed to the
8 value calculated on the basis of the median appraised value
9 according to Subsection (a)(4). If a property owner is entitled to
10 relief under more than one subdivision of Subsection (a), the court
11 shall order the property's appraised value changed to the value
12 that in the judgment of the court, best reflects the level of
13 appraisal of other property in the appraisal district [~~results in~~
14 ~~the lowest appraised value~~]. The court shall determine each
15 applicable median level of appraisal or median appraised value
16 according to law, and is not required to adopt the median level of
17 appraisal or median appraised value proposed by a party to the
18 appeal. The court may not limit or deny relief to the property owner
19 entitled to relief under a subdivision of Subsection (a) because
20 the appraised value determined according to another subdivision of
21 Subsection (a) results in a higher appraised value.

22 SECTION 2. This bill takes effect September 1, 2013.