

By: Cook

H.B. No. 3767

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem tax protests and appeals on the ground of the unequal appraisal of property.

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

SECTION 1. Section 41.43, Tax Code, is amended by amending Subsection (b) and adding Subsections (e) and (f) to read as follows:

(b) A protest on the ground of unequal appraisal of property shall be determined in favor of the protesting party unless the appraisal district establishes that:

(1) the appraisal ratio of the property is equal to or less than 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 is equal to or less than 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 protest; or

(3) the appraisal ratio [~~appraised value~~] of the property is equal to or less than the median appraisal ratio [~~appraised value~~] of a reasonable number of comparable properties in the appraisal district appropriately adjusted.

(e) For purposes of Subsection (b)(3):

1 (1) a determination that property is comparable to
2 another property must be based on the similarity of the properties
3 with regard to the characteristics described by Section 23.013(d);

4 (2) adjustments to be applied to a comparable property
5 for purposes of determining the appraisal ratio of that property
6 must be developed and quantified in accordance with generally
7 accepted appraisal standards that are appropriate relative to the
8 method of appraisal used by the chief appraiser to determine the
9 value of the property; and

10 (3) calculation of the market value of the property
11 that is the subject of the protest or of a comparable property for
12 the purpose of determining the property's appraisal ratio must be
13 based on the appraised value of the property as shown in the
14 appraisal records submitted to the appraisal review board under
15 Section 25.22 or 25.23.

16 (f) The chief appraiser may disclose confidential
17 information for the purpose of meeting the appraisal district's
18 burden of proof under this section if the information does not
19 identify:

20 (1) a specific property; or

21 (2) a property owner.

22 SECTION 2. Section 42.26, Tax Code, is amended by amending
23 Subsections (a) and (b) and adding Subsections (e) and (f) to read
24 as follows:

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

27 (1) the appraisal ratio of the property exceeds by at

1 least 10 percent the median level of appraisal of a reasonable and
2 representative sample of other properties in the appraisal
3 district;

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

9 (3) the appraised value of the property exceeds by at
10 least 10 percent the median appraised value of a reasonable number
11 of comparable properties in the appraisal district appropriately
12 adjusted.

13 (b) If a property owner is entitled to relief under
14 Subsection (a)(1), the court shall order the property's appraised
15 value changed to the value as calculated on the basis of the median
16 level of appraisal according to Subsection (a)(1). If a property
17 owner is entitled to relief under Subsection (a)(2), the court
18 shall order the property's appraised value changed to the value
19 calculated on the basis of the median level of appraisal according
20 to Subsection (a)(2). If a property owner is entitled to relief
21 under Subsection (a)(3), the court shall order the property's
22 appraised value changed to the value calculated on the basis of the
23 median appraised value according to Subsection (a)(3). If a
24 property owner is entitled to relief under more than one
25 subdivision of Subsection (a), the court shall order the property's
26 appraised value changed to the value determined under the
27 subdivision under which the owner is entitled to relief that, in the

1 judgment of the court, reflects the most appropriate [~~results in~~
2 ~~the lowest~~] appraised value. The court shall determine each
3 applicable median level of appraisal or median appraised value
4 according to law, and is not required to adopt the median level of
5 appraisal or median appraised value proposed by a party to the
6 appeal. [~~The court may not limit or deny relief to the property~~
7 ~~owner entitled to relief under a subdivision of Subsection (a)~~
8 ~~because the appraised value determined according to another~~
9 ~~subdivision of Subsection (a) results in a higher appraised value.~~]

10 (e) For purposes of Subsection (a)(3):

11 (1) a determination that property is comparable to
12 another property must be based on the similarity of the properties
13 with regard to the characteristics described by Section 23.013(d);

14 (2) adjustments must be developed and quantified in
15 accordance with generally accepted appraisal standards that are
16 appropriate relative to the method of appraisal used by the chief
17 appraiser to determine the value of the property; and

18 (3) calculation of the median appraised value of
19 comparable properties must be based on the appraised value of each
20 comparable property as shown in the appraisal records certified by
21 the chief appraiser under Section 26.01.

22 (f) The chief appraiser may disclose confidential
23 information for the purpose of meeting the appraisal district's
24 burden of proof under this section if the information does not
25 identify:

26 (1) a specific property; or

27 (2) a property owner.

1 SECTION 3. Section 41.43, Tax Code, as amended by this Act,
2 applies only to a protest under Chapter 41, Tax Code, for which a
3 notice of protest is filed on or after the effective date of this
4 Act. A protest under Chapter 41, Tax Code, for which a notice of
5 protest was filed before the effective date of this Act is governed
6 by the law in effect on the date the notice of protest was filed, and
7 the former law is continued in effect for that purpose.

8 SECTION 4. Section 42.26, Tax Code, as amended by this Act,
9 applies only to an appeal under Chapter 42, Tax Code, for which a
10 petition for review is filed on or after the effective date of this
11 Act. An appeal under Chapter 42, Tax Code, for which a petition for
12 review was filed before the effective date of this Act is governed
13 by the law in effect on the date the petition for review was filed,
14 and the former law is continued in effect for that purpose.

15 SECTION 5. This Act takes effect January 1, 2016.