

By: Watson

S.B. No. 280

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 Subsection (e) 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 appraised value of the property is equal to or less than the median appraised value of a reasonable number of comparable properties in the appraisal district appropriately adjusted.

(e) For the purpose of Subsection (b)(3):

(1) a person making a determination that property is

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

4 (2) a person who develops and quantifies adjustments  
5 must develop and quantify the adjustments in accordance with  
6 generally accepted appraisal standards; and

7 (3) a person calculating the median appraised value of  
8 comparable properties must base the calculation on the appraised  
9 value of each comparable property as shown in the appraisal records  
10 submitted to the appraisal review board by the chief appraiser  
11 under Section 25.22 or 25.23.

12 SECTION 2. Section 42.26, Tax Code, is amended by amending  
13 Subsection (a) and adding Subsection (e) to read as follows:

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

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

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

25 (3) the appraised value of the property exceeds by at  
26 least 10 percent the median appraised value of a reasonable number  
27 of comparable properties in the appraisal district appropriately

1 adjusted.

2 (e) For the purpose of Subsection (a)(3):

3 (1) a person making a determination that property is  
4 comparable to another property must base the determination on the  
5 similarity of the properties with regard to the characteristics  
6 described by Section 23.013(d);

7 (2) a person who develops and quantifies adjustments  
8 must develop and quantify the adjustments in accordance with  
9 generally accepted appraisal standards; and

10 (3) a person calculating the median appraised value of  
11 comparable properties must base the calculation on the appraised  
12 value of each comparable property as shown in the appraisal records  
13 certified by the chief appraiser under Section 26.01.

14 SECTION 3. Section 41.43, Tax Code, as amended by this Act,  
15 applies only to a protest under Chapter 41, Tax Code, for which a  
16 notice of protest is filed on or after the effective date of this  
17 Act. A protest under Chapter 41, Tax Code, for which a notice of  
18 protest was filed before the effective date of this Act is governed  
19 by the law in effect on the date the notice of protest was filed, and  
20 the former law is continued in effect for that purpose.

21 SECTION 4. Section 42.26, Tax Code, as amended by this Act,  
22 applies only to an appeal under Chapter 42, Tax Code, for which a  
23 petition for review is filed on or after the effective date of this  
24 Act. An appeal under Chapter 42, Tax Code, for which a petition for  
25 review was filed before the effective date of this Act is governed  
26 by the law in effect on the date the petition for review was filed,  
27 and the former law is continued in effect for that purpose.

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