

By: Ellis

S.B. No. 1084

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 42.26, Tax Code, is amended by amending Subsections (a) and (b) and adding Subsections (e) and (f) 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 appraised value of a reasonable number of comparable properties appropriately adjusted and:

(A) the property qualified as a residence homestead under Section 11.13 for the relevant tax year; or

(B) the appraised value of the property as determined by the order of the appraisal review board is \$1 million or less; or

(4) the appraisal ratio of the property exceeds by at least 10 percent the median level of appraisal of a reasonable and representative sample of comparable properties in the appraisal district.

(b) If a property owner is entitled to relief under Subsection (a)(1), (2), or (4), the court shall order the property's appraised value changed to the value as calculated on the basis of the median level of appraisal according to Subsection (a)(1), (2), or (4), as applicable. ~~[If a property owner is~~

~~entitled to relief under Subsection (a)(2), the court shall order the property's appraised value changed to the value calculated on the basis of the median level of appraisal according to Subsection (a)(2).]~~ If a property owner is entitled to relief under Subsection

(a)(3), the court shall order the property's appraised value changed to the value calculated on the basis of the median appraised value according to Subsection (a)(3). If a property owner is entitled to relief under more than one subdivision of Subsection (a), the court shall order the property's appraised value changed to the value that in the judgment of the court best reflects the

level of appraisal of other property in the appraisal district ~~[results in the lowest appraised value]~~. The court shall determine

each applicable median level of appraisal or median appraised value according to law, and is not required to adopt the median level of appraisal or median appraised value proposed by a party to the

1 appeal. The court may not limit or deny relief to the property  
2 owner entitled to relief under a subdivision of Subsection (a)  
3 because the appraised value determined according to another  
4 subdivision of Subsection (a) results in a higher appraised value.

5 (e) For the purposes of Subsections (a)(3) and (4), a person  
6 making a determination that property is comparable to another  
7 property must base the determination on the similarity of the  
8 properties with regard to the characteristics described by Section  
9 23.013(d).

10 (f) The comptroller shall by rule establish standards for  
11 the development and calibration of adjustments for industrial,  
12 petrochemical refining and processing, and utility properties and  
13 other unique properties.

14 SECTION 2. Section 42.29, Tax Code, is amended by amending  
15 Subsection (b) and adding Subsection (c) to read as follows:

16 (b) Notwithstanding Subsection (a), the amount of an award  
17 of attorney's fees to a property owner may not exceed the lesser of:

18 (1) \$100,000; or

19 (2) the total amount by which the property owner's tax  
20 liability is reduced as a result of the appeal.

21 (c) An appraisal district, an appraisal review board, or a  
22 chief appraiser that prevails in an appeal under Section 42.26 may  
23 be awarded reasonable attorney's fees. The amount of the award may  
24 not exceed \$15,000.

25 SECTION 3. Not later than January 1, 2016, the comptroller  
26 shall establish the standards required by Section 42.26(f), Tax  
27 Code, as added by this Act.

1           SECTION 4. The changes in law made by this Act apply only to  
2 an appeal under Chapter 42, Tax Code, for which a petition for  
3 review is filed on or after the effective date of this Act. An  
4 appeal under Chapter 42, Tax Code, for which a petition for review  
5 was filed before the effective date of this Act is governed by the  
6 law in effect on the date the petition for review was filed, and the  
7 former law is continued in effect for that purpose.

8           SECTION 5. This Act takes effect September 1, 2015.