

By: Larson

H.B. No. 301

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of an appraisal district to increase the
3 appraised value of property for ad valorem tax purposes in the tax
4 year following a year in which the appraised value of the property
5 is lowered as a result of an agreement, protest, or appeal.

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

7 SECTION 1. Section 23.01, Tax Code, is amended by amending
8 Subsection (e) and adding Subsection (e-1) to read as follows:

9 (e) Notwithstanding any provision of this subchapter to the
10 contrary, if the appraised value of property in a tax year is
11 lowered as a result of an agreement between the property owner and
12 the appraisal district or as a result of a protest or appeal under
13 Subtitle F, the appraised value of the property as specified in the
14 agreement or as finally determined under that subtitle is
15 considered to be the appraised value of the property for that tax
16 year. In the following tax year, the chief appraiser may not
17 increase the appraised value of the property unless the increase by
18 the chief appraiser is reasonably supported by substantial evidence
19 when all of the reliable and probative evidence in the record is
20 considered as a whole. If the appraised value is finally determined
21 in a protest under Section 41.41(a)(2) or an appeal under Section
22 42.26, the chief appraiser may satisfy the requirement to
23 reasonably support by substantial evidence an increase in the
24 appraised value of the property in the following tax year by

1 presenting evidence showing that the inequality in the appraisal of
2 property has been corrected with regard to the properties that were
3 considered in determining the value of the subject property. The
4 burden of proof is on the chief appraiser to support an increase in
5 the appraised value of property under the circumstances described
6 by this subsection.

7 (e-1) Notwithstanding Subsection (e) of this section and
8 Section 23.23, if the appraised value of property in a tax year is
9 lowered under the circumstances described by Subsection (e), the
10 chief appraiser may not increase the appraised value of the
11 property in the following tax year by an amount that exceeds the sum
12 of five percent of the appraised value of the property in the tax
13 year in which the appraised value of the property is lowered and the
14 market value of all new improvements to the property. This
15 subsection does not apply to an increase in the appraised value of
16 property as a result of:

17 (1) the property no longer being eligible for
18 appraisal under Subchapter C, D, E, F, G, or H; or

19 (2) the expiration of a limitation on appraised value
20 under Section 23.23(a) applicable to the property.

21 SECTION 2. This Act applies only to the appraisal of
22 property for a tax year that begins on or after the effective date
23 of this Act.

24 SECTION 3. This Act takes effect January 1, 2018, but only
25 if the constitutional amendment proposed by the 85th Legislature,
26 Regular Session, 2017, to authorize the legislature to limit the
27 maximum appraised value of property for ad valorem tax purposes in a

1 tax year if in the preceding tax year the owner of the property
2 disputed the appraisal of the property and the appraised value was
3 lowered as a result is approved by the voters. If that amendment is
4 not approved by the voters, this Act has no effect.