

By: Kolkhorst

S.B. No. 403

A BILL TO BE ENTITLED

AN ACT

relating to a temporary prohibition on increasing the market value of certain parcels of real property for ad valorem tax purposes following determination of a protest or appeal.

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

SECTION 1. Subchapter A, Chapter 23, Tax Code, is amended by adding Section 23.04 to read as follows:

Sec. 23.04. TEMPORARY PROHIBITION ON INCREASING MARKET VALUE OF CERTAIN REAL PROPERTY. (a) This section applies to the appraisal of a parcel of commercial or residential real property if the market value of the property as determined by the chief appraiser is reduced by at least 15 percent:

(1) by the appraisal review board and the board's determination is not overturned on appeal; or

(2) as a result of the final determination of an appeal of an order of the appraisal review board.

(b) The market value of the property may not be increased for the first two tax years following the tax year for which the market value of the property was reduced.

(c) Subsection (b) does not prohibit an increase in the market value of a parcel of commercial or residential real property attributable to an improvement to the property made after the most recent appraisal of the property that increases the market value of the property and the value of which is not included in the market

1 value of the property for the preceding tax year. Repairs to or
2 ordinary maintenance of an existing structure or the grounds or
3 another feature of property are not considered an improvement to
4 the property for purposes of this subsection.

5 (d) The market value of a parcel of commercial or
6 residential real property appraised as provided by this section is
7 considered to be the market value of the property for purposes of
8 the studies required by Chapter 5 of this code and by Section
9 403.302, Government Code. A parcel of commercial or residential
10 real property appraised as provided by this section may not be used
11 as a comparable property or a ratio study sample for the purpose of
12 determining whether another property is unequally appraised.

13 SECTION 2. This Act applies only to the appraisal of a
14 parcel of commercial or residential real property for ad valorem
15 tax purposes for a tax year beginning on or after the effective date
16 of this Act.

17 SECTION 3. This Act takes effect January 1, 2018.