86R9809 CJC-F

By:  Johnson S.B. No. 853

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

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

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

(1)  a specific property; or

(2)  a property owner.

SECTION 2.  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 appraisal ratio [~~appraised value~~] of the property exceeds by at least 10 percent the median appraisal ratio [~~appraised value~~] of a reasonable number of comparable properties in the appraisal district [~~appropriately adjusted~~].

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

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

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

(2)  calculation of the market value of the property that is the subject of the protest or of a comparable property for the purpose of determining the property's appraisal ratio must be based on the appraised value of the property as shown in the appraisal roll certified by the chief appraiser under Section 26.01, including any supplemental appraisal records added to the appraisal roll and certified by the chief appraiser under Section 25.23.

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

(1)  a specific property; or

(2)  a property owner.

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

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

SECTION 5.  This Act takes effect January 1, 2020.