

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

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

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

15 (1) a specific property; or

16 (2) a property owner.

17 SECTION 2. Section 42.26, Tax Code, is amended by amending
18 Subsections (a) and (b) and adding Subsections (e) and (f) to read
19 as follows:

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

22 (1) the appraisal ratio of the property exceeds by at
23 least 10 percent the median level of appraisal of a reasonable and
24 representative sample of other properties in the appraisal
25 district;

26 (2) the appraisal ratio of the property exceeds by at
27 least 10 percent the median level of appraisal of a sample of

1 properties in the appraisal district consisting of a reasonable
2 number of other properties similarly situated to, or of the same
3 general kind or character as, the property subject to the appeal; or

4 (3) the appraisal ratio [~~appraised value~~] of the
5 property exceeds by at least 10 percent the median appraisal ratio
6 [~~appraised value~~] of a reasonable number of comparable properties
7 in the appraisal district [~~appropriately adjusted~~].

8 (b) If a property owner is entitled to relief under
9 Subsection (a)(1), the court shall order the property's appraised
10 value changed to the value as calculated on the basis of the median
11 level of appraisal according to Subsection (a)(1). If a property
12 owner is entitled to relief under Subsection (a)(2), the court
13 shall order the property's appraised value changed to the value
14 calculated on the basis of the median level of appraisal according
15 to Subsection (a)(2). If a property owner is entitled to relief
16 under Subsection (a)(3), the court shall order the property's
17 appraised value changed to the value calculated on the basis of the
18 median appraisal ratio [~~appraised value~~] according to Subsection
19 (a)(3). If a property owner is entitled to relief under more than
20 one subdivision of Subsection (a), the court shall order the
21 property's appraised value changed to the value determined under
22 the subdivision under which the owner is entitled to relief that, in
23 the judgment of the court, reflects the most appropriate [~~results~~
24 ~~in the lowest~~] appraised value. The court shall determine each
25 applicable median level of appraisal or median appraisal ratio
26 [~~appraised value~~] according to law, and is not required to adopt the
27 median level of appraisal or median appraisal ratio [~~appraised~~

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

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

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

11 (2) calculation of the market value of the property
12 that is the subject of the protest or of a comparable property for
13 the purpose of determining the property's appraisal ratio must be
14 based on the appraised value of the property as shown in the
15 appraisal roll certified by the chief appraiser under Section
16 26.01, including any supplemental appraisal records added to the
17 appraisal roll and certified by the chief appraiser under Section
18 25.23.

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

23 (1) a specific property; or

24 (2) a property owner.

25 SECTION 3. Section 41.43, Tax Code, as amended by this Act,
26 applies only to a protest under Chapter 41, Tax Code, for which a
27 notice of protest is filed on or after the effective date of this

1 Act. A protest under Chapter 41, Tax Code, for which a notice of
2 protest was filed before the effective date of this Act is governed
3 by the law in effect on the date the notice of protest was filed, and
4 the former law is continued in effect for that purpose.

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

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