

SENATE AMENDMENTS

2nd Printing

By: Meyer, et al.

H.B. No. 2159

A BILL TO BE ENTITLED

AN ACT

relating to the correction of an ad valorem tax appraisal roll.

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

SECTION 1. Section 25.25(d), Tax Code, is amended to read as follows:

(d) At any time prior to the date the taxes become delinquent, a property owner or the chief appraiser may file a motion with the appraisal review board to change the appraisal roll to correct an error, including an error regarding the unequal appraisal or excessive market value of a property, that resulted in an incorrect appraised value for the owner's property. However, the error may not be corrected unless it resulted in an appraised value that exceeds by more than one-third the correct appraised value. If the appraisal roll is changed under this subsection, the property owner must pay to each affected taxing unit a late-correction penalty equal to 10 percent of the amount of taxes as calculated on the basis of the corrected appraised value. Payment of the late-correction penalty is secured by the lien that attaches to the property under Section 32.01 and is subject to enforced collection under Chapter 33. The roll may not be changed under this subsection if:

(1) the property was the subject of a protest brought by the property owner under Chapter 41, a hearing on the protest was conducted in which the property owner offered evidence or argument,

1 and the appraisal review board made a determination of the protest
2 on the merits; or

3 (2) the appraised value of the property was
4 established as a result of a written agreement between the property
5 owner or the owner's agent and the appraisal district.

6 SECTION 2. The change in law made by this Act applies only
7 to a motion to correct an appraisal roll filed on or after the
8 effective date of this Act. A motion to correct an appraisal roll
9 filed before the effective date of this Act is governed by the law
10 in effect on the date the motion was filed, and the former law is
11 continued in effect for that purpose.

12 SECTION 3. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2019.

ADOPTED

V V
MAY 22 2019

Letty Spaw
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Angela Paxon*

1 Amend H.B. No. 2159 (senate committee report) as follows:

2 (1) Strike the recital to SECTION 1 of the bill, amending
3 Section 25.25(d), Tax Code (page 1, lines 17 and 18), and substitute
4 the following:

5 SECTION 1. Section 25.25, Tax Code, is amended by amending
6 Subsection (d) and adding Subsection (d-1) to read as follows:

7 (2) In SECTION 1 of the bill, amending Section 25.25(d), Tax
8 Code (page 1, lines 22 and 23), strike "including an error
9 regarding the unequal appraisal or excessive market value of a
10 property,".

11 (3) In SECTION 1 of the bill, amending Section 25.25(d), Tax
12 Code (page 1, lines 26 and 27), strike "than one-third the correct
13 appraised value. If the appraisal roll is changed under this
14 subsection" and substitute the following:
15 than:

16 (1) one-fourth the correct appraised value, in the
17 case of property that qualifies as the owner's residence homestead
18 under Section 11.13; or

19 (2) one-third the correct appraised value, in the case
20 of property that does not qualify as the owner's residence
21 homestead under Section 11.13.

22 (d-1) If the appraisal roll is changed under Subsection (d)
23 [~~this subsection~~]

24 (4) In SECTION 1 of the bill, amending Section 25.25(d), Tax
25 Code (page 1, line 34), strike "this subsection" and substitute
26 "Subsection (d) [~~this subsection~~"].

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB2159 by Meyer (Relating to the correction of an ad valorem tax appraisal roll.), As
Passed 2nd House

Passage of the bill would expand the grounds permitted in an error correction motion. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.

The bill would amend Tax Code Section 25.25(d) to allow a property owner to file a motion to correct the appraisal roll for an error if the error resulted in an appraised value of more than one-fourth of the correct appraised value for residence homesteads.

Provisions of the bill that expand the grounds to file an error correction motion to a lower threshold of one-fourth of the correct appraised value for residence homesteads would create a cost to local taxing units and the state through the school finance formula by providing a greater opportunity for property owners to obtain appraised value reductions. The frequency and value of such errors is unknown; consequently, the bill's fiscal cost cannot be determined.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2019.

Local Government Impact

Passage of the bill would expand the grounds permitted in an error correction motion. As a result, taxable property values and the related ad valorem tax revenue for units of local government could be reduced.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD, SJS

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 15, 2019

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Property Tax

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB2159 by Meyer (Relating to the correction of an ad valorem tax appraisal roll.), As
Engrossed

Passage of the bill would expand the grounds permitted in an error correction motion to include unequal appraisal. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.

The bill would amend Tax Code Section 25.25(d) to allow a property owner to file a motion to correct the appraisal roll for an error regarding the unequal appraisal or excessive market value of property if the error resulted in an appraised value of more than one-third of the correct appraised value.

Provisions of this bill that expand the grounds permitted in an error correction motion to include unequal appraisal would create a cost to local taxing units and the state through the school finance formula by providing a greater opportunity for property owners to obtain appraised value reductions. The frequency and value of such errors is unknown; consequently, the bill's fiscal cost cannot be determined.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2019.

Local Government Impact

Passage of the bill would expand the grounds permitted in an error correction motion to include unequal appraisal. As a result, taxable property values and the related ad valorem tax revenue for units of local government could be reduced.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SJS

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 17, 2019

TO: Honorable Dustin Burrows, Chair, House Committee on Ways & Means

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB2159 by Meyer (Relating to the correction of an ad valorem tax appraisal roll.), **As Introduced**

Passage of the bill would expand the grounds permitted in an error correction motion to include unequal appraisal. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.

The bill would amend Tax Code Section 25.25(d) to allow a property owner to file a motion to correct the appraisal roll for an error regarding the unequal appraisal or excessive market value of property if the error resulted in an appraised value of more than one-third of the correct appraised value.

Provisions of this bill that expand the grounds permitted in an error correction motion to include unequal appraisal would create a cost to local taxing units and the state through the school finance formula by providing a greater opportunity for property owners to obtain appraised value reductions. The frequency and value of such errors is unknown; consequently, the bill's fiscal cost cannot be determined.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2019.

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Passage of the bill would expand the grounds permitted in an error correction motion to include unequal appraisal. As a result, taxable property values and the related ad valorem tax revenue for units of local government could be reduced.

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