

By: Cook

H.B. No. 102

A BILL TO BE ENTITLED

AN ACT

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

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

8 SECTION 1. Section 23.01, Tax Code, is amended by amending
9 Subsection (e) and adding Subsections (e-1) and (e-2) to read as
10 follows:

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

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

8 (e-1) Notwithstanding any provision of this subchapter or
9 Section 23.23 to the contrary, if the appraised value of a residence
10 homestead in a tax year is lowered as a result of an agreement
11 between the property owner and the appraisal district or as a result
12 of a protest or appeal under Subtitle F, the appraised value of the
13 property as specified in the agreement or as finally determined
14 under that subtitle is considered to be the appraised value of the
15 property for that tax year. If the appraised value of a residence
16 homestead in a tax year is lowered under the circumstances
17 described by this subsection, the chief appraiser may not increase
18 the appraised value of the property in the following tax year to an
19 amount that exceeds the lesser of:

20 (1) the market value of the property for the tax year;

21 or

22 (2) the sum of:

23 (A) the appraised value of the property for the
24 tax year in which the value is lowered; and

25 (B) the market value of all new improvements to
26 the property.

27 (e-2) The limitation on an increase in the appraised value

1 of a residence homestead prescribed by Subsection (e-1) of this
2 section expires if the limitation on appraised value under Section
3 23.23 applicable to the property when the limitation prescribed by
4 Subsection (e-1) took effect expires.

5 SECTION 2. The changes in law made by this Act apply only to
6 the appraisal of property for a tax year that begins on or after the
7 effective date of this Act.

8 SECTION 3. This Act takes effect January 1, 2022.