87R3667 LHC-D

By:  Larson H.B. No. 798

A BILL TO BE ENTITLED

AN ACT

relating to the authority of an appraisal district to increase the appraised value of property for ad valorem tax purposes in the next tax year in which the property is appraised after a year in which the appraised value of the property is lowered as a result of an agreement, protest, or appeal.

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

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

(e)  Notwithstanding any provision of this subchapter to the contrary, if the appraised value of property in a tax year is lowered as a result of an agreement between the property owner and the appraisal district or as a result of a protest or appeal under Subtitle F, the appraised value of the property as specified in the agreement or as finally determined under that subtitle is considered to be the appraised value of the property for that tax year.  In the next tax year in which the property is appraised, the chief appraiser may not increase the appraised value of the property unless the increase by the chief appraiser is reasonably supported by clear and convincing evidence when all of the reliable and probative evidence in the record is considered as a whole.  If the appraised value is finally determined in a protest under Section 41.41(a)(2) or an appeal under Section 42.26, the chief appraiser may satisfy the requirement to reasonably support by clear and convincing evidence an increase in the appraised value of the property in the next tax year in which the property is appraised by presenting evidence showing that the inequality in the appraisal of property has been corrected with regard to the properties that were considered in determining the value of the subject property.  The burden of proof is on the chief appraiser to support an increase in the appraised value of property under the circumstances described by this subsection.

(e-1)  Notwithstanding Subsection (e) of this section and Section 23.23, if the appraised value of property in a tax year is lowered under the circumstances described by Subsection (e), the chief appraiser may not increase the appraised value of the property in the next tax year in which the property is appraised by an amount that exceeds the sum of five percent of the appraised value of the property in the tax year in which the appraised value of the property is lowered and the market value of all new improvements to the property. This subsection does not apply to an increase in the appraised value of property as a result of:

(1)  the property no longer being eligible for appraisal under Subchapter C, D, E, F, G, or H; or

(2)  the expiration of a limitation on appraised value under Section 23.23(a) applicable to the property.

SECTION 2.  This Act applies only to the appraisal of property for a tax year that begins on or after the effective date of this Act.

SECTION 3.  This Act takes effect January 1, 2022, but only if the constitutional amendment proposed by the 87th Legislature, Regular Session, 2021, to authorize the legislature to provide that if in a tax year the owner of property disputes the appraisal of the property and the appraised value is lowered as a result, the appraisal entity may not increase the appraised value of the property in the next tax year in which the property is appraised by more than a specified percentage is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.