87R6009 TJB-D

By:  Cook H.B. No. 2489

A BILL TO BE ENTITLED

AN ACT

relating to a restriction on the authority of an appraisal district to increase the appraised value of a residence homestead for ad valorem tax purposes for a specified period after a tax 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 Subsections (e-1) and (e-2) to read as follows:

(e)  Notwithstanding any provision of this subchapter to the contrary, if the appraised value of property other than a residence homestead in a tax year is lowered under Subtitle F, the appraised value of the property 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 any provision of this subchapter or Section 23.23 to the contrary, if the appraised value of a residence homestead 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. If the appraised value of a residence homestead in a tax year is lowered under the circumstances described by this subsection, the chief appraiser may not increase the appraised value of the property in any of the three tax years following the tax year in which the appraised value is lowered to an amount that exceeds the lesser of:

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

(2)  the sum of:

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

(B)  the market value of each new improvement made to the property in any of those three tax years, as determined for the tax year in which the improvement is made.

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

SECTION 2.  The changes in law made by this Act apply 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.