

By: Davis

H.B. No. 1577

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a temporary limitation on the appraised value of
3 certain real property in specified areas for ad valorem tax
4 purposes.

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

6 SECTION 1. Section 1.12(d), Tax Code, is amended to read as
7 follows:

8 (d) For purposes of this section, the appraisal ratio of a
9 homestead to which Section 23.23 applies or of real property to
10 which Section 23.231 applies is the ratio of the property's market
11 value as determined by the appraisal district or appraisal review
12 board, as applicable, to the market value of the property according
13 to law. The appraisal ratio is not calculated according to the
14 appraised value of the property as limited by Section 23.23 or
15 23.231.

16 SECTION 2. Subchapter B, Chapter 23, Tax Code, is amended by
17 adding Section 23.231 to read as follows:

18 Sec. 23.231. TEMPORARY LIMITATION ON APPRAISED VALUE OF
19 CERTAIN REAL PROPERTY IN SPECIFIED AREAS. (a) In this section:

20 (1) "Census tract" means the geographic area
21 identified as a "tract" on the 2010 Census TIGER/Line Shapefiles,
22 prepared by the federal Bureau of the Census for the Twenty-third
23 Decennial Census of the United States, enumerated as of April 1,
24 2010.

1 (2) "Eligible property" means real property that:

2 (A) is:

3 (i) a residence homestead; or

4 (ii) an undeveloped lot, subject to

5 Subsection (f); and

6 (B) is located in one of the following census

7 tracts:

8 (i) Dallas County tract 002701 or 002702;

9 (ii) Harris County tract 210900, 211000,

10 211100, 211200, or 211700; or

11 (iii) Lubbock County tract 000202.

12 (3) "Residence homestead" has the meaning assigned by

13 Section 11.13.

14 (b) The governing body of a municipality, county, or school
15 district may by official action adopt a limitation as prescribed by
16 this section on the appraised value of all eligible property
17 located in the taxing unit adopting the limitation. The governing
18 body of a municipality, county, or school district may not repeal,
19 rescind, or take other action to negate the adoption of the
20 limitation once adopted under this subsection.

21 (c) Notwithstanding the requirements of Sections 23.23 and
22 25.18, and regardless of whether the appraisal office has appraised
23 eligible property and determined the market value of the property
24 for the tax year, the appraised value of the property for a tax year
25 to which a limitation under this section applies is, for the taxing
26 unit that adopted the limitation, the lesser of:

27 (1) the appraised value of the property as otherwise

1 determined by law; or

2 (2) the appraised value of the property for the tax
3 year preceding the tax year in which the limitation adopted by that
4 taxing unit first applies, as provided by Subsection (e).

5 (d) When appraising eligible property, the chief appraiser
6 shall:

7 (1) appraise the property as otherwise determined by
8 law; and

9 (2) include in the appraisal records:

10 (A) the appraised value of the property
11 determined under Subdivision (1); and

12 (B) the amount determined under Subsection
13 (c)(2) applicable to each taxing unit that has adopted the
14 limitation.

15 (e) Except as provided by Subsection (f), a limitation once
16 adopted by a governing body under this section applies to each tax
17 year:

18 (1) beginning with:

19 (A) the tax year in which the governing body
20 adopts the limitation, if the governing body adopts the limitation
21 on or before April 1; or

22 (B) the tax year following the tax year in which
23 the governing body adopts the limitation, if the governing body
24 adopts the limitation after April 1; and

25 (2) ending with the 2037 tax year.

26 (f) The limitation adopted under this section as applied to
27 a vacant lot expires on the earlier of:

1 (1) January 1 following the end of the fifth tax year
2 for which the limitation applies, unless:

3 (A) a single-family residence has been
4 constructed on the property; and

5 (B) the owner of the residence has qualified the
6 property as the owner's residence homestead; or

7 (2) January 1 of the tax year in which the vacant lot
8 is:

9 (A) developed for a purpose other than as a
10 single-family residence; or

11 (B) developed as a single-family residence but
12 not qualified as the residence homestead of an owner of the
13 property.

14 (g) This section expires January 1, 2038.

15 SECTION 3. Section 25.19(b), Tax Code, as effective January
16 1, 2022, is amended to read as follows:

17 (b) The chief appraiser shall separate real from personal
18 property and include in the notice for each:

19 (1) a list of the taxing units in which the property is
20 taxable;

21 (2) the appraised value of the property in the
22 preceding year;

23 (3) the taxable value of the property in the preceding
24 year for each taxing unit taxing the property;

25 (4) the appraised value of the property for the
26 current year, the kind and amount of each exemption and partial
27 exemption, if any, approved for the property for the current year

1 and for the preceding year, and, if an exemption or partial
2 exemption that was approved for the preceding year was canceled or
3 reduced for the current year, the amount of the exemption or partial
4 exemption canceled or reduced;

5 (4-a) a statement of whether the property qualifies
6 for the limitation on appraised value provided by Section 23.231;

7 (5) in italic typeface, the following statement: "The
8 Texas Legislature does not set the amount of your local
9 taxes. Your property tax burden is decided by your locally elected
10 officials, and all inquiries concerning your taxes should be
11 directed to those officials";

12 (6) a detailed explanation of the time and procedure
13 for protesting the value;

14 (7) the date and place the appraisal review board will
15 begin hearing protests; and

16 (8) a brief explanation that the governing body of
17 each taxing unit decides whether or not taxes on the property will
18 increase and the appraisal district only determines the value of
19 the property.

20 SECTION 4. Section 25.19(g), Tax Code, is amended to read as
21 follows:

22 (g) By April 1 or as soon thereafter as practicable if the
23 property is a single-family residence that qualifies for an
24 exemption under Section 11.13, or by May 1 or as soon thereafter as
25 practicable in connection with any other property, the chief
26 appraiser shall deliver a written notice to the owner of each
27 property not included in a notice required to be delivered under

1 Subsection (a), if the property was reappraised in the current tax
2 year, if the ownership of the property changed during the preceding
3 year, or if the property owner or the agent of a property owner
4 authorized under Section 1.111 makes a written request for the
5 notice. The chief appraiser shall separate real from personal
6 property and include in the notice for each property:

7 (1) the appraised value of the property in the
8 preceding year;

9 (2) the appraised value of the property for the
10 current year and the kind of each partial exemption, if any,
11 approved for the current year;

12 (2-a) a statement of whether the property qualifies for
13 the limitation on appraised value provided by Section 23.231;

14 (3) a detailed explanation of the time and procedure
15 for protesting the value; and

16 (4) the date and place the appraisal review board will
17 begin hearing protests.

18 SECTION 5. Section 41.41(a), Tax Code, is amended to read as
19 follows:

20 (a) A property owner is entitled to protest before the
21 appraisal review board the following actions:

22 (1) determination of the appraised value of the
23 owner's property or, in the case of land appraised as provided by
24 Subchapter C, D, E, or H, Chapter 23, determination of its appraised
25 or market value;

26 (2) unequal appraisal of the owner's property;

27 (3) inclusion of the owner's property on the appraisal

1 records;

2 (4) denial to the property owner in whole or in part of
3 a partial exemption;

4 (4-a) determination that the owner's property does not
5 qualify for the limitation on appraised value provided by Section
6 23.231;

7 (5) determination that the owner's land does not
8 qualify for appraisal as provided by Subchapter C, D, E, or H,
9 Chapter 23;

10 (6) identification of the taxing units in which the
11 owner's property is taxable in the case of the appraisal district's
12 appraisal roll;

13 (7) determination that the property owner is the owner
14 of property;

15 (8) a determination that a change in use of land
16 appraised under Subchapter C, D, E, or H, Chapter 23, has occurred;
17 or

18 (9) any other action of the chief appraiser, appraisal
19 district, or appraisal review board that applies to and adversely
20 affects the property owner.

21 SECTION 6. Section 42.26(d), Tax Code, is amended to read as
22 follows:

23 (d) For purposes of this section, the value of the property
24 subject to the suit and the value of a comparable property or sample
25 property that is used for comparison must be the market value
26 determined by the appraisal district when the property is [~~a~~
27 ~~residence-homestead~~] subject to the limitation on appraised value

1 imposed by Section [23.23](#) or [23.231](#).

2 SECTION 7. This Act applies only to the appraisal of real
3 property for ad valorem tax purposes for a tax year that begins on
4 or after the effective date of this Act.

5 SECTION 8. This Act takes effect January 1, 2022, but only
6 if the constitutional amendment proposed by the 87th Legislature,
7 Regular Session, 2021, to authorize the legislature to permit
8 certain political subdivisions to adopt a temporary limitation on
9 the appraised value for taxation of certain real property located
10 in specified areas is approved by the voters. If that amendment is
11 not approved by the voters, this Act has no effect.