

By: Lucio III, Shine

H.B. No. 2014

A BILL TO BE ENTITLED

AN ACT

relating to the system for appraising property for ad valorem tax purposes.

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

SECTION 1. Section 1.071(b), Tax Code, is amended to read as follows:

(b) Notwithstanding Subsection (a), if a person files a written request with the collector or taxing unit that a refund owed to the person be sent to a particular address, the collector or taxing unit shall send the refund to the address stated in the request. The collector or taxing unit:

(1) may require that the written request be notarized;

or

(2) may require that the written request include a copy of the requestor's driver's license or state-issued personal identification certificate.

SECTION 2. Section 11.253(a)(2), Tax Code, is amended to read as follows:

(2) "Goods-in-transit" means tangible personal property that:

(A) is acquired in or imported into this state to be forwarded to another location in this state or outside this state;

(B) is stored under a contract of bailment by a

1 public warehouse operator at one or more public warehouse  
2 facilities in this state that are not in any way owned or controlled  
3 by the owner of the personal property for the account of the person  
4 who acquired or imported the property;

5 (C) is transported to another location in this  
6 state or outside this state not later than 175 days, or, if  
7 applicable, the greater number of days adopted by the taxing unit as  
8 authorized by Subsection (1), after the date the person acquired  
9 the property in or imported the property into this state; and

10 (D) does not include oil, natural gas, petroleum  
11 products, aircraft, dealer's motor vehicle inventory, dealer's  
12 vessel and outboard motor inventory, dealer's heavy equipment  
13 inventory, or retail manufactured housing inventory.

14 SECTION 3. Section 11.253, Tax Code, is amended by amending  
15 Subsections (e) and (g) and adding Subsection (1) to read as  
16 follows:

17 (e) In determining the market value of goods-in-transit  
18 that in the preceding year were stored in this state, the chief  
19 appraiser shall exclude the cost of equipment, machinery, or  
20 materials that entered into and became component parts of the  
21 goods-in-transit but were not themselves goods-in-transit or that  
22 were not transported to another location in this state or outside  
23 this state before the expiration of 175 days, or, if applicable, the  
24 greater number of days adopted by the taxing unit as authorized by  
25 Subsection (1), after the date they were brought into this state by  
26 the property owner or acquired by the property owner in this state.  
27 For component parts held in bulk, the chief appraiser may use the

1 average length of time a component part was held by the owner of the  
2 component parts during the preceding year at a location in this  
3 state that was not owned by or under the control of the owner of the  
4 component parts in determining whether the component parts were  
5 transported to another location in this state or outside this state  
6 before the expiration of 175 days, or, if applicable, the greater  
7 number of days adopted by the taxing unit as authorized by  
8 Subsection (1).

9 (g) If the property owner or the chief appraiser  
10 demonstrates that the method provided by Subsection (d)  
11 significantly understates or overstates the market value of the  
12 property qualified for an exemption under Subsection (b) in the  
13 current year, the chief appraiser shall determine the market value  
14 of the goods-in-transit to be exempt by determining, according to  
15 the property owner's records and any other available information,  
16 the market value of those goods-in-transit owned by the property  
17 owner on January 1 of the current year, excluding the cost of  
18 equipment, machinery, or materials that entered into and became  
19 component parts of the goods-in-transit but were not themselves  
20 goods-in-transit or that were not transported to another location  
21 in this state or outside this state before the expiration of 175  
22 days, or, if applicable, the greater number of days adopted by the  
23 taxing unit as authorized by Subsection (1), after the date they  
24 were brought into this state by the property owner or acquired by  
25 the property owner in this state.

26 (1) This subsection applies only to a taxing unit any part  
27 of which is located in an area designated a disaster area by a

1 disaster declaration issued under Section 418.014 or 418.108,  
2 Government Code, that has not expired or otherwise been terminated.  
3 The governing body of a taxing unit, in the manner provided by law  
4 for official action, may extend the date by which goods-in-transit  
5 must be transported to another location in this state or outside  
6 this state to a date not later than the 270th day after the date the  
7 person acquired the property in or imported the property into this  
8 state. An extension adopted by official action under this  
9 subsection applies only to:

10 (1) the exemption from ad valorem taxation by the  
11 taxing unit adopting the extension; and

12 (2) the tax year in which the extension is adopted.

13 SECTION 4. Section 23.55, Tax Code, is amended by adding  
14 Subsections (e-1) and (r) to read as follows:

15 (e-1) A property owner may request in writing that the chief  
16 appraiser determine whether a change of use of the property owner's  
17 land has occurred. The request must state the manner in which the  
18 property owner is currently using the land. Not later than the 90th  
19 day after the date the chief appraiser receives the request, the  
20 chief appraiser shall provide the property owner with a written  
21 determination that includes a description of the current use of the  
22 land and a statement as to whether the current use of the land has  
23 resulted in a change of use of the land. If the chief appraiser  
24 determines that a change of use of the land has not occurred, the  
25 chief appraiser may not later determine that a change of use of the  
26 land has occurred on the basis of the use described in the written  
27 determination.

1       (r) The sanctions provided by Subsection (a) do not apply to  
2 a change in the use of land if, after the change in use, the physical  
3 characteristics of the land remain consistent with the physical  
4 characteristics of the land during the period for which the land was  
5 eligible for appraisal under this subchapter.

6       SECTION 5. Section 25.02, Tax Code, is amended by adding  
7 Subsections (c), (d), (e), and (f) to read as follows:

8       (c) Each appraisal record must have a unique account number.  
9 If an appraisal district changes the account number of an appraisal  
10 record, the appraisal district must provide written notice of the  
11 change to the property owner as soon as practicable after the change  
12 and provide notice of the change in the next notice of appraised  
13 value of the property included in the record that is delivered to  
14 the property owner under Section 25.19.

15       (d) This subsection does not apply to an appraisal record  
16 for a residential property, for an improvement only, or for a  
17 property on which a delinquent tax is due. On the written request  
18 of a property owner, the chief appraiser shall combine contiguous  
19 parcels or tracts of the owner's real property into a single  
20 appraisal record. On the written request of a property owner, the  
21 chief appraiser shall separate identifiable segments of the owner's  
22 parcel or tract of real property into individual appraisal records.

23       (e) A property owner must make a request under Subsection  
24 (d) before January 1 of the tax year for which the requested change  
25 to the appraisal records is to be made. The request must contain a  
26 legal description as contained in a deed sufficient to describe the  
27 property subject to the request.

1       (f) If a chief appraiser refuses to combine parcels or  
2 tracts, or separate a parcel or tract, on request of a property  
3 owner under Subsection (d), the appraisal review board may order  
4 the requested change on a motion filed by the property owner under  
5 Section 25.25 or a protest filed under Chapter 41.

6       SECTION 6. Section 25.19, Tax Code, is amended by adding  
7 Subsections (m) and (n) to read as follows:

8       (m) The chief appraiser may not deliver a corrected or  
9 amended notice of appraised value later than June 1 for property for  
10 which a person files a rendition statement or property report as  
11 required by Chapter 22 unless the purpose of the notice is to:

12               (1) include omitted property; or

13               (2) correct a clerical error.

14       (n) As soon as practicable after delivering a notice  
15 required by this section to a property owner, the chief appraiser  
16 shall post the notice on the appraisal district's Internet website,  
17 if the appraisal district maintains a website, as part of the  
18 appraisal record pertaining to the property.

19       SECTION 7. Section 31.11(h), Tax Code, is amended to read as  
20 follows:

21       (h) This section does not apply to an overpayment caused by  
22 a change of exemption status or correction of a tax roll, including  
23 an overpayment received after a correction of a tax roll as a result  
24 of an appeal under Chapter 42. Such an overpayment is covered by  
25 Section 26.15 or 42.43, as applicable.

26       SECTION 8. Section 41.44(d), Tax Code, is amended to read as  
27 follows:

1 (d) A notice of protest is sufficient if it identifies the  
2 protesting property owner, including a person claiming an ownership  
3 interest in the property even if that person is not listed on the  
4 appraisal records as an owner of the property, identifies the  
5 property that is the subject of the protest, and indicates apparent  
6 dissatisfaction with some determination of the appraisal  
7 office. The notice need not be on an official form, but the  
8 comptroller shall prescribe a form that provides for more detail  
9 about the nature of the protest. The form must permit a property  
10 owner to include each property in the appraisal district that is the  
11 subject of a protest. The form must permit a property owner to  
12 request that the protest be heard by a special panel established  
13 under Section 6.425 if the protest will be determined by an  
14 appraisal review board to which that section applies and the  
15 property is included in a classification described by Section  
16 6.425(b). The form must permit a property owner to request that the  
17 protest be heard by a single-member panel authorized by Section  
18 41.45(b-4). The comptroller, each appraisal office, and each  
19 appraisal review board shall make the forms readily available and  
20 deliver one to a property owner on request.

21 SECTION 9. Section 41.45, Tax Code, is amended by adding  
22 Subsections (b-4) and (b-5) and amending Subsections (d), (d-2),  
23 and (d-3) to read as follows:

24 (b-4) An appraisal review board shall sit in a single-member  
25 panel to conduct a protest hearing under this section if the  
26 property owner requests that the hearing be conducted by a  
27 single-member panel:

1           (1) in the notice of protest; or

2           (2) in writing submitted to the board not later than  
3 the 10th day before the date of the hearing.

4           (b-5) If the recommendation of a single-member panel that  
5 conducts a hearing under Subsection (b-4) is not accepted by the  
6 appraisal review board, the board may refer the matter for  
7 rehearing to a single-member panel composed of a member who did not  
8 hear the original protest or the board may determine the protest.

9           (d) This subsection does not apply to a single-member panel  
10 established under Subsection (b-4) of this section or a special  
11 panel established under Section 6.425. An appraisal review board  
12 consisting of more than three members may sit in panels of not fewer  
13 than three members to conduct protest hearings. If the  
14 recommendation of a panel is not accepted by the board, the board  
15 may refer the matter for rehearing to a panel composed of members  
16 who did not hear the original protest or, if there are not at least  
17 three members who did not hear the original protest, the board may  
18 determine the protest.

19           (d-2) The determination of a protest heard by a panel under  
20 Subsection (b-4), (d), or (d-1) must be made by the board.

21           (d-3) The board must deliver notice of a hearing or meeting  
22 to determine a protest heard by a panel, or to rehear a protest,  
23 under Subsection (b-4), (d), or (d-1) in accordance with the  
24 provisions of this subchapter.

25           SECTION 10. Section 41.47, Tax Code, is amended by amending  
26 Subsection (c) and adding Subsection (d-1) to read as follows:

27           (c) If the protest is of the determination of the appraised



1 value of the owner's property, the appraisal review board must  
2 state in the order the appraised value of the property, listed  
3 separately in the case of real property as the appraised value of  
4 the land and the appraised value of any improvement to the land as  
5 allocated by the chief appraiser:

6 (1) as shown in the appraisal records submitted to the  
7 board by the chief appraiser under Section 25.22 or 25.23; and

8 (2) as finally determined by the board.

9 (d-1) This subsection applies only to an appraisal district  
10 established in a county with a population of 120,000 or more. The  
11 requirements of this subsection are in addition to the requirements  
12 of Subsection (d). On written request submitted to the chief  
13 appraiser, the chief appraiser shall deliver by e-mail, in the  
14 manner provided by this subsection, a copy of the notice of issuance  
15 of the order and a copy of the order required by Subsection (d) if  
16 the property subject to the order is not the subject of an agreement  
17 under Section 1.085. A request under this subsection may be  
18 submitted only by the property owner whose property is subject to  
19 the protest for which the order is issued, an attorney representing  
20 the property owner, or an individual designated by the property  
21 owner under Section 1.111. A person may include in a single request  
22 more than one property owned by the same property owner or multiple  
23 properties owned by multiple property owners. A person may submit  
24 more than one request. A person submitting a request must indicate  
25 in the request that the chief appraiser must make the delivery to  
26 the property owner, an attorney representing the property owner, an  
27 individual designated by the property owner under Section 1.111, or

1 a combination of those persons. A person must submit a request  
2 before the protest hearing relating to each property included in  
3 the request. The chief appraiser shall deliver, as provided by this  
4 subsection, a copy of the notice of issuance of the order and a copy  
5 of the order required by Subsection (d) not later than the 21st day  
6 after the date the appraisal review board issues the order.

7 SECTION 11. Section 42.01, Tax Code, is amended by adding  
8 Subsection (a-1) to read as follows:

9 (a-1) A property owner may not appeal separately the portion  
10 of an order of an appraisal review board determining the appraised  
11 value of land or the portion of the order determining the appraised  
12 value of an improvement to the land if the order determined the  
13 appraised value of both.

14 SECTION 12. Section 42.015(a), Tax Code, is amended to read  
15 as follows:

16 (a) A person leasing property who is contractually  
17 obligated to reimburse the property owner for taxes imposed on the  
18 property is entitled to appeal an order of the appraisal review  
19 board determining a protest relating to the property:

20 (1) brought by the person under Section 41.413; or  
21 (2) brought by the property owner if the property  
22 owner does not appeal the order.

23 SECTION 13. Section 42.23(e), Tax Code, is amended to read  
24 as follows:

25 (e) For purposes of Subsection (d), a property owner may  
26 designate a cause of action under Section 42.25 or 42.26 as the  
27 basis for an appeal, but may not designate a cause of action under

1 both sections as the basis for the appeal. Discovery regarding a  
2 cause of action that is not specifically designated by the property  
3 owner under Subsection (d) shall be conducted as provided by the  
4 Texas Rules of Civil Procedure. A [The] court may not enter an  
5 order, including a protective order [to modify the provisions of  
6 this subsection] under Rule 192.6 of the Texas Rules of Civil  
7 Procedure, that conflicts with Subsection (d).

8 SECTION 14. Section 11.253, Tax Code, as amended by this  
9 Act, applies only to a tax year beginning on or after the effective  
10 date of this Act.

11 SECTION 15. Section 25.19, Tax Code, as amended by this Act,  
12 applies only to a notice of appraised value for a tax year beginning  
13 on or after the effective date of this Act.

14 SECTION 16. Sections 41.45 and 41.47, Tax Code, as amended  
15 by this Act, apply only to a protest under Chapter 41, Tax Code, for  
16 which a notice of protest is filed on or after the effective date of  
17 this Act.

18 SECTION 17. Sections 42.01, 42.015, and 42.23, Tax Code, as  
19 amended by this Act, apply only to an appeal under Chapter 42, Tax  
20 Code, that is filed on or after the effective date of this Act.

21 SECTION 18. This Act takes effect January 1, 2022.