

By: Eckhardt

S.B. No. 1840

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. Sections 403.302(a) and (a-2), Government Code, are amended to read as follows:

(a) Every two years, the ~~[The]~~ comptroller shall conduct a study using comparable sales and generally accepted auditing and sampling techniques to determine the total taxable value of all property in each school district. The study shall determine the taxable value of all property and of each category of property in the district and the productivity value of all land that qualifies for appraisal on the basis of its productive capacity and for which the owner has applied for and received a productivity appraisal. The comptroller shall make appropriate adjustments in the study to account for actions taken under Chapter 49, Education Code.

(a-2) In a ~~[If in any]~~ year in which the comptroller does not conduct a study for a school district, the taxable value of property in the district is presumed to be:

(1) the ~~[school]~~ district's local value for that year if the most recent study for the district resulted in a determination by the comptroller that the district's local value was:

(A) valid; or

1 (B) not valid and exceeded the comptroller's
2 value for the district; or

3 (2) the comptroller's value for the district from the
4 most recent study if the study resulted in a determination by the
5 comptroller that the district's local value was not valid and did
6 not exceed the comptroller's value ~~[is considered to be valid]~~.

7 SECTION 2. Section 5.10(a), Tax Code, is amended to read as
8 follows:

9 (a) Every ~~[At least once every]~~ two years, the comptroller
10 shall conduct a study in each appraisal district to determine the
11 degree of uniformity of and the median level of appraisals by the
12 appraisal district within each major category of property. The
13 comptroller shall publish a report of the findings of the study,
14 including in the report the median levels of appraisal for each
15 major category of property, the coefficient of dispersion around
16 the median level of appraisal for each major category of property,
17 and any other standard statistical measures that the comptroller
18 considers appropriate. In conducting the study, the comptroller
19 shall apply appropriate standard statistical analysis techniques
20 to data collected as part of the study of school district taxable
21 values required by Section 403.302, Government Code.

22 SECTION 3. Section 23.01, Tax Code, is amended by amending
23 Subsection (e) and adding Subsection (i) to read as follows:

24 (e) Notwithstanding any provision of this subchapter to the
25 contrary, if the appraised value of property in a tax year is
26 lowered under Subtitle F, the appraised value of the property as
27 finally determined under that subtitle is considered to be the

1 appraised value of the property for that tax year. In the next tax
2 year in which the property is appraised, the chief appraiser may not
3 increase the appraised value of the property unless the increase by
4 the chief appraiser is reasonably supported by clear and convincing
5 evidence when all of the reliable and probative evidence in the
6 record is considered as a whole. If the appraised value is finally
7 determined in a protest under Section 41.41(a)(2) or an appeal
8 under Section 42.26, the chief appraiser may satisfy the
9 requirement to reasonably support by clear and convincing evidence
10 an increase in the appraised value of the property in the next tax
11 year in which the property is appraised by presenting evidence
12 showing that the inequality in the appraisal of property has been
13 corrected with regard to the properties that were considered in
14 determining the value of the subject property. [~~The burden of
15 proof is on the chief appraiser to support an increase in the
16 appraised value of property under the circumstances described by
17 this subsection.~~]

18 (i) The chief appraiser has the burden of supporting an
19 increase in the appraised value of property from the preceding tax
20 year.

21 SECTION 4. Section 23.013(b), Tax Code, is amended to read
22 as follows:

23 (b) A sale is not considered to be a comparable sale unless
24 the sale occurred within 24 months of the date as of which the
25 market value of the subject property is to be determined[~~, except
26 that a sale that did not occur during that period may be considered
27 to be a comparable sale if enough comparable properties were not~~

1 ~~sold during that period to constitute a representative sample].~~

2 SECTION 5. Section 25.18, Tax Code, is amended by amending
3 Subsection (b) and adding Subsections (b-1), (b-2), (b-3), and
4 (b-4) to read as follows:

5 (b) The plan shall provide for the following reappraisal
6 activities for all real and personal property in the district at
7 least once every three years, except as provided by Subsections
8 (b-1), (b-2), (b-3), and (b-4):

9 (1) identifying properties to be appraised through
10 physical inspection or by other reliable means of identification,
11 including deeds or other legal documentation, aerial photographs,
12 land-based photographs, surveys, maps, and property sketches;

13 (2) identifying and updating relevant characteristics
14 of each property in the appraisal records;

15 (3) defining market areas in the district;

16 (4) identifying property characteristics that affect
17 property value in each market area, including:

18 (A) the location and market area of property;

19 (B) physical attributes of property, such as
20 size, age, and condition;

21 (C) legal and economic attributes; and

22 (D) easements, covenants, leases, reservations,
23 contracts, declarations, special assessments, ordinances, or legal
24 restrictions;

25 (5) developing an appraisal model that reflects the
26 relationship among the property characteristics affecting value in
27 each market area and determines the contribution of individual

1 property characteristics;

2 (6) applying the conclusions reflected in the model to
3 the characteristics of the properties being appraised; and

4 (7) reviewing the appraisal results to determine
5 value.

6 (b-1) The plan shall provide for the reappraisal of all real
7 and personal property in the district not more often than once every
8 two years.

9 (b-2) Notwithstanding Subsection (b-1), at any time during
10 a tax year before the date the chief appraiser submits the completed
11 appraisal records to the appraisal review board under Section
12 25.22, an owner of real or personal property is entitled to a
13 reappraisal of the owner's property for that year on written
14 request delivered to the chief appraiser.

15 (b-3) Notwithstanding Subsection (b-1), the plan must allow
16 the chief appraiser, for a tax year in which real property is not
17 reappraised, to add to the market value of the property the amount
18 of any increase in the value of the property attributable to an
19 improvement to the property made during the preceding tax year.

20 (b-4) Subsection (b-1) does not apply to the appraisal of a
21 residence homestead in the tax year in which a limitation on
22 appraised value under Section 23.23(a) expires.

23 SECTION 6. Section 403.302(a-1), Government Code, is
24 repealed.

25 SECTION 7. The changes in law made by this Act to Sections
26 23.01, 23.013, and 25.18, Tax Code, apply only to the appraisal of
27 property for a tax year beginning on or after the effective date of

1 this Act.

2 SECTION 8. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2021.