88R235 RDS-D

By:  Johnson S.B. No. 102

A BILL TO BE ENTITLED

AN ACT

relating to the determination of an ad valorem tax protest or appeal on the ground of the unequal appraisal of property on the basis of the appraised value of the property relative to the median appraised value of a reasonable number of comparable properties.

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

SECTION 1.  Section 41.43, Tax Code, is amended by amending Subsection (b) and adding Subsection (e) to read as follows:

(b)  A protest on the ground of unequal appraisal of property shall be determined in favor of the protesting party unless the appraisal district establishes that:

(1)  the appraisal ratio of the property is equal to or less than the median level of appraisal of a reasonable and representative sample of other properties in the appraisal district;

(2)  the appraisal ratio of the property is equal to or less than the median level of appraisal of a sample of properties in the appraisal district consisting of a reasonable number of other properties similarly situated to, or of the same general kind or character as, the property subject to the protest; or

(3)  the appraised value of the property is equal to or less than the median appraised value of a reasonable number of comparable properties in the appraisal district appropriately adjusted.

(e)  For purposes of Subsection (b)(3), if a reasonable number of comparable properties does not exist in the appraisal district, the median appraised value of a reasonable number of comparable properties may be calculated using comparable properties in other parts of the state.

SECTION 2.  Section 42.26, Tax Code, is amended by amending Subsection (a) and adding Subsection (e) to read as follows:

(a)  The district court shall grant relief on the ground that a property is appraised unequally if:

(1)  the appraisal ratio of the property exceeds by at least 10 percent the median level of appraisal of a reasonable and representative sample of other properties in the appraisal district;

(2)  the appraisal ratio of the property exceeds by at least 10 percent the median level of appraisal of a sample of properties in the appraisal district consisting of a reasonable number of other properties similarly situated to, or of the same general kind or character as, the property subject to the appeal; or

(3)  the appraised value of the property exceeds the median appraised value of a reasonable number of comparable properties in the appraisal district appropriately adjusted.

(e)  For purposes of Subsection (a)(3), if a reasonable number of comparable properties does not exist in the appraisal district, the median appraised value of a reasonable number of comparable properties may be calculated using comparable properties in other parts of the state.

SECTION 3.  Section 41.43, Tax Code, as amended by this Act, applies only to a protest under Chapter 41, Tax Code, for which a notice of protest is filed on or after the effective date of this Act. A protest under Chapter 41, Tax Code, for which a notice of protest was filed before the effective date of this Act is governed by the law in effect on the date the notice of protest was filed, and the former law is continued in effect for that purpose.

SECTION 4.  Section 42.26, Tax Code, as amended by this Act, applies only to an appeal under Chapter 42, Tax Code, for which a petition for review is filed on or after the effective date of this Act. An appeal under Chapter 42, Tax Code, for which a petition for review was filed before the effective date of this Act is governed by the law in effect on the date the petition for review was filed, and the former law is continued in effect for that purpose.

SECTION 5.  This Act takes effect September 1, 2023.