

By: Johnson

S.B. No. 102

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the determination of an ad valorem tax protest or appeal
3 on the ground of the unequal appraisal of property on the basis of
4 the appraised value of the property relative to the median
5 appraised value of a reasonable number of comparable properties.

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

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

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

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

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

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

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

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

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

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

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

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

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

27 SECTION 3. Section 41.43, Tax Code, as amended by this Act,

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

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

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