

BILL ANALYSIS

S.B. 2063
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, property owners may challenge their appraised values through protests and appeals using claims of unequal appraisal. Unequal appraisal is when a property is appraised unequally when compared to other properties appropriately adjusted. The bill sponsor has informed the committee that the inclusion of market value as evidence in these proceedings can complicate the process leading to concerns about fairness in property tax protests and appeals. S.B. 2063 seeks to address these issues by prohibiting the introduction and consideration of market value as evidence when property owners only challenge appraisals based on unequal appraisal.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 2063 amends the Tax Code, for the purpose of establishing whether a taxpayer protest on the ground of unequal appraisal of property must be determined in favor of the protesting party based on the appraisal district establishing that the appraised value of the property is not equal to or less than the median appraised value of a reasonable number of comparable properties appropriately adjusted, to prohibit the parties from presenting and the appraisal review board from considering the market value of the property subject to the protest as evidence if the property owner is protesting solely on the ground of unequal appraisal. This prohibition applies only to a taxpayer protest for which a notice of protest is filed on or after the bill's effective date. A taxpayer protest for which a notice of protest was filed before the bill's effective date is governed by the law in effect when the notice of protest was filed, and the former law is continued in effect for that purpose.

S.B. 2063, for the purpose of establishing whether a property owner is entitled to relief from a district court through judicial review under the Property Tax Code on the ground that a property is appraised unequally based on the appraised value of the property exceeding the median appraised value of a reasonable number of comparable properties appropriately adjusted, prohibits the parties from presenting and the court from considering the market value of the property subject to the suit as evidence if the property owner is appealing solely on the ground of unequal appraisal. The bill, in provisions that are effective until January 1, 2027, and provisions that are effective on that date, subjects to that prohibition the requirement that the value of the property subject to the suit and the value of a comparable property or sample property that is used for comparison be the market value determined by the appraisal district

when the property is subject to an applicable limitation on appraised value. The bill's prohibition against considering evidence relating to the property's market value applies only to an appeal filed by a property owner under the Property Tax Code on or after the bill's effective date. Such an appeal filed before the bill's effective date is governed by the law in effect when the appeal was filed, and the former law is continued in effect for that purpose.

EFFECTIVE DATE

January 1, 2026.