

BILL ANALYSIS

Senate Research Center
89R26013 DRS-F

C.S.S.B. 2063
By: Parker
Local Government
5/6/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas property tax system relies on appraisals to determine property values, which in turn affect tax obligations. Under current law, property owners may challenge their appraised values through protests and appeals, including claims of unequal appraisal compared to similar properties. However, the inclusion of market value evidence in these proceedings can complicate the process and create disparities in tax burdens. This issue has led to concerns about fairness and transparency in property tax protests and appeals.

S.B. 2063 seeks to enhance the fairness and consistency of property tax protests and appeals by restricting the use of market value evidence when determining whether a property has been unequally appraised. The bill amends Sections 41.43 and 42.26 of the Texas Tax Code to prohibit appraisal districts and courts from considering market value evidence in cases where property owners challenge appraisals based on unequal valuation. By clarifying the methods used to determine appraisal fairness, this legislation aims to protect property owners from inconsistent valuation practices and ensure a more equitable tax assessment process.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 2063 amends current law relating to ad valorem tax protests and appeals on the ground of the unequal appraisal of property.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 41.43, Tax Code, by adding Subsection (b-1), as follows:

(b-1) Provides that for the purpose of establishing whether a protest is required to be determined in favor of the protesting party under Subsection (b)(3) (relating to providing that the appraised value of the property is equal to or less than the median appraised value of a reasonable number of comparable properties appropriately adjusted) the parties are prohibited from presenting and the appraisal review board is prohibited 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.

SECTION 2. Amends Section 42.26, Tax Code, by adding Subsection (a-1), as follows:

(a-1) Provides that for the purpose of establishing whether a property owner is entitled to relief under Subsection (a)(3) (relating to the appraised value of the property exceeding the median appraised value of a reasonable number of comparable properties appropriately adjusted), the parties are prohibited from presenting and the court is prohibited 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.

SECTION 3. Amends Section 42.26(d), Tax Code, as effective until January 1, 2027, to require 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, for purposes of Section 42.26 (Remedy for Unequal Appraisal) and subject to Subsection (a-1), be the market value determined by the appraisal district when the property is subject to the limitation on appraised value imposed by certain provisions.

SECTION 4. Amends Section 42.26(d), Tax Code, as effective January 1, 2027, to make a conforming change.

SECTION 5. Makes application of Section 41.43(b-1), Tax Code, as added by this Act, prospective.

SECTION 6. Makes application of Section 42.26(a-1), Tax Code, as added by this Act, prospective.

SECTION 7. Effective date: January 1, 2026.