

By: Guillen

H.B. No. 2432

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem taxation.

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

SECTION 1. Section [1151.152](#), Occupations Code, is amended by adding Subsections (a) and (b) to read as follows:

Sec. 1151.152. ELIGIBILITY FOR REGISTRATION. (a) Subject to Subsection (b), to ~~to~~ be eligible for registration, an applicant must:

- (1) be at least 18 years of age;
- (2) reside in this state;
- (3) be of good moral character;
- (4) be a graduate of an accredited high school or establish high school graduation equivalency; and
- (5) be actively engaged in appraisal, assessment, or collection.

(b) An applicant who is a person described by Section [1151.151](#)(1) or (2), other than a chief appraiser of an appraisal district or a person who holds a license or certification as an appraiser under Chapter [1103](#), must, in addition to the requirements of Subsection (a), complete educational qualifications approved by the department that are substantially similar to the educational qualifications for licensing as an appraiser trainee under Chapter [1103](#).

SECTION 2. Section [403.302](#), Government Code, is amended by

1 amending Subsection (a) and adding Subsection (b-1) to read as  
2 follows:

3 (a) The comptroller shall conduct a study using comparable  
4 sales and generally accepted auditing and sampling techniques to  
5 determine the total taxable value of all property in each school  
6 district. The study shall determine the taxable value of all  
7 property and of each category of property in the district and the  
8 productivity value of all land that qualifies for appraisal on the  
9 basis of its productive capacity and for which the owner has applied  
10 for and received a productivity appraisal. In each study, the  
11 comptroller shall determine the taxable value of every category of  
12 property in the district. The comptroller may not decline to study  
13 a category of property unless the district does not have any  
14 property in that category. The comptroller shall make appropriate  
15 adjustments in the study to account for actions taken under Chapter  
16 49, Education Code.

17 (b-1) If the comptroller conducts a physical inspection of a  
18 property in connection with a study, the appraisal district that  
19 appraises property for the school district is entitled to have a  
20 representative present during the inspection. The comptroller must  
21 provide notice of the inspection to the appraisal district not  
22 later than the 14th day before the date the inspection occurs.

23 SECTION 3. Section 1.111, Tax Code, is amended by amending  
24 Subsection (d) and adding Subsection (d-1) to read as follows:

25 (d) Except as provided by Subsection (d-1), a [A] property  
26 owner may not designate more than one agent to represent the  
27 property owner in connection with an item of property. The

1 designation of an agent in connection with an item of property  
2 revokes any previous designation of an agent in connection with  
3 that item of property.

4 (d-1) A property owner may designate a different agent to  
5 represent the property owner in connection with an item of property  
6 in a different tax year without revoking any previous designation  
7 of an agent in connection with the same item of property in a  
8 previous tax year.

9 SECTION 4. Section 5.07, Tax Code, is amended by adding  
10 Subsection (k) to read as follows:

11 (k) The comptroller shall prescribe the form that an  
12 appraisal review board shall use to make a determination required  
13 to be made by written order under this title. The form must require  
14 an appraisal review board to include for the property subject to the  
15 order the property owner's name, the property's identification  
16 number, the property's legal description and physical address, and  
17 any other information the comptroller determines necessary. The  
18 comptroller shall post the form on the comptroller's Internet  
19 website.

20 SECTION 5. Section 6.052, Tax Code, is amended by adding  
21 Subsection (a-1) to read as follows:

22 (a-1) Notwithstanding the requirements of Subsection (a),  
23 the chief appraiser of an appraisal district shall designate an  
24 independent ombudsman to provide free assistance to property owners  
25 who are 65 years of age or older in connection with motions to  
26 correct an appraisal roll Section 25.25, or protests under  
27 Subchapter C, Chapter 41.

1 SECTION 6. Section 11.161, Tax Code, is amended by adding  
2 Subsections (c) and (d) to read as follows:

3 (c) For purposes of Subsection (a), farm or ranch products  
4 may be produced by hydroponic farming.

5 (d) For purposes of Subsection (a), buildings and  
6 greenhouses used for the growth or production of hydroponic farming  
7 products at a hydroponic farm facility are considered to be  
8 implements of husbandry.

9 SECTION 7. Section 11.24, Tax Code, is amended by adding  
10 Subsection (c) to read as follows:

11 (c) For purposes of a structure or archeological site and  
12 land subject to an exemption under this section, the property owner  
13 may protest the appraised value of the structure or archeological  
14 site and the appraised value of the land separately. A property  
15 owner may protest the allocation of appraised value between the  
16 structure or archeological site and the land.

17 SECTION 8. Section 11.43(i), Tax Code, is amended to read as  
18 follows:

19 (i) If the chief appraiser discovers that an exemption that  
20 is not required to be claimed annually has been erroneously allowed  
21 in any one of the three [~~five~~] preceding years for real property, or  
22 in either of the two preceding years for personal property, the  
23 chief appraiser shall add the property or appraised value that was  
24 erroneously exempted for each year to the appraisal roll as  
25 provided by Section 25.21 of this code for other property that  
26 escapes taxation. If an exemption that was erroneously allowed did  
27 not apply to all taxing units in which the property was located, the

1 chief appraiser shall note on the appraisal records, for each prior  
2 year, the taxing units that gave the exemption and are entitled to  
3 impose taxes on the property or value that escaped taxation.

4 SECTION 9. Section 11.4391(b), Tax Code, is amended to read  
5 as follows:

6 (b) If the application is approved, the property owner is  
7 liable to each taxing unit allowing the exemption for a penalty in  
8 an amount equal to 10 percent of the difference between the amount  
9 of tax imposed by the taxing unit on the inventory or property, a  
10 portion of which consists of freeport goods, and the amount that  
11 would otherwise have been imposed up to a maximum penalty of 10  
12 percent of the tax imposed with the exemption.

13 SECTION 10. Subchapter C, Chapter 11, Tax Code, is amended  
14 by adding Section 11.4392 to read as follows:

15 Sec. 11.4392. LATE APPLICATION FOR PROPERTY EXEMPTED FROM  
16 TAXATION BY AGREEMENT. The chief appraiser shall accept and  
17 approve or deny an application for an exemption a person is entitled  
18 to receive under Section 11.28 or an agreement entered into under  
19 Chapter 312 after the deadline for filing it has passed if it is  
20 filed on or before June 15.

21 SECTION 11. Section 21.10(b), Tax Code, is amended to read  
22 as follows:

23 (b) If the application is approved, the property owner is  
24 liable to each taxing unit for a penalty in an amount equal to 10  
25 percent of the difference between the amount of tax imposed by the  
26 taxing unit on the property without the allocation and the amount of  
27 tax imposed on the property with the allocation up to a maximum

1 penalty of 10 percent of the tax imposed with the allocation.

2 SECTION 12. Section 22.27(a), Tax Code, is amended to read  
3 as follows:

4 (a) Rendition statements, real and personal property  
5 reports, attachments to those statements and reports, and other  
6 information the owner of property provides to the appraisal office  
7 in connection with the appraisal of the property, including income  
8 and expense information related to a property filed with an  
9 appraisal office and information voluntarily disclosed to an  
10 appraisal office or the comptroller about real or personal property  
11 sales prices [~~after a promise it will be held confidential~~], are  
12 confidential and not open to public inspection. The statements and  
13 reports and the information they contain about specific real or  
14 personal property or a specific real or personal property owner and  
15 information voluntarily disclosed to an appraisal office about real  
16 or personal property sales prices [~~after a promise it will be held  
17 confidential~~] may not be disclosed to anyone other than an employee  
18 of the appraisal office who appraises property except as authorized  
19 by Subsection (b) of this section.

20 SECTION 13. Section 22.28, Tax Code, is amended by amending  
21 the title and Subsections (a) and (b) to read as follows:

22 Sec. 22.28 PENALTY FOR DELINQUENT RENDITION OR REPORT;  
23 PENALTY COLLECTION PROCEDURES. (a) Except as otherwise provided  
24 by Section 22.30, the chief appraiser shall impose a penalty on a  
25 person who fails to timely file a rendition statement or property  
26 report required by this chapter in an amount equal to five [~~10~~]  
27 percent of the total amount of taxes imposed on the property for

1 that year by taxing units participating in the appraisal district.  
2 The chief appraiser shall deliver by first class mail a notice of  
3 the imposition of the penalty to the person. The notice may be  
4 delivered with, but not included in, a notice of appraised value  
5 provided under Section 25.19, if practicable.

6 (b) The chief appraiser shall certify to the assessor for  
7 each taxing unit participating in the appraisal district that  
8 imposes taxes on the property that a penalty imposed under this  
9 chapter has become final. The assessor shall add the amount of the  
10 penalty to the original amount of tax imposed on the property and  
11 shall include the penalty as a separate line item entitled "PENALTY  
12 FOR DELINQUENT RENDITION OR REPORT" ~~that amount~~ in the tax bill for  
13 that year. The penalty becomes part of the tax on the property and  
14 is secured by the tax lien that attaches to the property under  
15 Section 32.01.

16 SECTION 14. Section 22.30, Tax Code, is amended by adding  
17 Subsection (a-2) to read as follows:

18 (a-2) The chief appraiser shall waive the penalty imposed by  
19 Section 22.28 if the property owner has not previously filed a  
20 delinquent rendition statement or property report for that parcel  
21 of property.

22 SECTION 15. Section 23.01, Tax Code, is amended by amending  
23 Subsection (f) and adding Subsection (d-1) to read as follows:

24 (d-1) The market value of a residential property or vacant  
25 lot that is adjacent only to other residential properties, or a  
26 combination of residential properties and vacant lots, shall be  
27 determined solely on the basis of the property's value as a

1 residential property, regardless of whether:

2 (1) the property could legally be used for another  
3 purpose; or

4 (2) the residential use of the property is considered  
5 to be the highest and best use of the property.

6 (f) The selection of comparable properties and the  
7 application of appropriate adjustments for the determination of an  
8 appraised value of property by any person under Section 41.43(b)(3)  
9 or (4) or 42.26(a)(3) or (4) must be based on the application of  
10 generally accepted appraisal methods and techniques. Adjustments  
11 must be based on recognized methods and techniques that are  
12 necessary to produce a credible opinion.

13 SECTION 16. Section 23.51(2), Tax Code, is amended to read  
14 as follows:

15 (2) "Agricultural use" includes but is not limited to  
16 the following activities: cultivating the soil, producing crops for  
17 human food, animal feed, or planting seed or for the production of  
18 fibers; floriculture, viticulture, and horticulture; raising or  
19 keeping livestock; raising or keeping exotic animals for the  
20 production of human food or of fiber, leather, pelts, or other  
21 tangible products having a commercial value; planting cover crops  
22 or leaving land idle for the purpose of participating in a  
23 governmental program, provided the land is not used for residential  
24 purposes or a purpose inconsistent with agricultural use; and  
25 planting cover crops or leaving land idle in conjunction with  
26 normal crop or livestock rotation procedure. The term also  
27 includes the use of land to produce or harvest logs and posts for



1 the use in constructing or repairing fences, pens, barns, or other  
2 agricultural improvements on adjacent qualified open-space land  
3 having the same owner and devoted to a different agricultural use.  
4 The term also includes the use of land for wildlife management. The  
5 term also includes the use of land to raise or keep bees for  
6 pollination or for the production of human food or other tangible  
7 products having a commercial value, provided that the land used is  
8 not less than 5 or more than 20 acres. The term also includes the  
9 use of land for hydroponic farming.

10 SECTION 17. Section 23.52, Tax Code, is amended by adding  
11 Subsection (h) to read as follows:

12 (h) The chief appraiser may appraise a portion of a parcel  
13 of land according to this chapter if the portion qualifies for  
14 appraisal under this subchapter but the remainder of the parcel  
15 does not.

16 SECTION 18. Subchapter D, Chapter 23, Tax Code, is amended  
17 by adding Section 23.527 to read as follows:

18 Sec. 23.527. ELIGIBILITY OF LAND PREVIOUSLY DEVOTED TO  
19 SOLAR OR WIND POWER FACILITY. (a) In this section:

20 (1) "Solar power facility" has the meaning assigned by  
21 Section 302.0001, Utilities Code.

22 (2) "Wind power facility" has the meaning assigned by  
23 Section 301.0001, Utilities Code.

24 (b) This section applies only to land:

25 (1) that was previously appraised as qualified  
26 open-space land as provided by this subchapter;

27 (2) that became ineligible for appraisal as provided

1 by this subchapter due to a change of use caused by the development  
2 of a solar power facility or a wind power facility on the land;

3 (3) on which the solar power facility or wind power  
4 facility described by Subdivision (2) is no longer in operation;  
5 and

6 (4) that is currently devoted principally to  
7 agricultural use to the degree of intensity generally accepted in  
8 the area.

9 (c) Notwithstanding any other provision of this subchapter,  
10 land described by Subsection (b) is qualified open-space land.

11 SECTION 19. Section 25.19(f), Tax Code, is amended to read  
12 as follows:

13 (f) In the notice of appraised value for real property, the  
14 chief appraiser shall list separately:

15 (1) the market value of the land; ~~and~~

16 (2) the market value of each structure and other  
17 improvement identified in the notice; and

18 (3) the total market value of the structures and other  
19 improvements on the property.

20 SECTION 20. Section 25.25, Tax Code, is amended by adding  
21 Subsection (q) to read as follows:

22 (q) An appraisal review board shall issue a written order  
23 under this section using the form prescribed by the comptroller  
24 under Section 5.07(k).

25 SECTION 21. Chapter 25, Tax Code, is amended by adding  
26 Section 25.255 to read as follows:

27 Sec. 25.255. EXACT CORRECTION OF ROLL. A chief appraiser

1 that corrects the appraisal roll to include the appraised value of  
2 property, including as determined by an appraisal review board  
3 under Chapter 25.25 or Chapter 41, or a district court under Chapter  
4 42, must correct the roll to show the exact dollar amount of the new  
5 appraised value.

6 SECTION 22. Section 26.09, Tax Code, is amended by amending  
7 Subsection (d) and adding Subsection (d-3) to read as follows:

8 (d) If a property is subject to taxation for a prior year in  
9 which it escaped taxation, the assessor shall calculate the tax for  
10 each year separately. In calculating the tax, the assessor shall  
11 use the assessment ratio and tax rate in effect in the taxing unit  
12 for the year for which back taxes are being imposed. Except as  
13 provided by Subsections [~~Subsection~~] (d-1) and (d-3), the amount of  
14 back taxes due incurs interest calculated at the rate provided by  
15 Section 33.01(c) from the date the tax would have become delinquent  
16 had the tax been imposed in the proper tax year.

17 (d-3) Back taxes assessed under Subsection (d) on property a  
18 chief appraiser discovers was omitted from an appraisal roll under  
19 Section 25.21 do not incur interest as required by Subsection (d).

20 SECTION 23. Section 26.17(b) and (e), Tax Code, are amended  
21 to read as follows:

22 (b) The database must include, with respect to each property  
23 listed on the appraisal roll for the appraisal district:

- 24 (1) the property's identification number;
- 25 (2) the property's market value;
- 26 (3) the market value of each structure and other  
27 improvement located on the property that is identified in the

1 notice of appraised value under Section 25.19;

2           (4) the property's taxable value;

3           (5) [~~(4)~~] the name of each taxing unit in which the  
4 property is located;

5           (6) [~~(5)~~] for each school district in which the  
6 property is located:

7                   (A) the no-new-revenue tax rate; and

8                   (B) the voter-approval tax rate;

9           (7) [~~(6)~~] for each school district in which the  
10 property is located:

11                   (A) the tax rate that would maintain the same  
12 amount of state and local revenue per student that the district  
13 received in the school year beginning in the preceding tax year; and

14                   (B) the voter-approval tax rate;

15           (8) [~~(7)~~] the tax rate proposed by the governing body  
16 of each taxing unit in which the property is located;

17           (9) [~~(8)~~] for each taxing unit other than a school  
18 district in which the property is located, the taxes that would be  
19 imposed on the property if the taxing unit adopted a tax rate equal  
20 to:

21                   (A) the no-new revenue tax rate; and

22                   (B) the proposed tax rate;

23           (10) [~~(9)~~] for each school district in which the  
24 property is located, the taxes that would be imposed on the property  
25 if the district adopted a tax rate equal to:

26                   (A) the tax rate that would maintain the same  
27 amount of state and local revenue per student that the district

1 received in the school year beginning in the preceding tax year; and

2 (B) the proposed tax rate;

3 (11) [~~(10)~~] for each taxing unit other than a school  
4 district in which the property is located, the difference between  
5 the amount calculated under Subdivision (9)(A) [~~(8)(A)~~] and the  
6 amount calculated under Subdivision (9)(B) [~~(8)(B)~~];

7 (12) [~~(11)~~] for each school district in which the  
8 property is located, the difference between the amount calculated  
9 under Subdivision (10)(A) [~~(9)(A)~~] and the amount calculated under  
10 Subdivision (10)(B) [~~(9)(B)~~];

11 (13) [~~(12)~~] the date, time, and location of the public  
12 hearing, if applicable, on the proposed tax rate to be held by the  
13 governing body of each taxing unit in which the property is located;

14 (14) [~~(13)~~] the date, time, and location of the public  
15 meeting, if applicable, at which the tax rate will be adopted to be  
16 held by the governing body of each taxing unit in which the property  
17 is located; and

18 (15) [~~(14)~~] for each taxing unit in which the property  
19 is located, an e-mail address at which the taxing unit is capable of  
20 receiving written comments regarding the proposed tax rate of the  
21 taxing unit.

22 (e) The officer or employee designated by the governing body  
23 of each taxing unit in which the property is located to calculate  
24 the no-new-revenue tax rate and the voter-approval tax rate for the  
25 taxing unit must electronically incorporate into the database:

26 (1) the information described by Subsections (b)(6)  
27 [~~(b)(5), (6)~~], (7), (8), [~~(12), and~~] (13), and (14), as applicable,

1 as the information becomes available; and

2 (2) the tax rate calculation forms prepared under  
3 Section 26.04(d-1) at the same time the designated officer or  
4 employee submits the tax rates to the governing body of the taxing  
5 unit under Section 26.04(e).

6 SECTION 24. Section 31.01(c), Tax Code, is amended to read  
7 as follows:

8 (c) The tax bill or a separate statement accompanying the  
9 tax bill shall:

10 (1) identify the property subject to the tax;  
11 (2) state the appraised value, assessed value, and  
12 taxable value of the property, which must be exact and not rounded  
13 numbers;

14 (3) if the property is land appraised as provided by  
15 Subchapter C, D, E, or H, Chapter 23, state the market value and the  
16 taxable value for purposes of deferred or additional taxation as  
17 provided by Section 23.46, 23.55, 23.76, or 23.9807, as applicable;

18 (4) state the assessment ratio for the unit;

19 (5) state the type and amount of any partial exemption  
20 applicable to the property, indicating whether it applies to  
21 appraised or assessed value;

22 (6) state the total tax rate for the unit;

23 (7) state the amount of tax due, the due date, and the  
24 delinquency date;

25 (8) explain the payment option and discounts provided  
26 by Sections 31.03 and 31.05, if available to the unit's taxpayers,  
27 and state the date on which each of the discount periods provided by

1 Section 31.05 concludes, if the discounts are available;

2 (9) state the rates of penalty and interest imposed  
3 for delinquent payment of the tax;

4 (10) include the name and telephone number of the  
5 assessor for the unit and, if different, of the collector for the  
6 unit;

7 (11) for real property, state for the current tax year  
8 and each of the preceding five tax years:

9 (A) the appraised value and taxable value of the  
10 property;

11 (B) the total tax rate for the unit;

12 (C) the amount of taxes imposed on the property  
13 by the unit; and

14 (D) the difference, expressed as a percent  
15 increase or decrease, as applicable, in the amount of taxes imposed  
16 on the property by the unit compared to the amount imposed for the  
17 preceding tax year; ~~and~~

18 (12) for real property, state the differences,  
19 expressed as a percent increase or decrease, as applicable, in the  
20 following for the current tax year as compared to the fifth tax year  
21 before that tax year:

22 (A) the appraised value and taxable value of the  
23 property;

24 (B) the total tax rate for the unit; and

25 (C) the amount of taxes imposed on the property  
26 by the unit; and

27 (13) include the appraisal district account number for

1 the property.

2 SECTION 25. Section 33.41, Tax Code, is amended by amending  
3 Subsection (a) and adding Subsection (a-1) to read as follows:

4 Sec. 33.41. SUIT TO COLLECT DELINQUENT TAX. (a) Except as  
5 provided by Subsection (a-1), at [A~~t~~] any time after its tax on  
6 property becomes delinquent, a taxing unit may file suit to  
7 foreclose the lien securing payment of the tax, to enforce personal  
8 liability for the tax, or both. The suit must be in a court of  
9 competent jurisdiction for the county in which the tax was imposed.

10 (a-1) A taxing unit may not file suit under Subsection (a)  
11 to collect a delinquent tax owed on a property that is the subject  
12 of a pending motion filed under Section 25.25(c).

13 SECTION 26. Section 41.07(a), Tax Code, is amended to read  
14 as follows:

15 (a) The appraisal review board shall determine each  
16 challenge and make its decision by written order using the form  
17 prescribed by the comptroller under Section 5.07(k). The appraisal  
18 review board shall issue a written order to the property owner  
19 immediately upon its determination of the property owner's  
20 challenge.

21 SECTION 27. Section 41.43(b), Tax Code, is amended to read  
22 as follows:

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

26 (1) the appraisal ratio of the property is equal to or  
27 less than the median level of appraisal of a reasonable and



1 representative sample of other properties in the appraisal  
2 district;

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

8 (3) the appraised value of the property is equal to or  
9 less than the median appraised value of a reasonable number of  
10 comparable properties, appropriately adjusted; or

11 (4) the appraised value of the property is equal to or  
12 less than 110 percent of the appraised value of the comparable  
13 property, appropriately adjusted, with the lowest appraised value.

14 SECTION 28. Section 41.45(b), Tax Code, is amended to read  
15 as follows:

16 (b) A property owner initiating a protest is entitled to  
17 appear in-person to offer evidence or argument, and may not be  
18 denied a hearing at which the property owner and chief appraiser are  
19 both present in-person. A property owner may offer evidence or  
20 argument by affidavit without personally appearing and may appear  
21 by telephone conference call or videoconference to offer argument.  
22 A property owner who appears by telephone conference call or  
23 videoconference must offer any evidence by affidavit. A property  
24 owner must submit an affidavit described by this subsection to the  
25 board hearing the protest before the board begins the hearing on the  
26 protest. On receipt of an affidavit, the board shall notify the  
27 chief appraiser. The chief appraiser may inspect the affidavit and

1 is entitled to a copy on request.

2 SECTION 29. Section 41.47(a), Tax Code, is amended to read  
3 as follows:

4 (a) The appraisal review board hearing a protest shall  
5 determine the protest and make its decision by written order using  
6 the form prescribed by the comptroller under Section 5.07(k).

7 SECTION 30. Section 41.66(i), Tax Code, is amended to read  
8 as follows:

9 (i) A hearing on a protest filed by a property owner or the  
10 designated agent of the owner shall be set for a time and date  
11 certain. If the hearing is not commenced within two hours of the  
12 time set for the hearing, the appraisal review board shall postpone  
13 the hearing on the request of the property owner or the designated  
14 agent of the owner. If the property owner or the designated agent  
15 of the owner does not request that the hearing be postponed, the  
16 appraisal review board shall hold the hearing at the earliest  
17 possible time but not later than 24 hours after the time for which  
18 the hearing was originally set.

19 SECTION 31. Section 41.67, Tax Code, is amended by adding  
20 Subsection (f) to read as follows:

21 (f) A property owner may submit evidence electronically at  
22 any point before or during a hearing.

23 SECTION 32. Section 41A.09, Tax Code, is amended by adding  
24 Subsection (f) to read as follows:

25 (f) The arbitrator may not determine the appraised value of  
26 the property that is the subject of an arbitration to be an amount  
27 greater than the appraised value of the property as shown in the

1 appraisal records submitted to the appraisal review board by the  
2 chief appraiser under Section 25.22 or 25.23, except as requested  
3 and agreed to by the property owner.

4 SECTION 33. Section 42.01, Tax Code, is amended by adding  
5 Subsection (d) to read as follows:

6 (d) Notwithstanding Subsection (a), a person who owned  
7 property at any time during a tax year but no longer owns the  
8 property is entitled to file an appeal under this chapter as if the  
9 person were the current owner of the property, regardless of  
10 whether the person is the person subject to an order described by  
11 that subsection.

12 SECTION 34. Section 42.21, Tax Code, is amended by amending  
13 Subsections (a), (b), and (c) and adding Subsections (a-1) and  
14 (a-2) to read as follows:

15 (a) A party who appeals as provided by this chapter must  
16 file a petition for review with the district court not later than  
17 the later of:

18 (1) the 60th day [within 60 days] after the date the  
19 party receives [received] notice that a final order has been  
20 entered from which the [an] appeal may be had; or

21 (2) September 1 of the year in which the final order is  
22 entered [at any time after the hearing but before the 60-day  
23 deadline].

24 (a-1) Subject to Subsection (a), a party may file a petition  
25 for review under this section at any time after:

26 (1) the protest hearing, regardless of whether the  
27 party has received notice that a final order has been entered;

1           (2) notifying the appraisal review board that the  
2 chief appraiser and the party have agreed to a disposition of the  
3 protest and requesting the board to issue an agreed order under  
4 Section 41.47(g) or (g-1); or

5           (3) submitting an affidavit to the board hearing the  
6 protest under Section 41.45(b).

7           (a-2) Failure to timely file a petition bars any appeal  
8 under this chapter.

9           (b) [~~A petition for review brought under Section 42.02 must~~  
10 ~~be brought against the owner of the property involved in the~~  
11 ~~appeal.~~] A petition for review brought under Section 42.031 must be  
12 brought against the appraisal district and against the owner of the  
13 property involved in the appeal. A petition for review brought  
14 under Section 42.01(a)(2) or 42.03 must be brought against the  
15 comptroller. Any other petition for review under this chapter must  
16 be brought against the appraisal district. A petition for review  
17 may not be brought against the appraisal review board. An appraisal  
18 district may hire an attorney that represents the district to  
19 represent the appraisal review board established for the district  
20 to file an answer and obtain a dismissal of a suit filed against the  
21 appraisal review board in violation of this subsection.

22           (c) If an appeal under this chapter is pending when the  
23 appraisal review board issues an order in a subsequent year under a  
24 protest by the same property owner and that protest relates to the  
25 same property that is involved in the pending appeal, the property  
26 owner may appeal the subsequent appraisal review board order by  
27 amending the original petition for the pending appeal to include

1 the grounds for appealing the subsequent order. The amended  
2 petition must be filed with the court not later than the 90th day  
3 after the date the property owner receives notice that a final order  
4 has been entered from which an appeal may be had [~~in the period~~  
5 ~~provided by Subsection (a) for filing a petition for review of the~~  
6 ~~subsequent order~~]. A property owner may appeal the subsequent  
7 appraisal review board order under this subsection or may appeal  
8 the order independently of the pending appeal as otherwise provided  
9 by this section, but may not do both. A property owner may change  
10 the election of remedies provided by this subsection at any time  
11 before the end of the period provided by Subsection (a) for filing a  
12 petition for review.

13 SECTION 35. Section 42.225, Tax Code, is amended by  
14 amending the title and adding subsection (g) to read as follows:

15 Sec. 42.225 PROPERTY OWNER'S RIGHT TO APPEAL THROUGH  
16 ARBITRATION AND SOAH.

17 (g) If within one year of the filing of an appeal in district  
18 court, the court dismisses the appeal on a basis other than a plea  
19 to the jurisdiction or the court sets the case for trial and will  
20 not grant a continuance for a period of at least four months, the  
21 property owner may file an appeal at the State Office of  
22 Administrative Hearings (SOAH) or file for Binding Arbitration  
23 without regard to the jurisdiction limits.

24 SECTION 36. Section 42.226, Tax Code, is amended to read as  
25 follows:

26 Sec. 42.226. MEDIATION. (a) On motion by a party to an  
27 appeal under this chapter, the court shall enter an order requiring

1 the parties to attend mediation. The court may enter an order  
2 requiring the parties to attend mediation on its own motion.

3 (b) The court may not order mediation to be completed more  
4 than 45 days before the first day of trial.

5 (c) The court may not order the parties to attend more than  
6 one mediation.

7 SECTION 37. Section 42.23, Tax Code, is amended by amending  
8 Subsection (e) and adding Subsections (a-1), (a-2), (i), (j), (k),  
9 (l), (m), and (n), to read as follows:

10 (a-1) A chief appraiser, appraisal district, or appraisal  
11 review board may not bring a counterclaim in an appeal brought  
12 under this chapter.

13 (a-2) An appraisal district may not seek affirmative relief  
14 in an appeal brought under this chapter.

15 (e) For purposes of Subsection (d), a property owner may  
16 designate a cause of action under Section 42.25 or 42.26 as the  
17 basis for an appeal, but may not designate a cause of action under  
18 both sections as the basis for the appeal. Discovery regarding a  
19 cause of action that is not specifically designated by the property  
20 owner under Subsection (d) shall be conducted as provided by the  
21 Texas Rules of Civil Procedure. [~~A court may not enter an order,~~  
22 ~~including a protective order under Rule 192.6 of the Texas Rules of~~  
23 ~~Civil Procedure, that conflicts with Subsection (d).]~~

24 (i) An entity is not required to be registered to do  
25 business in this state in order to file an appeal under this  
26 chapter or to be considered a proper party to bring a petition. A  
27 formal or informal request for information regarding an entity's

1 registration status:

2 (1) is outside the scope of permissible discovery in  
3 an appeal under this chapter;

4 (2) may not be made a prerequisite to a settlement  
5 discussion related to that appeal; and

6 (3) may be grounds for sanctions by the court on the  
7 motion of a party.

8 (j) A court may not enter an order, including a protective  
9 order under Rule 192.6 of the Texas Rules of Civil Procedure, that  
10 conflicts with this section.

11 (k) The district court may not order discovery unless  
12 discovery is requested by a party to the appeal and the court  
13 determines there is good cause for discovery.

14 (l) Except as provided by Section 42.227 or by agreement of  
15 the parties, the following deadlines apply to an appeal under this  
16 chapter:

17 (1) the discovery period ends on the 30th day before  
18 the date of trial;

19 (2) a party seeking affirmative relief must designate  
20 testifying expert witnesses, other than rebuttal testifying expert  
21 witnesses, and provide the information listed in Rule 195.5 of the  
22 Texas Rules of Civil Procedure not later than the 90th day before  
23 the date of trial; and

24 (3) any other party must designate testifying expert  
25 witnesses, other than rebuttal testifying expert witnesses, and  
26 provide the information listed in Rule 195.5 of the Texas Rules of  
27 Civil Procedure not later than the 60th day before the date of

1 trial.

2 (m) A party to an appeal under this chapter may file an  
3 objection to third-party discovery. The court shall grant  
4 third-party discovery subject to the objection only if the  
5 discovery:

6 (1) is necessary under generally accepted appraisal  
7 methods and techniques to determine the value of the property that  
8 is the subject of the appeal; and

9 (2) would be admissible at trial.

10 (n) A party to an appeal under Section 42.26 may file an  
11 objection to a discovery request for a closing statement, a rent  
12 roll, or an operating statement. The court shall grant the  
13 discovery request subject to the objection only if the discovery:

14 (1) is necessary under generally accepted appraisal  
15 methods and techniques to determine the value of the property that  
16 is the subject of the appeal; and

17 (2) would be admissible at trial.

18 SECTION 38. Subchapter B, Chapter 42, Tax Code, is amended  
19 by adding Sections 42.232 and 42.233 to read as follows:

20 Sec. 42.232. TRIAL DATE. (a) A district court may not set a  
21 trial date on an appeal that is less than 12 months after the date  
22 the appeal is filed, unless the parties agree to an earlier trial  
23 date.

24 (b) On request of a party to an appeal, the district court  
25 shall:

26 (1) grant a continuance if the party requesting the  
27 continuance has not previously been granted a continuance;



1           (2) set a new trial date that is not less than six  
2 months after the date for which the trial was set at the time the  
3 request was made; and

4           (3) extend all litigation, expert witness  
5 designation, and discovery deadlines consistent with section  
6 42.23(1) or as agreed by the parties.

7           (c) The district court may grant additional trial  
8 continuances at the court's discretion.

9           Sec. 42.233. TRANSFER OF APPEAL TO STATE OFFICE OF  
10 ADMINISTRATIVE HEARINGS. On request of a property owner who is a  
11 party to an appeal under this chapter and who was eligible to file  
12 the appeal under Subchapter 2, Chapter 2003, Government Code, the  
13 district court shall transfer the appeal to the State Office of  
14 Administrative Hearings to determine the appeal under that  
15 subchapter. The property owner must make the request not later than  
16 the 30th day before the date on which the trial is originally set to  
17 begin.

18           SECTION 39. Section 42.26, Tax Code, is amended by amending  
19 Subsection (a) and adding Subsections (e) and (f) to read as  
20 follows:

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

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

27           (2) the appraisal ratio of the property exceeds by at

1 least 10 percent the median level of appraisal of a sample of  
2 properties in the appraisal district consisting of a reasonable  
3 number of other properties similarly situated to, or of the same  
4 general kind or character as, the property subject to the appeal;  
5 [~~or~~]

6 (3) the appraised value of the property exceeds the  
7 median appraised value of a reasonable number of comparable  
8 properties, appropriately adjusted; or

9 (4) the appraised value of the property exceeds by at  
10 least 10 percent the appraised value of the comparable property,  
11 appropriately adjusted, with the lowest appraised value.

12 (e) A district court may not determine the appraised value  
13 of the property that is subject to an appeal under this section to  
14 be an amount greater than the appraised value of the property as  
15 shown in the appraisal records submitted to the board by the chief  
16 appraiser under Section 25.22 or 25.23.

17 (f) If a claim that a property is appraised unequally is the  
18 sole cause of action in an appeal, the appraisal district may not  
19 request through discovery financial information related to the  
20 property, including a rent roll or appraisal.

21 SECTION 40. Section 42.41(b), Tax Code, is amended to read  
22 as follows:

23 (b) The assessor for each affected taxing unit shall correct  
24 the tax roll and other appropriate records for which the assessor is  
25 responsible. The assessor must correct the tax roll to indicate the  
26 exact dollar amount of the corrected value.

27 SECTION 41. Sections 42.43(b-1), (f), and (g), Tax Code,

1 are amended to read as follows:

2 (b-1) A taxing unit may not send a refund made under this  
3 section before the earlier of:

4 (1) the 60th [~~21st~~] day after the final determination  
5 of the appeal; or

6 (2) the date the property owner files the form  
7 prescribed by Subsection (i) with the taxing unit.

8 (f) The final judgment in an appeal under this chapter shall  
9 ~~may~~ designate to whom and where a refund is to be sent if the  
10 property owner or the property owner's agent designated under  
11 Section 1.111 files the form required under Subsection (i).

12 (g) If a form prescribed by the comptroller under Subsection  
13 (i) is filed with a taxing unit before the 60th [~~21st~~] day after the  
14 final determination of an appeal that requires a refund be made, the  
15 taxing unit shall send the refund to the person and address  
16 designated on the form.

17 SECTION 42. Section 42.02, Tax Code, is repealed.

18 SECTION 43. As soon as practicable after the effective date  
19 of this Act, the Texas Commission of Licensing and Regulation shall  
20 adopt rules necessary to implement Section 1151.152, Occupations  
21 Code, as amended by this Act.

22 SECTION 44. Section 1151.152, Occupations Code, as amended  
23 by this Act, applies only to a person who submits an application to  
24 register under Chapter 1151, Occupations Code, on or after the  
25 effective date of this Act. A person who submits an application to  
26 register under Chapter 1151, Occupations Code, before the effective  
27 date of this Act is governed by the law in effect on the date the

1 application was submitted, and the former law is continued in  
2 effect for that purpose.

3 SECTION 45. As soon as practicable but not later than the  
4 effective date of this Act, the comptroller of public accounts  
5 shall prescribe and post on the comptroller's Internet website the  
6 form required by Section 5.07(k), Tax Code, as added by this Act.

7 SECTION 46. Sections 5.07, 25.25, 41.07, and 41.47, Tax  
8 Code, as amended by this Act, apply only to an appraisal review  
9 board order issued on or after the effective date of this Act. An  
10 appraisal review board order issued before the effective date of  
11 this Act is governed by the law in effect on the date the order was  
12 issued, and the former law is continued in effect for that purpose.

13 SECTION 47. Sections 11.161 and 11.24, Tax Code, as amended  
14 by this Act, apply only to ad valorem taxes imposed for an ad  
15 valorem tax year that begins on or after the effective date of this  
16 Act.

17 SECTION 48. Section 11.43(i), Tax Code, as amended by this  
18 Act, applies only to an erroneously allowed exemption discovered on  
19 or after the effective date of this Act. An erroneously allowed  
20 exemption discovered before the effective date of this Act is  
21 governed by the law in effect on the date the exemption was  
22 discovered, and the former law is continued in effect for that  
23 purpose.

24 SECTION 49. Section 11.4391, Tax Code, as amended by this  
25 Act, are procedural and apply to an application for an exemption for  
26 freeport goods under Section 11.251, Tax Code, filed during the  
27 2025 tax year and to the preceding two tax years and to an

1 application for exemption filed on or after the effective date of  
2 this Act.

3 SECTION 50. Section 11.4392, Tax Code, as added by this Act,  
4 applies only to an application for an ad valorem tax exemption  
5 submitted to a chief appraiser on or after the effective date of  
6 this Act.

7 SECTION 51. Section 21.20, Tax Code, as amended by this Act,  
8 are procedural in nature and apply to an application for an  
9 allocation under Section 21.09, Tax Code, filed during the 2025 tax  
10 year and to the preceding two tax years and to an application for  
11 allocation filed on or after the effective date of this Act.

12 SECTION 52. Sections 22.28(a) and 22.30, Tax Code, as  
13 amended by this Act, apply only to a rendition statement or property  
14 report required to be filed on or after the effective date of this  
15 Act. A rendition statement or property report required to be filed  
16 before the effective date of this Act is governed by the law in  
17 effect on the date the statement or report was required to be filed,  
18 and the former law is continued in effect for that purpose.

19 SECTION 53. Section 23.01(d), Tax Code, as amended by this  
20 Act, applies only for a tax year that begins on or after the  
21 effective date of this Act.

22 SECTION 54. Section 25.19(f), Tax Code, as amended by this  
23 Act, applies only to a notice of appraised value for an ad valorem  
24 tax year that begins on or after the effective date of this Act.

25 SECTION 55. Section 23.52, Tax Code, as amended by this Act  
26 and Section 23.527, Tax Code, as added by this Act, apply only to  
27 the appraisal of land for ad valorem tax purposes for a tax year

1 that begins on or after the effective date of this Act.

2 SECTION 56. Section 26.09, Tax Code, as amended by this Act,  
3 applies only to taxes assessed on property as provided by  
4 Subsection (d) of that section on or after the effective date of  
5 this Act. Taxes assessed on property before the effective date of  
6 this Act are governed by the law in effect on the date the taxes were  
7 assessed, and the former law is continued in effect for that  
8 purpose.

9 SECTION 57. Section 41.43(b), Tax Code, as amended by this  
10 Act, applies only to a protest under Chapter 41, Tax Code, for which  
11 a notice of protest is filed on or after the effective date of this  
12 Act.

13 SECTION 58. Section 41A.09(f), Tax Code, as added by this  
14 Act, applies only to a determination of appraised value made by an  
15 arbitrator under Chapter 41A, Tax Code, on or after the effective  
16 date of this Act.

17 SECTION 59. Section 42.26(a), Tax Code, as amended by this  
18 Act, applies only to an appeal under Chapter 42, Tax Code, for which  
19 a petition for review is filed on or after the effective date of  
20 this Act.

21 SECTION 60. Chapter 42, Tax Code, as amended by this Act,  
22 applies only to an appeal under that chapter that is filed on or  
23 after the effective date of this Act. An appeal filed before the  
24 effective date of this Act is governed by the law in effect on the  
25 date the appeal was filed, and the former law is continued in effect  
26 for that purpose.

27 SECTION 61. This Act takes effect January 1, 2026