

By: Capriglione

H.B. No. 3524

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem tax protests and appeals on the ground of the unequal appraisal of property.

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

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

(b-1) For the purpose of establishing whether a protest shall be determined in favor of the protesting party under Subsection (b)(3), the appraisal district may not present and the appraisal review board may not consider evidence relating to the market value of the property subject to the protest.

SECTION 2. Section 42.26, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) For the purpose of establishing whether a property owner is entitled to relief under Subsection (a)(3), the appraisal district may not present and the court may not consider evidence relating to the market value of the property subject to the suit.

SECTION 3. Section 42.26(d), Tax Code, as effective until January 1, 2027, is amended to read as follows:

(d) For purposes of this section and subject to Subsection (a-1), the value of the property subject to the suit and the value of a comparable property or sample property that is used for comparison must be the market value determined by the appraisal district when the property is subject to the limitation on

1 appraised value imposed by Section 23.23 or 23.231.

2 SECTION 4. Section 42.26(d), Tax Code, as effective January  
3 1, 2027, is amended to read as follows:

4 (d) For purposes of this section and subject to Subsection  
5 (a-1), the value of the property subject to the suit and the value  
6 of a comparable property or sample property that is used for  
7 comparison must be the market value determined by the appraisal  
8 district when the property is a residence homestead subject to the  
9 limitation on appraised value imposed by Section 23.23.

10 SECTION 5. Section 41.43(b-1), Tax Code, as added by this  
11 Act, applies only to a protest under Chapter 41, Tax Code, for which  
12 a notice of protest is filed on or after the effective date of this  
13 Act. A protest under Chapter 41, Tax Code, for which a notice of  
14 protest was filed before the effective date of this Act is governed  
15 by the law in effect when the notice of protest was filed, and the  
16 former law is continued in effect for that purpose.

17 SECTION 6. Section 42.26(a-1), Tax Code, as added by this  
18 Act, applies only to an appeal filed under Chapter 42, Tax Code, on  
19 or after the effective date of this Act. An appeal filed under  
20 Chapter 42, Tax Code, before the effective date of this Act is  
21 governed by the law in effect when the appeal was filed, and the  
22 former law is continued in effect for that purpose.

23 SECTION 7. This Act takes effect January 1, 2026.