

By: Raymond

H.B. No. 3557

A BILL TO BE ENTITLED

AN ACT

relating to the exclusion from the market value of real property for ad valorem tax purposes of the value of any incomplete structure located on the property.

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

SECTION 1. Subchapter A, Chapter 23, Tax Code, is amended by adding Section 23.015 to read as follows:

Sec. 23.015. EXCLUSION OF VALUE OF INCOMPLETE STRUCTURE INTENDED FOR HUMAN OCCUPANCY. (a) In determining the market value of real property, the chief appraiser shall exclude from that value the value of any structure located on the property if the structure:

(1) is intended for human occupancy;

(2) is separate from any other structure located on the property; and

(3) is incomplete on January 1 of the tax year for which the chief appraiser determines the market value of the property.

(b) For the purpose of this section, a structure is considered complete:

(1) on the date a certificate of occupancy or similar document is issued for the structure, if the structure is located in a political subdivision that requires a person to obtain a certificate of occupancy or similar document before the structure may be occupied; or

1 (2) if Subdivision (1) does not apply, on the date the
2 structure is no longer under active construction or other physical
3 preparation necessary for occupancy, as determined by the chief
4 appraiser.

5 SECTION 2. Section 23.015, Tax Code, as added by this Act,
6 applies only to the appraisal of real property for ad valorem tax
7 purposes for an ad valorem tax year that begins on or after the
8 effective date of this Act.

9 SECTION 3. This Act takes effect January 1, 2026.