

By: Hinojosa of Hidalgo

S.B. No. 1051

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the calculation of certain ad valorem tax rates of a
3 taxing unit for a year in which a property owner provides notice
4 that the owner intends to appeal an order of an appraisal review
5 board determining a protest by the owner regarding the appraisal of
6 the owner's property.

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

8 SECTION 1. Section 5.07(g), Tax Code, is amended to read as
9 follows:

10 (g) The forms described by Subsection (f) must be in an
11 electronic format and:

12 (1) have blanks that can be filled in electronically;

13 (2) be capable of being certified by the designated
14 officer or employee after completion as accurately calculating the
15 applicable tax rates and using values that are the same as the
16 values shown in, as applicable:

17 (A) the taxing unit's certified appraisal roll;

18 or

19 (B) the certified estimate of taxable value of
20 property in the taxing unit prepared under Section 26.01(a-1);

21 [~~and~~]

22 (3) be capable of being electronically incorporated
23 into the property tax database maintained by each appraisal
24 district under Section 26.17 and submitted electronically to the

1 county assessor-collector of each county in which all or part of the
2 territory of the taxing unit is located; and

3 (4) be capable of including the addendum to the forms
4 required by Section 26.04(d-3), if applicable.

5 SECTION 2. Section 26.012, Tax Code, is amended by adding
6 Subdivisions (1-a), (1-b), (2-a), and (20) to read as follows:

7 (1-a) "Anticipated substantial litigation" means one
8 or more appeals filed or intended to be filed under Chapter 42 for a
9 tax year by a single property owner or by one or more associated
10 business entities of a single property owner of one or more orders
11 of an appraisal review board determining one or more protests by the
12 owner or entities of the taxable value of one or more parcels of
13 property located in an appraisal district, if any of the properties
14 had a taxable value in the preceding tax year that was one of the 20
15 highest in the appraisal district.

16 (1-b) "Associated business entity" means a subsidiary
17 or other associated business entity of a property owner.

18 (2-a) "Contested taxable value" means for a tax year
19 the difference between:

20 (A) the taxable value of a property stated in or
21 determined from:

22 (i) an order issued by the appraisal review
23 board hearing a protest pertaining to the property for the tax year
24 under Chapter 41; or

25 (ii) if the appraisal review board has not
26 issued an order determining the protest, the notice of appraised
27 value for the property delivered under Section 25.19 for the most

1 recent tax year; and

2 (B) the:

3 (i) taxable value of the property asserted
4 by the owner of the property in an appeal of the appraisal review
5 board order under Chapter 42; or

6 (ii) if the owner has not filed an appeal, a
7 good faith determination of the taxable value the owner will assert
8 in the appeal.

9 (20) "Uncontested taxable value" means the portion of
10 the taxable value of a property that is not contested taxable value.

11 SECTION 3. Section 26.012(6), Tax Code, is amended to read
12 as follows:

13 (6) "Current total value" means the total taxable
14 value of property listed on the appraisal roll for the current year,
15 including all appraisal roll supplements and corrections as of the
16 date of the calculation, less the taxable value of property
17 exempted for the current tax year for the first time under Section
18 11.31 or 11.315, except that:

19 (A) the current total value for a school district
20 excludes:

21 (i) the total value of homesteads that
22 qualify for a tax limitation as provided by Section 11.26;

23 (ii) new property value of property that is
24 subject to an agreement entered into under former Subchapter B or C,
25 Chapter 313; and

26 (iii) new property value of property that
27 is subject to an agreement entered into under Subchapter T, Chapter

1 403, Government Code; [~~and~~]

2 (B) the current total value for a county,
3 municipality, or junior college district excludes the total value
4 of homesteads that qualify for a tax limitation provided by Section
5 11.261; and

6 (C) the current total value for a taxing unit
7 excludes the portion of the aggregate taxable value of all of the
8 property located in the taxing unit that is included as part of
9 anticipated substantial litigation that consists of contested
10 taxable value.

11 SECTION 4. Section 26.04(d-3), Tax Code, is amended to read
12 as follows:

13 (d-3) As soon as practicable after the designated officer or
14 employee calculates the no-new-revenue tax rate and the
15 voter-approval tax rate of the taxing unit, the designated officer
16 or employee shall submit the tax rate calculation forms used in
17 calculating the rates to the county assessor-collector for each
18 county in which all or part of the territory of the taxing unit is
19 located. If an amount described by Section 26.012(6)(C) is
20 excluded from the current total value of a taxing unit for a tax
21 year, the designated officer or employee for the taxing unit shall
22 include as an addendum to the tax rate calculation forms for that
23 tax year:

- 24 (1) documentation that supports the exclusion; and
25 (2) each statement submitted to the designated officer
26 or employee under Section 41.48(c)(2) for that tax year.

27 SECTION 5. Section 26.16(d-1), Tax Code, is amended to read

1 as follows:

2 (d-1) In addition to posting the information described by
3 Subsection (a), the county assessor-collector shall post on the
4 Internet website of the county for each taxing unit all or part of
5 the territory of which is located in the county:

6 (1) the tax rate calculation forms used by the
7 designated officer or employee of each taxing unit to calculate the
8 no-new-revenue and voter-approval tax rates of the taxing unit for
9 the most recent five tax years beginning with the 2020 tax year, as
10 certified by the designated officer or employee under Section
11 26.04(d-2), along with the addendum to those forms required by
12 Section 26.04(d-3), if applicable; and

13 (2) the name and official contact information for each
14 member of the governing body of the taxing unit.

15 SECTION 6. Sections 26.17(e) and (f), Tax Code, are amended
16 to read as follows:

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

21 (1) the information described by Subsections (b)(5),
22 (6), (7), (12), and (13), as applicable, as the information becomes
23 available; and

24 (2) the tax rate calculation forms prepared under
25 Section 26.04(d-1), along with the addendum to those forms required
26 by Section 26.04(d-3), if applicable, at the same time the
27 designated officer or employee submits the tax rates to the

1 governing body of the taxing unit under Section 26.04(e).

2 (f) The chief appraiser shall make the information
3 described by Subsection (e)(1) and the tax rate calculation forms,
4 along with the addendum to those forms required by Section
5 26.04(d-3), if applicable, described by Subsection (e)(2)
6 available to the public not later than the third business day after
7 the date the information and forms are incorporated into the
8 database.

9 SECTION 7. Subchapter C, Chapter 41, Tax Code, is amended by
10 adding Section 41.48 to read as follows:

11 Sec. 41.48. NOTICE OF CERTAIN APPEALS; SUBMISSIONS BY
12 PROPERTY OWNER. (a) In this section, "anticipated substantial
13 litigation," "associated business entity," and "uncontested
14 taxable value" have the meanings assigned by Section 26.012.

15 (b) Not later than July 1, the chief appraiser of each
16 appraisal district shall notify:

17 (1) each owner of property located in the appraisal
18 district that had a taxable value in the preceding tax year that was
19 one of the 20 highest in the appraisal district that the owner may
20 have to comply with the requirements of this section; and

21 (2) each taxing unit wholly or partly located in the
22 appraisal district of the name of each owner described by
23 Subdivision (1) who owns property located in the taxing unit.

24 (c) A property owner or associated business entity of the
25 owner that intends to file an appeal under Chapter 42 that is part
26 of anticipated substantial litigation shall submit to the officer
27 or employee designated under Section 26.04(c) by the governing body

1 of each taxing unit in which the property included in the litigation
2 is located:

3 (1) the total amount of uncontested taxable value of
4 all property located in the taxing unit that may be the subject of
5 an appeal by the property owner or entity and that is part of the
6 litigation; and

7 (2) a written statement providing that the property
8 owner or entity intends to pay the tax due on the amount of the
9 uncontested taxable value.

10 (d) A property owner or associated business entity of the
11 property owner must submit the information required to be submitted
12 under this section not later than the earlier of August 7 or the
13 21st day after the date the first hearing regarding a protest of the
14 value of any property included in the anticipated substantial
15 litigation is conducted under this chapter.

16 (e) Notwithstanding any other provision of this section,
17 the amount of uncontested taxable value submitted to a designated
18 officer or employee under this section may be used by the designated
19 officer or employee only for the purpose of calculating a tax rate
20 under Section 26.04 and may not be construed as an amount of value
21 of a property that is not in dispute for purposes of a proceeding
22 under Chapter 42.

23 SECTION 8. (a) Except as provided by Subsection (b) of this
24 section, the changes in law made by this Act apply to an ad valorem
25 tax year that begins on or after January 1, 2026.

26 (b) If this Act receives the vote necessary to have
27 immediate effect, the changes in law made by this Act apply to an ad

1 valorem tax year that begins on or after January 1, 2025.

2 SECTION 9. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2025.