

By: Hinojosa of Hidalgo

S.B. No. 1052

A BILL TO BE ENTITLED

AN ACT

1
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), (1-c), (2-a), and (20) to read as
7 follows:

8 (1-a) "Affected taxing unit" means a taxing unit that
9 is wholly or partly located in a county that:

10 (A) has a population of less than 500,000; and

11 (B) is located on the Gulf of Mexico.

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

21 (1-c) "Associated business entity" means a subsidiary
22 or other associated business entity of a property owner.

23 (2-a) "Contested taxable value" means for a tax year
24 the difference between:

25 (A) the taxable value of a property stated in or
26 determined from:

27 (i) an order issued by the appraisal review

1 board hearing a protest pertaining to the property for the tax year
2 under Chapter 41; or

3 (ii) if the appraisal review board has not
4 issued an order determining the protest, the notice of appraised
5 value for the property delivered under Section 25.19 for the most
6 recent tax year; and

7 (B) the:

8 (i) taxable value of the property asserted
9 by the owner of the property in an appeal of the appraisal review
10 board order under Chapter 42; or

11 (ii) if the owner has not filed an appeal, a
12 good faith determination of the taxable value the owner will assert
13 in the appeal.

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

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

18 (6) "Current total value" means the total taxable
19 value of property listed on the appraisal roll for the current year,
20 including all appraisal roll supplements and corrections as of the
21 date of the calculation, less the taxable value of property
22 exempted for the current tax year for the first time under Section
23 11.31 or 11.315, except that:

24 (A) the current total value for a school district
25 excludes:

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

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

4 (iii) new property value of property that
5 is subject to an agreement entered into under Subchapter T, Chapter
6 403, Government Code; ~~and~~

7 (B) the current total value for a county,
8 municipality, or junior college district excludes the total value
9 of homesteads that qualify for a tax limitation provided by Section
10 11.261; and

11 (C) the current total value for an affected
12 taxing unit excludes the portion of the aggregate taxable value of
13 all of the property located in the taxing unit that is included as
14 part of anticipated substantial litigation that consists of
15 contested taxable value.

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

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

1 that tax year:

2 (1) documentation that supports the exclusion; and

3 (2) each statement submitted to the designated officer

4 or employee under Section 41.48(c)(2) for that tax year.

5 SECTION 5. Section 26.16(d-1), Tax Code, is amended to read
6 as follows:

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

11 (1) the tax rate calculation forms used by the
12 designated officer or employee of each taxing unit to calculate the
13 no-new-revenue and voter-approval tax rates of the taxing unit for
14 the most recent five tax years beginning with the 2020 tax year, as
15 certified by the designated officer or employee under Section
16 26.04(d-2), along with the addendum to those forms required by
17 Section 26.04(d-3), if applicable; and

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

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

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)(5),
27 (6), (7), (12), and (13), as applicable, as the information becomes

1 available; and

2 (2) the tax rate calculation forms prepared under
3 Section 26.04(d-1), along with the addendum to those forms required
4 by Section 26.04(d-3), if applicable, at the same time the
5 designated officer or employee submits the tax rates to the
6 governing body of the taxing unit under Section 26.04(e).

7 (f) The chief appraiser shall make the information
8 described by Subsection (e)(1) and the tax rate calculation forms,
9 along with the addendum to those forms required by Section
10 26.04(d-3), if applicable, described by Subsection (e)(2)
11 available to the public not later than the third business day after
12 the date the information and forms are incorporated into the
13 database.

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

16 Sec. 41.48. NOTICE OF CERTAIN APPEALS; SUBMISSIONS BY
17 PROPERTY OWNER. (a) In this section, "affected taxing unit,"
18 "anticipated substantial litigation," "associated business
19 entity," and "uncontested taxable value" have the meanings assigned
20 by Section 26.012.

21 (b) Not later than July 1, the officer or employee
22 designated by the governing body of each affected taxing unit under
23 Section 26.04(c) shall notify each property owner in the taxing
24 unit who owns a property that had a taxable value in the preceding
25 tax year that was one of the 10 highest in the taxing unit that the
26 owner may have to comply with the requirements of this section.

27 (c) A property owner or associated business entity of the

1 owner that intends to file an appeal under Chapter 42 that is part
2 of anticipated substantial litigation shall submit to the officer
3 or employee described by Subsection (b) of each affected taxing
4 unit in which the property included in the litigation is located:

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

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

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

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

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

1 (b) If this Act receives the vote necessary to have
2 immediate effect, the changes in law made by this Act apply to an ad
3 valorem tax year that begins on or after January 1, 2025.

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