

By: Sparks

S.B. No. 1201

A BILL TO BE ENTITLED

AN ACT

relating to adjustments in the appraised value of a residence homestead.

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

SECTION 1. Section 23.23(a), Tax Code, is amended to read as follows:

(a) Notwithstanding the requirements of Section 25.18 and regardless of whether the appraisal office has appraised the property and determined the market value of the property for the tax year, an appraisal office may adjust [~~increase~~] the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of:

(1) the market value of the property for the most recent tax year that the market value was determined by the appraisal office; [~~or~~]

(2) if the market value of the property has increased from the most recent tax year, the sum of:

(A) 3 [~~10~~] percent of the appraised value of the property for the preceding tax year;

(B) the appraised value of the property for the preceding tax year; and

(C) the market value of all new improvements to the property; or

(3) if the market value of the property has decreased

1 from the most recent tax year, the sum of:

2 (A) the appraised value of the property for the
3 preceding tax year minus the percentage of the appraised value of
4 the property proportionate to the percentage of the decreased
5 market value; and

6 (B) the market value of all new improvements to
7 the property.

8 SECTION 2. This Act takes effect September 1, 2025.