

By: Middleton

S.B. No. 2535

A BILL TO BE ENTITLED

AN ACT

relating to the appraisal of property for ad valorem tax purposes,
including protests, arbitrations, and appeals regarding
appraisals.

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

SECTION 1. Section 23.01(e), Tax Code, is amended to read as
follows:

(e) Notwithstanding any provision of this subchapter to the
contrary, if the appraised value of property in a tax year is
lowered under Subtitle F, the appraised value of the property as
finally determined under that subtitle is considered to be the
appraised value of the property for that tax year. In the next tax
year in which the property is appraised, the appraisal district
~~[chief appraiser]~~ may not increase the appraised value of the
property unless the increase by the appraisal district ~~[chief~~
~~appraiser]~~ is reasonably supported by clear and convincing evidence
when all of the reliable and probative evidence in the record is
considered as a whole. If the appraised value is finally determined
in a protest under Section 41.41(a)(2) or an appeal under Section
42.26, the appraisal district ~~[chief appraiser]~~ may satisfy the
requirement to reasonably support by clear and convincing evidence
an increase in the appraised value of the property in the next tax
year in which the property is appraised by presenting evidence
showing that the inequality in the appraisal of property has been

1 corrected with regard to the properties that were considered in
2 determining the value of the subject property. The burden of proof
3 is on the appraisal district [~~chief appraiser~~] to support an
4 increase in the appraised value of property under the circumstances
5 described by this subsection.

6 SECTION 2. Section 41A.015(k), Tax Code, is amended to read
7 as follows:

8 (k) If the arbitrator determines that the appraisal review
9 board or chief appraiser failed to comply with the procedural
10 requirement that was the subject of the limited binding
11 arbitration:

12 (1) the comptroller, on receipt of a copy of the award,
13 shall refund the property owner's arbitration deposit, less the
14 amount retained by the comptroller under Section 41A.05(b); and

15 (2) the appraisal district shall pay:

16 (A) the arbitrator's fee; and

17 (B) the property owner's reasonable attorney's
18 fees and costs in the amounts determined by the arbitrator.

19 SECTION 3. Section 42.23, Tax Code, is amended by adding
20 Subsection (b-1) to read as follows:

21 (b-1) The appraisal district has the burden of establishing
22 the value of the property by clear and convincing evidence if the
23 appraised value of the property was lowered under this subtitle in
24 the preceding year in an appeal under Section 42.01(a)(1)(A).

25 SECTION 4. This Act takes effect September 1, 2025.