

SUBJECT: Limiting a chief appraiser's authority in certain circumstances

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 9 ayes — D. Bonnen, Y. Davis, Darby, Murphy, Murr, Raymond, Shine, Springer, Stephenson

0 nays

2 absent — Bohac, E. Johnson

WITNESSES: For — (*Registered, but did not testify*: David Mintz, Texas Apartment Association; Felicia Wright, Texas Association of Builders; James LeBas, TXOGA, Texas Association of Manufacturers, Texas Chemical Council)

Against — Alexie Swirsky; (*Registered, but did not testify*: Adam Cahn, Cahnman's Musings; Tom Tagliabue, City of Corpus Christi; Guadalupe Cuellar, City of El Paso; Jim Allison, County Judges and Commissioners Association of Texas; Alma Moreno, San Patricio County; Dana Blanton)

BACKGROUND: Tax Code, sec. 23.01, which governs appraisals of taxable property, requires that all taxable property be appraised at its market value as of January 1, with certain exceptions.

Tax Code, Title 1, subtitle F includes procedures for property owners to protest property valuations, including appraisal review board hearings and appeals.

DIGEST: HB 192 would change the evidentiary standard required to support a chief appraiser's decision to increase the appraised value of property for the tax year following the tax year in which that property's appraised value was lowered through the review process contained in Tax Code, subtitle F. The standard would be changed from the current "substantial evidence" to a standard of "clear and convincing evidence."

The bill would take effect January 1, 2018, and would apply only to

property appraisals for a tax year beginning on or after that date.

**SUPPORTERS
SAY:**

HB 192 would protect taxpayers who had protested successfully or appealed their property's appraised value in one year from having the property's valuation increased the next year. The bill would prohibit a chief appraiser's ability to increase the value in the subsequent year absent "clear and convincing" evidence supporting the higher value. This requirement would promote transparency and confidence in the state's property tax system. The bill would not prevent a chief appraiser from increasing a property's value if the appraiser was able to present strong evidence for the valuation increase.

**OPPONENTS
SAY:**

HB 192 would put an unreasonable evidentiary burden on appraisal districts, particularly in areas where property values are increasing rapidly. The requirement for "clear and convincing" evidence, which is similar to the highest criminal law standard of "beyond a reasonable doubt," is not a practical standard for appraisers who must determine property valuations that can vary widely from year to year.

NOTES:

According to the Legislative Budget Board's fiscal note, to the extent that taxable property values were reduced, HB 192 could result in increased costs to the Foundation School Fund.