

SUBJECT: Expanding ability to file a motion to correct a property tax appraisal roll

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 9 ayes — Burrows, Guillen, Bohac, Cole, Martinez Fischer, Murphy,
Noble, E. Rodriguez, Shaheen

0 nays

2 absent — Sanford, Wray

WITNESSES: For — Ray Head, Texas Association of Property Tax Professionals;
Joseph Harrison; (*Registered, but did not testify*: Galt Graydon, Citizens
for Appraisal Reform; Matt Grabner, Ryan, LLC; Julia Parenteau, Texas
Realtors)

Against — Alvin Lankford, Texas Association of Appraisal Districts;
(*Registered, but did not testify*: Grover Campbell, Texas Association of
School Boards; Monty Wynn, Texas Municipal League)

BACKGROUND: Tax Code sec. 25.25 generally prohibits an appraisal roll, which contains the appraisal records of an appraisal district, from being changed, with certain exceptions. Under sec. 25.25(d), at any time prior to the taxes becoming delinquent, a property owner or the chief appraiser may file a motion with the appraisal review board to change the roll to correct an error that resulted in an incorrect appraisal value for the owner's property. The error may not be corrected unless it resulted in an appraised value that exceeded the correct value by more than one-third. If the roll is changed, the property owner must pay to each taxing unit a late-correction penalty of 10 percent of the amount of taxes as calculated.

DIGEST: HB 2159 would expand the basis on which a property owner or the chief appraiser could file a motion to change the appraisal roll to include correcting an error regarding the unequal appraisal or excessive market value of a property.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019. The bill would apply only to a motion filed on or after the effective date.

**SUPPORTERS
SAY:**

HB 2159 would grant property owners the ability to use certain methods to change the appraisal roll if given an unequal or excessive appraisal value. One of the most important provisions in the Texas Constitution and state law is the right to be valued equally and uniformly with neighbors and competitors for taxing purposes. Property owners may miss a statutory value appeal deadline for any number of reasons, like traveling for work or the loss of a loved one. The bill would offer up a late protest opportunity if a property owner believed that he or she was entitled to a correction in the appraisal roll for excessive valuation.

HB 2159 would not change the consequences for filing a late appeal, as the owner still would have to pay a late-correction penalty. There still would be a high threshold to prove that the property valuation was excessive and over one-third the actual value. The bill simply would allow all property owners to ensure that their property was valued correctly.

**OPPONENTS
SAY:**

HB 2159 would unnecessarily expand appraisal valuation protest procedures past the normal deadline. This would allow properties to file an appeal after taxing units already had sent out tax bills, making it impossible for local governments to recover losses or predict what those losses would be. Further, property owners could use as proof for a correction the lowest appraised comparable properties, creating a downward spiraling effect on property values. Those that typically take advantage of this late process are large commercial properties, so the bill would not particularly help residential owners. HB 2159 could create significant value losses, causing problems for local taxing jurisdictions.

NOTES:

According to the Legislative Budget Board, passage of the bill would expand the grounds permitted in an error correction motion to include unequal appraisal. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased

through the operation of the school finance formulas.