

## **BILL ANALYSIS**

Senate Research Center

S.B. 1375  
By: Nixon  
Finance  
4-18-97  
As Filed

### **DIGEST**

Currently, there are two methods of appraising leaseholds, the possessory method and the equity method. The law is ambiguous as to which method appraisal districts are required to use. This bill requires an appraiser to use the equity method to make certain determinations and calculations.

### **PURPOSE**

As proposed, S.B. 1375 requires an appraiser to use the equity method to make certain determinations and calculations.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 23.13, Tax Code, to require an appraiser to use the equity method of valuation, when appraising a leasehold or other possessory interest in real property, subject to the limitation provided by Subsection (b). Makes a nonsubstantive and a conforming change.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.