

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1401
By: Nixon
Intergovernmental Relations
4/15/1999
Committee Report (Substituted)

DIGEST

Currently, Texas law prohibits taxpayers on the administrative or appraisal review board level from making an effective inequality of appraisal argument, under Chapter 41, Tax Code. Under the 75th Legislature, statutory language was added to Chapter 42, Tax Code, to allow taxpayers to assert an inequality of appraisal argument at the district court level. C.S.S.B. 1401 would allow taxpayers to make the same inequality of appraisal argument before an appraisal review board that they can make before a district court.

PURPOSE

As proposed, C.S.S.B. 1401 allows taxpayers to make the same inequality of appraisal argument before an appraisal review board and district court.

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 41.43, Tax Code, to provide that the appraisal district has the burden of establishing the value of the property by a preponderance of the evidence presented at the hearing, except as provided by Subsection (b), in a protest authorized by Section 41.41(1) or (2). Requires a protest on the ground of unequal appraisal of property to be determined in favor of the appraisal district unless the protesting party, rather than the appraisal district, establishes certain provisions. Requires the value of the property subject to the protest and the value of a comparable property or sample property that is used for comparison to be the market value determined by the appraisal district when the property is a residence homestead subject to the limitation on appraised value imposed by Section 23.23, for purposes of this section. Deletes text regarding the appraisal ratio. Makes conforming and nonsubstantive changes.

SECTION 2. Amends Sections 42.26(a), (b), and (d), Tax Code, to require the district court (court) to grant relief on the ground that a property is appraised unequally, if the appraisal ratio of the property exceeds by at least 10 percent the median level of appraisal of a sample of properties in the appraisal district, or the appraised value of the property exceeds the median appraised value of a reasonable number of comparable properties appropriately adjusted. Requires the court to order the property's appraised value changed to the value calculated on the basis of the median level of appraisal according to Subsection (a)(3), if a property owner is entitled to relief under Subsection (a)(3). Requires the court to order the property's appraised value changed to the value that results in the lowest appraised value, if a property owner is entitled to relief under more than one of these subsections. Requires the value of property subject to the suit and the value of a comparable property or sample property that is used for comparison to be the market value determined by the appraisal district when the property is a residence homestead subject to the limitation on appraised value imposed by Section 23.23. Deletes text regarding Subsections (a)(1), (a)(2), and the value calculated on the basis of the median level of appraisal. Deletes text requiring the district to grant relief on the ground that property is appraised unequally if the value of the property exceeds the median appraised value. Makes conforming and nonsubstantive changes.

SECTION 3. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 41.43, Tax Code, to provide that the appraisal district has the burden of establishing the value of the property by a preponderance of the evidence presented at the hearing, except as provided by Subsection (b), in a protest authorized by Section 41.41(1) or (2). Requires a protest on the ground of unequal appraisal of property to be determined in favor of the appraisal district unless the protesting party establishes certain provisions. Requires the value of the property subject to the protest and the value of a comparable property or sample property that is used for comparison to be the market value determined by the appraisal district when the property is a residence homestead subject to the limitation on appraised value imposed by Section 23.23, for purposes of this section.

SECTION 2.

Amends Sections 42.26(a), (b), and (d), Tax Code, to require the district court to grant relief on the ground that a property is appraised unequally, if the appraisal ratio of the property exceeds by at least 10 percent the median level of appraisal of a sample of properties in the appraisal district, or the appraised value of the property exceeds the median appraised value of a reasonable number of comparable properties appropriately adjusted. Requires the court to order the property's appraised value changed to the value calculated on the basis of the median level of appraisal according to Subsection (a)(3), if a property owner is entitled to relief under Subsection (a)(3). Requires the court to order the property's appraised value changed to the value that results in the lowest appraised value, if a property owner is entitled to relief under more than one of these subsections. Requires the value of property subject to the suit and the value of a comparable property or sample property that is used for comparison to be the market value determined by the appraisal district when the property is a residence homestead subject to the limitation on appraised value imposed by Section 23.23.

SECTION 3.

Adds a new effective date of September 1, 1999, and the prospective clause.

SECTION 4.

Adds the emergency clause.