

BILL ANALYSIS

Senate Research Center
83R4427 DDT-D

S.B. 1256
By: Patrick
Finance
3/21/2013
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law requires comparable sales for property appraisal purposes to be within the last two years unless "enough comparable properties were not sold during that period to constitute a representative sample." As a result, appraisal districts can go outside of the last two years provision as a matter of course on every property.

S.B. 1256 strikes the language that allows appraisal districts to go beyond two years in identifying comparable sales for appraisal purposes. The result of this change will be appraisals that better reflect current market values and improved predictability for property owners.

As proposed, S.B. 1256 amends current law relating to the requirements for a sale to be considered a comparable sale for ad valorem tax purposes.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 23.013(b), Tax Code, as follows:

(b) Provides that a sale is not considered to be a comparable sale unless the sale occurred within 24 months of the date as of which the market value of the subject property is to be determined. Deletes existing text authorizing a sale that did not occur within 24 months of the date as of which the market value of the subject property is to be determined to be considered to be a comparable sale if enough comparable properties were not sold during that period to constitute a representative sample.

SECTION 2. Provides that this Act applies only to the appraisal of property for a tax year beginning on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2014.