

BILL ANALYSIS

Senate Research Center
85R6658 CJC-F

S.B. 2061
By: Kolkhorst
Finance
4/6/2017
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas law provides administrative remedies for property owners whose property has been overvalued or appraised unequally as compared to other comparable properties, provided a protest is filed within thirty days from receiving a notice of the appraised value of the property.

The Texas Property Tax Code also provides for a late correction of the appraisal roll under certain limited circumstances. Specifically, Section 25.25(d) allows a property owner, prior to the date the taxes become delinquent, to move to correct an error that resulted in an incorrect appraised value for the owner's property. This remedy is only available if the property owner can demonstrate that the error resulted in an appraised value that exceeded the correct appraised value by more than one-third. Even if the property owner prevails, the owner must pay a late-correction penalty to each affected taxing unit.

The late correction remedy provided by Section 25.25(d) currently only allows a property owner to correct an error related to the market value of the property. Unlike the other remedies provided in the Property Tax Code, Section 25.25(d) does not allow a property owner to correct an error that resulted in a valuation that is not equal and uniform.

S.B. 2061 eliminates the extraordinary burden of having to prove that the error resulted in an appraised value that exceeds the correct value by more than one-third, and finally incorporates the tax equity provisions found throughout the Property Tax Code into the late remedy provisions in Section 25.25(d). S.B. 2061 makes it clear that a property owner may move to correct an error that resulted in an incorrect appraised value or a valuation that is not equal and uniform. S.B. 2061 makes no changes to the late-correction penalty that is due to each affected taxing unit.

As proposed, S.B. 2061 amends current law relating to the correction of an ad valorem tax appraisal roll.

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 25.25(d), Tax Code, to prohibit an error from being corrected unless it resulted in an appraised value that exceeds the market value of the property or the median appraised value of a reasonable number of comparable properties appropriately adjusted, rather than resulted in an appraised value that exceeds by more than one-third the correct appraised value.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2017.