

**SUBJECT:** Deadlines and procedures for correcting ad valorem tax appraisal rolls

**COMMITTEE:** Ways and Means — favorable, without amendment

**VOTE:** 8 ayes — Oliveira, McCall, Craddick, Hartnett, Bonnen, Y. Davis, Keffer, Ritter

0 nays

3 absent — Heflin, Hilbert, Ramsay

**SENATE VOTE:** On final passage, April 11 — 29-0

**WITNESSES:** (*On House companion bill, HB 1732:*)

For — Breck Bostwick, Texas Association of Property Tax Professionals

Against — Foy Mitchell, Jr., Dallas Central Appraisal District

On — Jim Robinson, Texas Association of Appraisal Districts

**BACKGROUND:** Under Tax Code, sec. 25.21, if a county’s chief appraiser discovers that real property was omitted from an appraisal roll in any of the five preceding years, the appraiser must appraise the property as of January 1 of each year it was omitted and must enter the property and its value in the appraisal records.

Sec. 25.25 allows a chief appraiser to change the appraisal roll at any time to correct a name or address, a property description, or a clerical error that does not increase the amount of the owner’s tax liability. Within five years of the beginning of a tax year, the appraisal review board (ARB), on request of the chief appraiser or of a property owner, may change the appraisal roll to reflect clerical errors affecting the owner’s tax liability, multiple appraisals of a property in the same tax year, or the inclusion of property that did not exist in the form or at the location described in the appraisal roll. At any time before the taxes become delinquent, a property owner or the chief appraiser may file a motion with the ARB to change the appraisal roll to correct an error that resulted in an incorrect value on the appraisal roll, if the error

resulted in an appraised value that exceeds the correct value by more than one-third. The roll may not be changed if the appraised value resulted from a written agreement between the appraisal district and the owner or agent or if the property was the subject of a protest filed with the ARB.

**DIGEST:**

SB 865 would require an ARB, on motion of the chief appraiser or of a property owner, to change the appraisal roll for any of the five preceding years to correct clerical errors, multiple appraisals, or inclusion of property inaccurately described. The roll could not be changed if the property was the subject of a contested hearing before the ARB in which the owner had offered evidence or argument and the board had determined the protest on its merits.

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, 2001.

**SUPPORTERS  
SAY:**

SB 865 would bring balance and fairness to two important aspects of the property tax appraisal process.

Under current law, chief appraisers have five years from the end of a tax year (December 31) to restore omitted property to the tax rolls. Property owners, however, have five years from the beginning of a tax year (January 1) to correct tax-roll errors. This disparity gives appraisers an additional year to make corrections. For example, for the 2000 tax year, the last day that a chief appraiser can add omitted property is December 31, 2005, but the last day that a property owner can file a motion to correct the appraisal roll is January 1, 2005. SB 865 would make the deadline for a property owner's motion to correct the appraisal roll the same as the deadline for the chief appraiser to add omitted property to the roll.

Appraisers and owners cannot correct errors in appraisals that they have agreed to previously in writing, nor can they seek corrections for property whose owners protest the appraisals. But the law is silent about whether they may correct appraisals resulting from contested ARB hearings. SB 865 would make it clear that they cannot. This bill would allow corrections of protested property if no hearings were held or determinations were made. It would bring a reasonable degree of finality to the process.

OPPONENTS  
SAY:

Allowing owners to correct protested appraisals would contribute to circumvention of deadlines. Many tax agents file blanket protests, then withdraw them after the deadline and pursue only certain cases. Protests for which there were no hearings are treated as though they never existed. Challenges should end when protests expire. Extending challenges beyond the protest filing period would erode the integrity of the system.

ARBs should retain discretion to correct tax-roll errors. Making corrections mandatory would dilute their authority.

OTHER  
OPPONENTS  
SAY:

More should be done to ensure property owners' rights and to balance the playing field with appraisal districts. SB 865 should remove appraisers' ability to challenge appraised values before ARBs, and it should require ARBs to consider any evidence brought by owners, including tax maps and appraisal records and cards.

NOTES:

The author plans to offer a floor amendment that would revise the mandatory language regarding ARB tax-roll changes to make it permissive, consistent with current law.

The companion bill, HB 1732 by T. King, passed the House on the Local, Consent, and Resolutions Calendar on May 8.