

BILL ANALYSIS

Senate Research Center
77R4118 JD-F

S.B. 865
By: Staples
Intergovernmental Relations
3/28/2001
As Filed

DIGEST AND PURPOSE

Under current law, if a chief appraiser discovers that property has been erroneously omitted from the tax roll in any of the five prior years, the chief appraiser is authorized to appraise the property and add it to the appraisal roll. This means that, for the 2000 tax year, the last day that a chief appraiser can add omitted property to the appraisal roll is December 31, 2005. Current law also allows a property owner to file a motion with an appraisal review board to correct certain errors in the appraisal roll for any of the prior five years, but this must be done before the end of five years from January 1 of the tax year. This means that, for the 2000 tax year, the last day that a property owner can file a motion to correct the appraisal roll is January 1, 2005. Thus, the chief appraiser has almost one year longer to add omitted property to the appraisal roll than property owners have to correct the appraisal roll. As proposed, S.B. 865 changes the deadline for a property owner's motion to correct the appraisal roll to coincide with the deadline for a chief appraiser's addition of omitted property to the appraisal roll.

Also under current law, property owners or chief appraisers are authorized to file motions with the appraisal review board to correct an erroneous appraised value on the appraisal roll. The law clearly states that such a motion cannot be filed if the appraised value is the result of a written agreement between the appraisal district and the property owner or the owner's agent. However, the law is silent as to whether a motion can be filed if the appraised value is the result of a hearing on a property owner's protest and a determination of that protest by the appraisal review board. Also, the ability of a chief appraiser to change the appraised value of property for the prior five years, a value which the chief appraiser originally established, detracts from the finality that property owners seek in their property tax liability. S.B. 865 limits the authority of a chief appraiser to change the appraisal roll and clarifies that a property owner cannot file a motion with the appraisal review board to correct an erroneous appraised value on the appraisal roll if the value resulted from an appraisal review board hearing or an agreement between the appraisal district and the property owner or owner's agent.

Finally, some courts have held that a property owner cannot file a motion to correct the appraisal roll unless the error is present on the face of the appraisal roll. These rulings have precluded a motion by a property owner to correct a clerical error that resulted in an erroneous appraised value, because the error could only be detected by reviewing evidence of the value of the property and could not be detected on the face of the appraisal roll. S.B. 865 requires an appraisal review board to consider evidence of value in determining whether the appraisal roll contains an error that can be corrected.

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, Tax Code, by amending Subsections (c) and (d) and adding Subsection (n), as follows:

(c) Requires, rather than authorizes, the appraisal review board, on motion of a

property owner, to direct by written order changes in the appraisal roll for any of the five preceding years to correct certain errors. Deletes text regarding the board directing changes at any time before the end of five years after January 1 of a tax year. Deletes text regarding the chief appraiser.

(d) Makes a conforming change. Provides that the roll may not be changed under this section given certain conditions.

(n) Requires the appraisal review board, in determining whether to direct that an appraisal roll be changed under Subsection (c), to consider any evidence offered by the property owner to establish that an error resulted in an incorrect appraised value in the appraisal roll, including appraisal records, appraisal cards, tax maps, and other written material.

SECTION 2. Provides that changes in law made by this Act to Section 25.25, Tax Code, apply only to a motion under Section 25.25, Tax Code, that is pending before an appraisal review board on the effective date of this Act or that is filed with an appraisal review board on or after that date.

SECTION 3. Effective date: upon passage or September 1, 2001.