

Lavaca County Central Appraisal District

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2024 Annual Report

Introduction

The Lavaca County Central Appraisal District "LCCAD" is a political subdivision of the State of Texas created by the Texas Legislature in 1979. The operations of the district are governed by the Constitution of the State of Texas, the Texas Property Tax Code, and the rules of Texas Comptroller's Property Tax Assistance Division.

LCCAD is responsible for the appraisal of all property in Lavaca County for ad valorem purposes and the administration of all local option and State mandated property tax exemptions.

Mission

The mission of the Lavaca County Central Appraisal District is to discover, list and appraise all property located within the boundaries of the district in an accurate, ethical and impartial manner in an effort to estimate the market value of each property and achieve uniformity and equity. This will be accomplished by maintaining the highest standards in appraisal practices and law by developing personnel who are professional and knowledgeable and operate under the standards of:

- The Property Tax Assistance Division of the Texas Comptroller's Office (PTAD)
- The International Association of Assessing Officers (IAAO)
- The Uniform Standards of Professional Appraisal Practice (USPAP)

Governance

The Appraisal District operations are governed by the Board of Directors whose members are elected by the voting taxing units every two years. The Board's primary responsibilities are:

- Appoint the Chief Appraiser
 - Adopt the District's annual operating budget
 - Contract for necessary services; Complying with the competitive bidding requirement established by law.
 - Adopt a Biennially written plan for the periodic reappraisal of all property within the District's boundaries
 - Select a financial institution to deposit funds through bid solicitations
 - Purchase or lease real property, as well as constructing improvements to establish the appraisal district office
 - Make general policies on the appraisal district's operations
- To be eligible to serve on the Board of Directors, a person must have resided within the boundaries of the county for at least two years prior to their appointment. Their terms are not staggered and there are no legal limits to the number of terms a board member can serve.

2024 Board of Directors include:

James Fenner - Chairman
Walt Hairell - Vice Chairman
Fred Hilscher - Secretary
Debbie Sevcik Tax Assessor Collector
Ron Braeuer
Lonny Montgomery
Roddy Renger

The Chief Appraiser is the chief administrator of the appraisal district and is appointed by the Board of Directors. The Chief Appraiser must be licensed as a Registered Professional Appraiser (RPA) through the Texas Department of Licensing and Regulation.

The Appraisal Review Board (ARB) consists of five members appointed by Judge Old the Administrative Judge for Lavaca County.

To be eligible to serve on the ARB, an individual must be a resident of the district and must have resided in the district for at least two years. Board members are also required to attend annual training classes to be eligible to serve in any given year.

The Appraisal Review Board responsibilities are:

- Determining protests initiated by property owners
- Determining challenges initiated by taxing units
- Correcting clerical errors in the appraisal records and the appraisal rolls
- Action on motions to correct appraisal rolls under section 25.25 of the Property Tax Code
- Determining whether exemptions and special appraisals are improperly granted and;
- Taking other actions or making other determinations authorized by the Property Tax Code

2024 Appraisal Review Board Members include

John Henke - Chairman
Carroll Sharp - Secretary
Paul Cook
Elorine Sitka
Mike O'Day

The Agricultural Advisory Board is a three-member board appointed by the Chief Appraiser with the advice and consent of the Board of Directors. The responsibility of the Agricultural Advisory Board is to advise the Chief Appraiser on the valuation and use of land that may be designated for open-space agricultural valuation within the district's boundaries and to assist in determining typical practices and standards used in various farming operations. The board serves at the will of the Chief Appraiser.

2024 Agricultural Advisory Board Members include:

Mary Schroeder – Chairman
Randal Jacobs
Michael Hanslik

The District also invites the following to attend and offer their knowledge:

- o Chris Janak - Lavaca County National Resource Conversation Service
- o Shannon Deforest - Lavaca County Extension Agent
- o Texas Parks & Wildlife Biologist
- o Farm Service Agency representative

The Lavaca County Central Appraisal District is responsible for appraising all properties for each of the following Taxing Jurisdiction within the boundaries of Lavaca County:

| <u>Taxing Unit</u> | <u>2024 Market Value</u> | <u>2024 Net Taxable</u> |
|----------------------------------|--------------------------|-------------------------|
| *City of Hallettsville | \$329,829,924 | \$216,304,751 |
| *City of Moulton | \$92,866,458 | \$75,971,942 |
| *City of Shiner | \$426,155,974 | \$343,565,253 |
| *City of Yoakum | \$257,167,488 | \$220,992,542 |
| *Ezzell ISD | \$779,811,858 | \$112,571,836 |
| *Hallettsville ISD | \$3,759,615,887 | \$1,148,276,562 |
| *Moulton ISD | \$1,247,020,284 | \$731,512,203 |
| *Shiner ISD | \$1,529,482,401 | \$872,525,574 |
| *Sweet Home ISD | \$472,555,444 | \$99,065,229 |
| *Vysehrad ISD | \$308,786,392 | \$81,724,280 |
| *Weimar ISD | \$31,013,920 | \$4,913,426 |
| *Yoakum ISD | \$1,174,277,453 | \$767,357,265 |
| *Lavaca County | \$9,307,560,145 | \$4,396,671,548 |
| *Lavaca County Farm-Market Road | \$9,307,597,758 | \$4,379,500,556 |
| *Lavaca County Flood District | \$325,464,242 | \$217,315,380 |
| *Lavaca Hospital District | \$4,573,455,307 | \$1,670,348,134 |
| *Yoakum Hospital District | \$1,973,662,875 | \$1,112,830,207 |
| *Moulton Medical Clinic District | \$1,223,858,116 | \$785,181,026 |

Property Types Appraised

For 2024 the Lavaca County Central Appraisal District has approximately

| <u>State Code</u> | <u>Property Type</u> | <u>Count</u> | <u>Market Value</u> |
|-------------------|---|--------------|---------------------|
| A | Single Family Residence | 7 | \$157,244 |
| A1 | Real Residential, Single Family & Owner-Occ | 4,394 | \$740,566,309 |
| A2 | Real Residential, Mobile Home | 686 | \$33,641,945 |
| A3 | Real Residential, Aux Improvements | 147 | \$2,377,524 |
| B1 | Real Residential, Multifamily | 23 | \$6,149,228 |
| B2 | Real residential, Duplexes | 42 | \$6,844,750 |
| C | Vacant Lot | 10 | \$164,574 |
| C1 | Vacant Lots/Land Tracts | 659 | \$10,401,004 |
| C3 | Commercial Vacant Lot | 2 | \$39,570 |
| C4 | City Lot with Non-Owned PPMH | 33 | \$381,040 |
| D | Real Acreage (Land Only) | 7 | \$2,197,129 |
| D1 | Real Acreage (Qualified Ag Land Only) | 12,074 | \$4,658,329,343 |
| D2 | Improvement on Qualified Ag Land | 5,508 | \$58,654,533 |
| D3 | Real, Acreage, Farmland | 1 | \$11,443 |
| D4 | Real, Acreage, Undeveloped Land | 1 | \$228,057 |
| E | Real, Farm and Ranch Improvements | 4 | \$441,479 |
| E1 | Real, Farm/Ranch House | 5,023 | \$986,996,990 |
| E2 | Real, Farm/Ranch Mobile Home | 1,491 | \$57,029,843 |
| E3 | Real, Farm/Ranch other Improvements | 552 | \$3,109,080 |
| E4 | Rural Undeveloped Land | 1,370 | \$101,152,215 |

| <u>State Code</u> | <u>Property Type</u> | <u>Count</u> | <u>Market Value</u> |
|-------------------|-------------------------------|--------------|---------------------|
| F1 | Real, Commercial | 943 | \$135,642,523 |
| F2 | Real, Industrial | 94 | \$701,032,853 |
| F3 | Real, Industrial Imp Only | 1 | \$16,252 |
| G1 | Oil & Gas | 30,857 | \$959,656,191 |
| J2 | Gas Companies | 6 | \$2,387,920 |
| J3 | Electric Companies | 39 | \$27,013,870 |
| J4 | Telephone Companies | 36 | \$8,380,400 |
| J5 | Railroads | 9 | \$14,520,570 |
| J6 | Pipelines | 554 | \$321,571,560 |
| J6A | Conversion | 37 | \$15,149,890 |
| J7 | Cable Television | 15 | \$464,530 |
| J8 | Other type of Utilities | 39 | \$40,240,770 |
| J8A | Conversion | 2 | \$11,020 |
| J9 | Railroad Rolling Stock | 1 | \$5,029,869 |
| L1 | Tangible, Personal Commercial | 876 | \$71,783,617 |
| L2 | Tangible, Personal Industrial | 9 | \$1,997,433 |
| L2A | Conversion | 1 | \$165,330 |
| L2C | L2C | 19 | \$27,302,480 |
| L2D | Conversion | 6 | \$253,600 |
| L2F | L2F | 2 | \$5,925,000 |
| L2G | L2G | 59 | \$68,948,440 |
| L2H | Conversion | 3 | \$184,860 |
| L2I | Conversion | 1 | \$12,740 |
| L2J | Conversion | 22 | \$15,683,840 |
| L2L | Conversion | 3 | \$554,720 |
| L2M | Conversion | 28 | \$3,645,110 |
| L2O | Conversion | 0 | \$0 |
| L2P | Conversion | 39 | \$3,871,140 |
| L2Q | Conversion | 36 | \$4,628,430 |
| M1 | Tangible Personal Other | 599 | \$20,803,202 |
| M3 | Tangible other Personal | 3 | \$20,192 |
| S | Special Inventory Tax | 21 | \$2,578,872 |
| X | Exempt Property | 8,667 | \$179,296,367 |

| | |
|------------------------|-----------------|
| Total Acres (D1) | 612,755.1484 |
| Total New Value Market | \$67,833,518 |
| Total Market | \$9,307,646,891 |

Exemption**Data**

The LCCAD is responsible for the administration of all property tax exemptions granted. The most common exemption a property owner qualifies for is the Homestead Exemptions. These exemptions include mandated homestead exemptions, optional homestead exemption, over-65 exemptions, disability exemptions, disabled veteran exemptions and 100% disabled veteran exemptions. In order to qualify for the Homestead Exemption, the property owner must own and reside in the residence on January 1 and the owner or spouse claims no other Homestead Exemption. In January of each year the district mails Homestead Exemption application to property owners who may qualify for this exemption. The application must be completed and returned to the district by April 30. A property owner who turns 65 any time during the year qualifies for the Over 65 exemption and can apply for the exemption anytime during the year after the property owner turns 65. A property owner may file a late homestead application if it is filed no later than one year after the taxes become delinquent. The following is a list of taxing units that offer the Homestead/Over 65/Disabled Persons.

Exemptions:

| Entities | Homestead | OA/Standard DP/ Standard | | Freeze | Freeze | 2024 Tax Rates | 3-2-1% Discount |
|-----------------------|-----------|--------------------------|------------|--------|------------|----------------|-----------------|
| | | HS-Extra | Freeze | | | | |
| Lavaca Hospital Dist. | | 20% or \$5,000 | \$25,000 | | \$25,000 | 0.14130 | N |
| Moulton Clinic Dist. | | | | | | 0.00900 | N |
| Yoakum Hosp. Dist. | | | | | | 0.11790 | N |
| City of Hallettsville | | 20% or \$5,000 | /Y | | /Y | 0.45810 | Y |
| City of Moulton | | 20% or \$5,000 | | | | 0.65440 | Y |
| City of Shiner | | 20% or \$5,000 | | | | 0.25100 | Y |
| City of Yoakum | | | | | | 0.20182 | N |
| Lavaca Flood Dist. | | 20% or \$5,000 | | | | 0.05550 | N |
| Lavaca County | | | /Y | | /Y | 0.41370 | N |
| Farm-Mkt. Rd. | \$3,000 | | /Y | | /Y | 0.09950 | N |
| Ezzell ISD | \$100,000 | 20% or \$5,000 | \$10,000/Y | | \$10,000/Y | 0.88960 | Y |
| Hallettsville ISD | \$100,000 | | \$10,000/Y | | \$10,000/Y | 0.88883 | N |
| Moulton ISD | \$100,000 | 20% or \$5,000 | \$10,000/Y | | \$10,000/Y | 0.86705 | N |
| Shiner ISD | \$100,000 | | \$10,000/Y | | \$10,000/Y | 0.71720 | Y |
| Sweet Home ISD | \$100,000 | | \$10,000/Y | | \$10,000/Y | 1.11330 | Y |
| Vysehrad ISD | \$100,000 | 20% or \$5,000 | \$10,000/Y | | \$10,000/Y | 0.66690 | N |
| Weimar ISD | \$100,000 | | \$10,000/Y | | \$10,000/Y | 0.87690 | N |
| Yoakum ISD | \$100,000 | | \$10,000/Y | | \$10,000/Y | 1.00059 | N |

Disabled Veteran: (DV's can be stacked)

DV1 - an additional \$5,000 off the value for each entity (10% - 29% disabled)

DV2- an additional \$7,500 off the value for each entity (30% - 49% disabled)

DV3- an additional \$10,000 off the value for each entity (50% - 69% disabled)

DV4- an additional \$12,000 off the value for each entity (70% - 100% disabled)

DVHS- Pays no property tax on any home site portion of property that has homestead exemption.

DVHS- Prorates on & off; can be stacked with any other DV, DP or OA

DVHSS- Value (exact amount - not 100% of home site portion) can be transported to another account with homestead exemption by non - remarried surviving spouse.

DPS- when replacing a DP, the ISD no longer offers the exemption or freeze. G143, RD & CH entities no longer offer the \$10,000 state allowance, but they do let the surviving spouse to keep the freeze

Ratio Study Analysis - Property Value Study

The property tax code requires that the Property Tax Assistance Division of Texas Comptroller Office to conduct an internal ratio study in each appraisal district biannually to determine the degree of uniformity of and the median level of appraisal with each major property category in each school district. The districts values must be within the 5% margin of the state's ratio study in order for the Comptroller to certify local value to the Commissioner of Education for school funding. For 2022 the Lavaca County Central Appraisal District's was certified local value for all school districts within the boundaries of Lavaca County. The district's next property value study will be performed for the year 2024.

2024-2025 Methods and Assistance Program

In 2009, the Texas Legislature enacted a new law that required the Comptroller of Public Accounts to review appraisal districts every two years. The reviews inspect the governance, taxpayer assistance, operating procedures and the appraisal standards, procedure and methodology of each appraisal district. Mandatory requirements for each appraisal district include having up to date appraisal maps, onsite property inspections by the PTAD auditor match the districts property records, written procedures, PTAD auditor must be able to reproduce district's values using district's procedures and appraisal records and the ability to timely produce requested data of over 200 items. The district PASSED all Mandatory Requirements for the 2023 MAP's program. The district had one recommendation to address in the Appraisal Standards, Procedures and Methodology section which was resolved. The final report (see attached) was published in January of 2024 with no outstanding recommendations. The district's next Methods and Assistance Audit will be in 2025.

Glenn Hegar
Texas Comptroller of Public Accounts
2022-23 Final Methods and Assistance Program Review
Lavaca County Central Appraisal District
Current MAP Cycle Chief Appraiser(s): Pam Lathrop
Previous MAP Cycle Chief Appraiser(s): Pam Lathrop

This review is conducted in accordance with Tax Code Section 5.102(a) and related Comptroller Rule 9.301. The Comptroller is required by statute to review appraisal district governance, taxpayer assistance, operating procedures and appraisal standards.

| Mandatory Requirements | PASS/FAIL |
|---|------------------|
| Does the appraisal district board of directors, through the chief appraiser, ensure administrative functions are followed in accordance with Chapter 6 of the Texas Property Tax Code? | PASS |
| Does the appraisal district have up-to-date appraisal maps? | PASS |
| Is the implementation of the appraisal district's most recent reappraisal plan current? | PASS |
| Are the appraisal district's appraisal records up-to-date and is the appraisal district following established procedures and practices in the valuation of property? | PASS |
| Are values reproducible using the appraisal district's written procedures and appraisal records? | PASS |

| Appraisal District Activities | RATING |
|--|------------------|
| Governance | Meets All |
| Taxpayer Assistance | Meets All |
| Operating Procedures | Meets All |
| Appraisal Standards, Procedures and Methodology | Meets All |

Appraisal District Ratings:

Meets All – The total point score is 100

Meets – The total point score ranges from 90 to less than 100

Needs Some Improvement - The total point score ranges from 85 to less than 90

Needs Significant Improvement – The total point score ranges from 75 to less than 85

Unsatisfactory – The total point score is less than 75

| Review Areas | Total Questions in Review Area (excluding N/A Questions) | Total "Yes" Points | Total Score (Total "Yes" Questions/Total Questions) x 100 |
|--|---|---------------------------|--|
| Governance | 16 | 16 | 100 |
| Taxpayer Assistance | 17 | 17 | 100 |
| Operating Procedures | 25 | 25 | 100 |
| Appraisal Standards, Procedures and Methodology | 23 | 23 | 100 |

Legislative Changes

2023 88th Texas Legislature produced many pieces of legislation which affect the operations of appraisal districts as well as taxpayer exemptions and rights. There were several House and Senate Bills that will have a major impact on the operations of the Lavaca County Central Appraisal district for 2023-2024. See attached "Property Tax Bills in the 2023 Texas Legislature 88th Session" summary from McCreary, Veselka, Bragg and Allen, P.C.

These bills passed in the 88th Regular and Special Session will impact the following:

Appraisals
Appraisal District Operations
Appraisal Review Boards
Appeals

PROPERTY TAX BILLS IN THE 2023 TEXAS LEGISLATURE 88th REGULAR SESSION

Last Updated: June 20, 2023

The legislature's regular session ended on May 29, 2023. The bills that were passed were sent to Governor Abbott. He vetoed a surprising number of them, not because he disagreed with the particular bills but because he was upset about the legislature's failure to pass a bill reducing school taxes.

The legislature's first special session has a little over a week to go, but no bills have been passed so far.

Relevant property tax bills from the regular session are summarized below. The bills that were passed are listed first. Then, in pale gray type, are the bills that died.

We use gold stars to mark the progress of a bill, but those stars turn gray when a bill moves to the dead-bills list.

- ★ Bill has been reported out of committee in the house in which it was filed.
- ★★ Bill has been passed by the house in which it was filed.
- ★★★ Bill has been reported out of committee in the other house.
- ★★★★ Bill has been passed by both houses.
- ★★★★★ Bill has been signed by Governor and will take effect.

Of course, we will be happy to assist our clients who have questions about legislation.

Bills That Were Passed

Exemptions

H.B. 456 ★★★★★

Author: Craddick

Amends/Enacts: §11.18 Tax Code

Status: Passed by both houses; signed by governor

Effective: January 1, 2024

Some charitable organizations will receive exemptions for mineral interests that they own, including royalty interests. In order to qualify, an organization must perform one or more of eight charitable functions from the larger list of functions in §11.18(d). The exemption applies to a royalty interest that is not severed from the surface and that was donated to the charitable organization.

H.B. 2071 ★★★★★

Effective: January 1, 2024 if constitutional amendment approved by voters

S.J.R. 87 ★★★★★

Author: Huffman

Amends/Enacts: Art. VIII, §1-x Texas Constitution

Status: Passed by both houses; election scheduled for November 7, 2023

Effective: January 1, 2024 if approved by voters

This proposed constitutional amendment and related bill will exempt bpp: a) stored, used, or consumed in the manufacturing or processing of medical or biomedical products by a medical or biomedical manufacturer; or b) intended for use in the diagnosis, cure, treatment, or prevention of a condition or disease or in medical or biomedical research. Exempt property will include devices, therapeutics, pharmaceuticals, personal protective equipment, tools, apparatuses, instruments, and inventories. The property must be in a medical or biomedical manufacturing facility owned or leased by the same company that owns the property.

Appraisals

H.B. 260 ★★★★★

Author: Murr

Amends/Enacts: §23.51 Tax Code

Status: Passed by both houses; signed by Governor

Effective: January 1, 2024

In calculating net to land of 1-d-1 land located in or adjacent to a wildlife or livestock disease or pest area, an appraisal district must take into consideration the effect of the disease or pest or the designation of the area.

H.B. 2121 ★★★★★

Author: Paul

Amends/Enacts: §22.24 Tax Code

Status: Passed by both houses; signed by governor

Effective: January 1, 2024

A rendition will not have to be sworn or notarized if it is filed on behalf of a property owner whose good faith estimate of the market value of his/her bpp is not more than \$150,000.

H.B. 2354 ★★★★★

Author: Hefner

Amends/Enacts: §23.54 Tax Code

Status: Passed by both houses; signed by governor

Effective: January 1, 2024

If the owner of 1-d-1 land dies and the land is transferred to that owner's surviving spouse, the new owner will not need to file an application in order to continue the 1-d-1 appraisal.

S.B. 1191 ★★★★★

Author: Zaffirini

Amends/Enacts: §23.541 Tax Code

Status: Passed by both houses; signed by governor

Effective: May 23, 2023

If the owner of 1-d-1 land dies, the new owner would have an extended deadline for filing a new 1-d-1 application for the following year. A surviving spouse or child of the decedent, an executor of the decedent's estate, or a fiduciary acting for a surviving spouse or child may file the application any time before the taxes became delinquent for the year in question. The late application will not trigger any penalty.

S.B. 1439 ★★★★★

Author: Springer

Amends/Enacts: §§11.145, 22.01, and 22.24 Tax Code

Status: Passed by both houses; *VETOED BY GOVERNOR*

If two or more related businesses involved in a "unified business enterprise" own bpp at the same address, their renditions would have to reflect that fact. Each business's rendition must identify the bpp of its related businesses. This bill is also discussed under the heading, *Exemptions*.

Appraisal Districts and ARBs

H.B. 796 ★★★★★

Author: Button

Amends/Enacts: §41.13 Tax Code

Status: Passed by both houses; signed by governor

Effective: January 1, 2024

An appraisal district will have to establish an online database containing information on every hearing conducted by the ARB. The entry for each hearing will have to include: the name of each ARB member participating; the date and time of the hearing; the account number, value, and category of the property; and the ARB's determination. The database will have to be updated by October 1 of each year. Data for each year will be added until the database includes the data for five years. From that point forward, the database will include data for the five most recent years.

H.B. 1228 ★★★★★

Author: Metcalf

Amends/Enacts: §§1.07, 1.085, 25.192, 25.193, 25.195, 41.461, 41.47, Tax Code

Status: Passed by both houses; signed by governor

Effective: January 1, 2024 (In a county with fewer than 120,000 people, a tax official will have until January 1, 2025 to comply)

Current law contemplates the electronic exchange of notices and information between appraisal districts and property owners if both parties enter agree to the electronic exchange. Under this bill, a property owner can *require* a "tax official" to send and receive notices and communications electronically. In order to invoke this right, a property owner must file a form that will come from the comptroller. "Tax official" includes an appraisal district, an ARB, and a tax office. A tax official must establish a procedure specifying the manner in which electronic communications will be exchanged and confirmed. The information must be posted on a tax official's website. An

appraisal district will include the information in its notices of appraised value. A tax official must acknowledge the receipt of an electronic communication.

Current law gives a property owner or owner's agent the right to *inspect* the appraisal records concerning the owner's property and the supporting information in the hands of the appraisal district. This bill will require the district to deliver the information electronically or by mail at the request of the owner or agent. The district may not charge for copying or delivery. The same rule will apply to information in the hands of a private appraisal firm working for the appraisal district.

H.B. 1285 ★★★★★

Author: Shine

Amends/Enacts: §§5.06, 6.052, and 41.66 Tax Code

Status: Passed by both houses; signed by governor

Effective: January 1, 2024

A property owner can file a complaint with a TLO about something other than the appraisal of property. In response, the TLO can: help the property owner find information; informally mediate a disagreement between the owner and the appraisal district and/or the ARB; treat the matter as a formal complaint; assist the owner with filing request for limited binding arbitration; or make recommendations to the district or the ARB. A TLO must notify the property owner about the resolution of a complaint within 90 days after the complaint is filed.

A TLO will also be responsible for publicizing the need for ARB members. The board may also appoint deputy TLOs. The district's board of directors will evaluate the TLO and any deputies annually.

The bill states that the TLO "is the appraisal district officer primarily responsible for providing assistance to taxpayers for the district." A TLO will be responsible for providing public information to help property owners understand the complaint process and limited binding arbitration along with other matters.

The comptroller will create a training program for TLOs and their deputies. A TLO or deputy must complete the comptroller's training course (and the ARB training course) within one year of taking office and do it again every two years. The comptroller's pamphlet for property owners will describe the functions of a TLO and provide advice about preparing and presenting a protest. That information will also have to be posted on the appraisal district's website.

Current law allows the directors to remove an ARB chair if the ARB does not correct procedural errors. Under this bill, the directors will refer the matter to the local administrative district judge, who can remove the ARB chair.

Unfortunately, the bill provides no guidance to appraisal districts that do not have TLOs.

H.B. 3207 ★★★★★

Author: Murr

Amends/Enacts: §6.12 Tax Code

Status: Passed by both houses; signed by governor

Effective: September 1, 2023

The members of an appraisal district's agricultural advisory board will no longer have to be residents of the district. They will only have to be owners of land qualifying for special appraisal.

A public-school teacher may serve on an ARB. This will be an exception to the current law that prohibits all employees of taxing units from serving on ARBs.

Appeals

H.B. 2488 ★★★★★

Author: Geren

Amends/Enacts: §42.23 Tax Code

Status: Passed by both houses; signed by governor

Effective: September 1, 2023 (applies to appeals filed after that date)

Under two circumstances, an appraisal district will bear the burden of proving the value of a property in court. (They are both circumstances that give the district a heightened burden of proof in a protest before the ARB.) One circumstance involves a value that is lowered in one year as the result of a judicial appeal and then replaced with a higher value in the next year. The other involves a value that is lowered in one year as the result of a judicial appeal and a property owner who provides his/her evidence to the district fourteen days in advance of the next year's ARB hearing. The new law will apply only if the first year's value is set by a court following a trial on the merits. When this law applies, the district will have to support its value in court with clear and convincing evidence.

H.B. 4101 ★★★★★

Author: Shine

Amends/Enacts: §41A.015 Tax Code

Status: Passed by both houses; signed by governor

Effective: January 1, 2024 (applies where notice of protest is filed after effective date)

This bill will substantially expand limited binding arbitration. An arbitrator can address any failure by the ARB to comply with the ARB's hearing procedures.

S.B. 2355 ★★★★★

Author: Bettencourt

Amends/Enacts: §§41A.03, 41A.04, 41A.05, 41A.08, and 41A.11 Tax Code

Status: Passed by both houses; signed by governor

Effective: January 1, 2024

A property owner seeking to appeal an ARB order through binding arbitration will file his/her request with the comptroller directly, not the appraisal district. The property owner may file the request and pay the deposit electronically. The appraisal district will receive a notice of the owner's request for binding arbitration. Upon receipt of that notice, the district will have ten days to provide to the comptroller any information reasonably necessary for the comptroller to process the request and appoint an arbitrator. An authorization for an agent to represent a property owner in a binding arbitration may not be signed by the agent authorized to represent the owner before the district and ARB. The authorization will be effective when signed. The agent will not automatically file the signed form, but he/she will have to produce it if requested by the district, the ARB, the owner, the comptroller, or the arbitrator. A property owner may assign to an agent the right to receive the refund of an arbitration deposit. The bill also makes it clear that an agreement settling a binding arbitration is final and binding on the parties.

Assessment

H.B. 8 ★★★★★

Author: VanDeaver

Amends/Enacts: Chapter 130A Education Code

Status: Passed by both houses; signed by governor

Effective: September 1, 2023

This complicated bill concerns junior colleges. It will establish a multi-tiered system of financing junior college districts with some money coming from property taxes and some coming from the state. In order to participate, a junior college district's local share of the base tier will be based on an m&o tax rate of 5¢.

H.B. 4158 ★★★★★

Author: Schofield

Amends/Enacts: 11.26 Tax Code

Status: Passed by both houses; **VETOED BY GOVERNOR**

Effective: January 1, 2024

Every year an appraisal district will determine the number of over-65 and disabled homeowners receiving a school tax freeze in a school district. The appraisal district will report that information to the comptroller by September 1. The comptroller will report the information to legislators.

H.B. 4456 ★★★★★

Author: Cody Harris

Amends/Enacts: §5.07, 26.012, 26.05, and 27.17 Tax Code

Status: Passed by both houses; signed by Governor

Effective: January 1, 2024

A school district's "rate to maintain same level of maintenance & operations revenue," calculated under §44.004(c) of the Education Code will also be the district's no-new-revenue m&o rate. An appraisal district's online database will include the tax rate that would maintain the same amount of state and local revenue per student, rather than per weighted student, that a school district received in the school year beginning in the preceding tax year.

S.B. 1998 ★★★★★

Author: Bettencourt

Amends/Enacts: §§ 5.07, 26.03, and 26.04 Tax Code

Status: Passed by both houses; **VETOED BY GOVERNOR**

Effective: January 1, 2024

A taxing unit completing the comptroller's tax-rate-calculation forms must include a hyperlink for each entry, other than an entry making a mathematical calculation, providing a link to a document that shows the accuracy of the entry. A taxing unit with two or more TIF reinvestment zones will include separate entries for each zone.

S.B. 1999 ★★★★★

Author: Bettencourt

Amends/Enacts: 26.013 Tax Code

Status: Passed by both houses; signed by governor

Effective: January 1, 2024

A taxing unit's unused increment rate will be based on its "foregone revenue amount," calculated as follows: $\text{FOREGONE REVENUE AMOUNT} = (\text{VOTER-APPROVAL TAX RATE} - \text{ACTUAL TAX RATE}) \times \text{PRECEDING TOTAL VALUE}$. The bill defines PRECEDING TOTAL VALUE as a taxing unit's current total value in the applicable preceding tax year. A foregone revenue amount cannot be less than zero. The unused increment rate would equal the total foregone revenue amount for three years divided by current total value. It cannot be less than zero.

S.B. 2350 ★★★★★

Author: Bettencourt

Amends/Enacts: §26.013 Tax Code

Status: Passed by both houses; not vetoed by governor

Effective: June 18, 2023

For purposes of calculating an unused increment rate, voter-approval tax rate will be defined as "a taxing unit's voter-approval tax rate in the applicable preceding tax year, as adopted by the taxing unit during the applicable preceding tax year, less the unused increment rate for that preceding tax year." This seems to overlook the fact that a voter-approval tax rate is determined by calculation, not by adoption.

Collections

H.B. 4250 ★★★★★

Author: Lalani

Amends/Enacts: §34.03 Tax Code

Status: Passed by both houses; signed by governor

Effective: September 1, 2023

If a tax sale results in excess proceeds, the court clerk can look to that money to recover the postage cost of sending a certified-mail notice to the delinquent taxpayer whose property was sold.

S.B. 59 ★★★★★

Author: Zaffirini

Amends/Enacts: §34.01 Tax Code; §232.0315 Local Government Code

Status: Passed by both houses; signed by Governor

Effective: September 1, 2023

This bill concerns tax sales in counties on or near the Mexican border. A taxing unit selling a tract of five acres or less (presumably intended for residential use) will have to include in the notice of sale and in the tax deed a notice that the land may not qualify for residential use if it lacks water or wastewater service. Currently, a similar requirement applies to counties, but not to other taxing units.

S.B. 62 ★★★★★

Author: Zaffirini

Amends/Enacts: §34.015 Tax Code; 51.002 Property Code
Status: Passed by both houses; signed by governor
Effective: September 1, 2023

This bill concerns the rule that a person who owes delinquent taxes may not buy property at a tax sale. A purchaser or prospective purchaser may request a statement from the county tax assessor collector detailing any delinquent taxes that the person owes. The person then presents the statement to the sheriff or other officer conducting the tax sale. This bill will require a county tax assessor-collector to post on the county's website a form (or a link to a comptroller's form) that a person can use to request a statement about delinquent taxes.

S.B. 539 ★★★★★
Author: Pending in Senate Local Government Committee
Amends/Enacts: §33.03 Tax Code
Status: Passed by both houses; signed by governor
Effective: January 1, 2024

A TAC will indicate on each delinquent tax roll that a delinquent tax included on the roll is deferred or abated.

S.B. 2091 ★★★★★
Author: West
Amends/Enacts: §§33.43, 34.0101, and 34.02 Tax Code
Status: Passed by both houses; signed by governor
Effective: September 1, 2023

This bill concerns tax sales of real properties unlikely to be of interest to anybody other than an owner of abutting land. That includes a tract that is small or unusually shaped and that can't be used because of zoning laws or subdivision restrictions. It also includes landlocked property with no access and property in a flood-prone area as determined by FEMA. A public sale of such a property is likely to be unsuccessful. If that happens, the property can be sold to an owner of abutting land in a private sale. It can be sold for less than the usual minimum foreclosure sales price although the bill does set out its own minimum price. The bill includes procedures for notifying owners of abutting land that the property may be sold at a private sale. The same will be true for real property sold pursuant to a tax warrant.

School Finance and Value Studies

None of the school-finance bills that we were following was actually enacted.

Miscellaneous

H.B. 5 ★★★★★
Author: Hunter
Amends/Enacts: §§23.03, 26.012, and 312.0025 Tax Code; §§48.2551 and 48.256 Education Code; Chapter 403, Subchapter T and §2303.507 Government Code
Status: Passed by both houses; signed by governor
Effective: September 1, 2023

This bill creates the "Texas Jobs, Energy, Technology, and Innovation Act." It will allow a school district to provide tax breaks to encourage economic developments. The district may agree to limit the taxable value of a property for purposes of the district's m&o taxes. A property owner seeking the benefit will first file an application and an "economic benefit statement" with the comptroller. The comptroller will send copies to the school district and to the governor. The school board will have only 30 days to hold a public hearing and decide whether it is willing to enter the proposed agreement with the property owner. The governor must also decide within 30 days whether to agree to the proposal. The comptroller will decide whether to recommend the tax break to the school district.

The parties to an agreement will be the property owner, the school district, and the governor. The agreement will include a construction period during which the taxable value of the property will be zero. It will also include an incentive period of ten years during which the taxable value will be 50% of market value (25% of market value if the property is in a qualified opportunity zone). The agreement will incorporate minimum requirements for jobs and investment in the project.

H.B. 1911 ★★★★★

Author: Mary Burrows

Amends/Enacts: §25.025 Tax Code

Status: passed by both houses; signed by governor

Effective: June 9, 2023

The list of people who can have their home addresses kept confidential by appraisal districts and taxing units will be expanded to include a current or former employee or contract staff member of a university health care provider at a corrections facility operated by the Texas Department of Criminal Justice or the Texas Juvenile Justice Department. The list will also include a current or former attorney for the Department of Family and Protective Services.

S.B. 617 ★★★★★

Author: Blanco

Amends/Enacts: §25.025 Tax Code

Status: Passed by both houses; signed by governor

Effective: May 19, 2023

The list of people who can have their home addresses kept confidential by appraisal districts and taxing units will be expanded to include a customs and border protection officer or border patrol agent. The bill also covers the spouse, surviving spouse, or adult child of such an officer or agent.

S.B. 1525 ★★★★★

Author: Miles

Amends/Enacts: §25.025 Tax Code

Status: Passed by both houses; signed by governor

Effective: June 18, 2023

The list of people who can have their home addresses kept confidential by appraisal districts and taxing units will expand to include a current or former attorney for the Department of Family and Protective Services.