

CHAPTER 849

H.B. No. 1650

AN ACT

relating to the effect of certain property appraisal appeals.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subchapter G, Chapter 16, Education Code, is amended by adding Section 16.258 to read as follows:

*Sec. 16.258. EFFECT OF APPRAISAL APPEAL. (a) If the final determination of an appeal under Chapter 42, Tax Code, results in a reduction in the taxable value of property that exceeds five percent of the total taxable value of property in the school district for the same tax year determined under Section 11.86 of this code, the commissioner of education shall request the State Property Tax Board to adjust its taxable property value findings for that year consistent with the final determination of the appraisal appeal.*

*(b) If the district would have received a greater amount from the foundation school fund for the applicable school year using the adjusted value, the commissioner shall add the difference to subsequent distributions to the district from the foundation school fund. An adjustment does not affect the local fund assignment of any other district.*

SECTION 2. Subsection (c), Section 26.04, Tax Code, is amended to read as follows:

(c) An officer or employee designated by the governing body shall subtract from the total amount of property taxes imposed by the unit in the preceding year, *including taxes*

*imposed on appraised value that was reduced by the final determination of a court in an appeal under Chapter 42 of this code:*

- (1) the amount of taxes imposed in the preceding year to pay principal of and interest on debt of the unit and to pay lawfully incurred contractual obligations providing security for the payment of principal of and interest on bonds or other evidences of indebtedness issued on behalf of the unit by another political subdivision;
- (2) the amount of taxes imposed in the preceding year on property in territory that has ceased to be a part of the unit;
- (3) the amount of taxes imposed in the preceding year on taxable value that is exempt in the current year;
- (4) the amount of taxes imposed in the preceding year on taxable value that is not taxable in the current year because property appraised at market value in the preceding year is required by law to be appraised at less than market value in the current year;
- (5) the amount of taxes imposed in the preceding year pursuant to Subsection (d) of this section to recoup taxes lost in the year before as a result of an error or errors; and
- (6) the amount of taxes imposed in the preceding year dedicated to the use of a junior college district under Section 20.48(e), Education Code.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on April 23, 1987, by the following vote: Yeas 138, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1650 on May 29, 1987, by a non-record vote. Passed by the Senate, with amendments, on May 27, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 18, 1987.

Effective Aug. 31, 1987, 90 days after date of adjournment.