

TAX CODE CHAPTER 1. GENERAL PROVISIONS

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TITLE 1. PROPERTY TAX CODE

SUBTITLE A. GENERAL PROVISIONS

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Sec. 1.01. SHORT TITLE. This title may be cited as the Property Tax Code.

Acts 1979, 66th Leg., p. 2218, ch. 841, Sec. 1, eff. Jan. 1, 1982.

Sec. 1.02. APPLICABILITY OF TITLE. This title applies to a taxing unit that is created by or pursuant to any general, special, or local law enacted before or after the enactment of this title unless a law enacted after enactment of this title by or pursuant to which the taxing unit is created expressly provides that this title does not apply. This title supersedes any provision of a municipal charter or ordinance relating to property taxation. Nothing in this title invalidates or restricts the right of voters to utilize municipal-level initiative and referendum to set a tax rate, level of spending, or limitation on tax increase for that municipality.

Acts 1979, 66th Leg., p. 2218, ch. 841, Sec. 1, eff. Jan. 1, 1982.

Amended by Acts 1981, 67th Leg., 1st C.S., p. 117, ch. 13, Sec. 1, eff. Jan. 1, 1982.

Sec. 1.03. CONSTRUCTION OF TITLE. The Code Construction Act (Chapter 311, Government Code) applies to the construction of each provision of this title except as otherwise expressly provided by this title.

Acts 1979, 66th Leg., p. 2218, ch. 841, Sec. 1, eff. Jan. 1, 1982.

Amended by Acts 1985, 69th Leg., ch. 479, Sec. 72, eff. Sept. 1, 1985.

Sec. 1.04. DEFINITIONS. In this title:

(1) "Property" means any matter or thing capable of private ownership.

(2) "Real property" means:

(A) land;

(B) an improvement;
(C) a mine or quarry;
(D) a mineral in place;
(E) standing timber; or
(F) an estate or interest, other than a mortgage or deed of trust creating a lien on property or an interest securing payment or performance of an obligation, in a property enumerated in Paragraphs (A) through (E) of this subdivision.

(3) "Improvement" means:

(A) a building, structure, fixture, or fence erected on or affixed to land;

(B) a transportable structure that is designed to be occupied for residential or business purposes, whether or not it is affixed to land, if the owner of the structure owns the land on which it is located, unless the structure is unoccupied and held for sale or normally is located at a particular place only temporarily;
or

(C) for purposes of an entity created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, the:

(i) subdivision of land by plat;
(ii) installation of water, sewer, or drainage lines; or

(iii) paving of undeveloped land.

(3-a) Notwithstanding anything contained herein to the contrary, a manufactured home is an improvement to real property only if the owner of the home has elected to treat the manufactured home as real property pursuant to Section 1201.2055, Occupations Code, and a certified copy of the statement of ownership and location has been filed with the real property records of the county in which the home is located as provided in Section 1201.2055(d), Occupations Code.

(4) "Personal property" means property that is not real property.

(5) "Tangible personal property" means personal property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other

perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.

(6) "Intangible personal property" means a claim, interest (other than an interest in tangible property), right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidenced by a document. It includes a stock, bond, note or account receivable, franchise, license or permit, demand or time deposit, certificate of deposit, share account, share certificate account, share deposit account, insurance policy, annuity, pension, cause of action, contract, and goodwill.

(7) "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

(A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;

(B) both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and

(C) both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

(8) "Appraised value" means the value determined as provided by Chapter 23 of this code.

(9) "Assessed value" means, for the purposes of assessment of property for taxation, the amount determined by multiplying the appraised value by the applicable assessment ratio, but, for the purposes of determining the debt limitation imposed by Article III, Section 52, of the Texas Constitution, shall mean the market value of the property recorded by the chief appraiser.

(10) "Taxable value" means the amount determined by deducting from assessed value the amount of any applicable partial exemption.

(11) "Partial exemption" means an exemption of part of the value of taxable property.

(12) "Taxing unit" means a county, an incorporated

city or town (including a home-rule city), a school district, a special district or authority (including a junior college district, a hospital district, a district created by or pursuant to the Water Code, a mosquito control district, a fire prevention district, or a noxious weed control district), or any other political unit of this state, whether created by or pursuant to the constitution or a local, special, or general law, that is authorized to impose and is imposing ad valorem taxes on property even if the governing body of another political unit determines the tax rate for the unit or otherwise governs its affairs.

(13) "Tax year" means the calendar year.

(14) "Assessor" means the officer or employee responsible for assessing property taxes as provided by Chapter 26 of this code for a taxing unit by whatever title he is designated.

(15) "Collector" means the officer or employee responsible for collecting property taxes for a taxing unit by whatever title he is designated.

(16) "Possessory interest" means an interest that exists as a result of possession or exclusive use or a right to possession or exclusive use of a property and that is unaccompanied by ownership of a fee simple or life estate in the property. However, "possessory interest" does not include an interest, whether of limited or indeterminate duration, that involves a right to exhaust a portion of a real property.

(17) "Conservation and reclamation district" means a district created under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution, or under a statute enacted under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution.

(18) "Clerical error" means an error:

(A) that is or results from a mistake or failure in writing, copying, transcribing, entering or retrieving computer data, computing, or calculating; or

(B) that prevents an appraisal roll or a tax roll from accurately reflecting a finding or determination made by the chief appraiser, the appraisal review board, or the assessor; however, "clerical error" does not include an error that is or

results from a mistake in judgment or reasoning in the making of the finding or determination.

(19) "Comptroller" means the Comptroller of Public Accounts of the State of Texas.

Acts 1979, 66th Leg., p. 2218, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 118, ch. 13, Sec. 2, eff. Jan. 1, 1982; Acts 1987, 70th Leg., ch. 984, Sec. 25, eff. June 19, 1987; Acts 1989, 71st Leg., ch. 1123, Sec. 1, eff. Jan. 1, 1990; Acts 1991, 72nd Leg., ch. 20, Sec. 13, eff. Aug. 26, 1991; Acts 1991, 72nd Leg., ch. 393, Sec. 1, eff. June 10, 1991; Acts 1991, 72nd Leg., ch. 843, Sec. 6, eff. Sept. 1, 1991; Acts 1991, 72nd Leg., 1st C.S., ch. 14, Sec. 8.01(22), eff. Nov. 12, 1991; Acts 1993, 73rd Leg., ch. 347, Sec. 4.04, eff. May 31, 1993; Acts 1997, 75th Leg., ch. 1070, Sec. 52, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 1284, Sec. 30, eff. June 18, 2005.

Sec. 1.05. CITY FISCAL YEAR. The governing body of a home-rule city may establish by ordinance a fiscal year different from that fixed in its charter if a different fiscal year is desirable to adapt budgeting and other fiscal activities to the tax cycle required by this title.

Acts 1979, 66th Leg., p. 2220, ch. 841, Sec. 1, eff. Jan. 1, 1982.

Sec. 1.06. EFFECT OF WEEKEND OR HOLIDAY. If the last day for the performance of an act is a Saturday, Sunday, or legal state or national holiday, the act is timely if performed on the next regular business day.

Acts 1979, 66th Leg., p. 2220, ch. 841, Sec. 1, eff. Jan. 1, 1982.

Sec. 1.07. DELIVERY OF NOTICE. (a) An official or agency required by this title to deliver a notice to a property owner may deliver the notice by regular first-class mail, with postage prepaid, unless this section or another provision of this title requires a different method of delivery or the parties agree that the notice must be delivered as provided by Section 1.085.

(b) The official or agency shall address the notice to the

property owner, the person designated under Section 1.111(f) to receive the notice for the property owner, if that section applies, or, if appropriate, the property owner's agent at the agent's address according to the most recent record in the possession of the official or agency. However, if a property owner files a written request with the appraisal district that notices be sent to a particular address, the official or agency shall send the notice to the address stated in the request.

(c) A notice permitted to be delivered by first-class mail by this section is presumed delivered when it is deposited in the mail. This presumption is rebuttable when evidence of failure to receive notice is provided.

(d) A notice required by Section 11.45(d), 23.44(d), 23.57(d), 23.79(d), or 23.85(d) must be sent by certified mail. Acts 1979, 66th Leg., p. 2220, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1983, 68th Leg., p. 4947, ch. 885, Sec. 1, eff. Jan. 1, 1984; Acts 1989, 71st Leg., ch. 796, Sec. 1, eff. Sept. 1, 1989; Acts 1997, 75th Leg., ch. 1039, Sec. 1, eff. Jan. 1, 1998; Acts 1999, 76th Leg., ch. 441, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 1126, Sec. 1, eff. September 1, 2005.

Sec. 1.08. TIMELINESS OF ACTION BY MAIL. When a property owner is required by this title to make a payment or to file or deliver a report, application, statement, or other document or paper by a specified due date, his action is timely if:

(1) it is sent by regular first-class mail, properly addressed with postage prepaid; and

(2) it bears a post office cancellation mark of a date earlier than or on the specified due date and within the specified period or the property owner furnishes satisfactory proof that it was deposited in the mail on or before the specified due date and within the specified period.

Acts 1979, 66th Leg., p. 2220, ch. 841, Sec. 1, eff. Jan. 1, 1982.

Amended by:

Acts 2005, 79th Leg., Ch. 412, Sec. 2, eff. September 1, 2005.

Sec. 1.085. COMMUNICATION IN ELECTRONIC FORMAT.

(a) Except as provided by Section 1.07(d), any notice, rendition, application form, or completed application that is required or permitted by this title to be delivered between a chief appraiser and a property owner or between a chief appraiser and a person designated by a property owner under Section 1.111(f) may be delivered in an electronic format if the chief appraiser and the property owner agree under this section.

(b) An agreement between a chief appraiser and a property owner must:

(1) be in writing;

(2) be signed by the chief appraiser and the property owner; and

(3) specify:

(A) the medium of communication;

(B) the type of communication covered;

(C) the means for protecting the security of a communication;

(D) the means for confirming delivery of a communication; and

(E) the electronic mail address of the property owner or person designated to represent the property owner under Section 1.111, as applicable.

(c) An agreement may address other matters.

(d) Unless otherwise provided by an agreement, the delivery of any information in an electronic format is effective on receipt by a chief appraiser, property owner, or person designated by a property owner.

Text of subsec. (e) as added by Acts 2003, 78th Leg., ch. 1173, Sec. 1, effective January 1, 2005

(e) The comptroller by rule:

(1) shall prescribe acceptable media, formats, content, and methods for the electronic transmission of notices required by Section 25.19; and

(2) may prescribe acceptable media, formats, content, and methods for the electronic transmission of other notices, renditions, and applications.

(e) Repealed by Acts 2005, 79th Leg., Ch. 412, Sec. 18(1), eff. September 1, 2005.

Text of subsec. (f) as added by Acts 2003, 78th Leg., ch. 1173, Sec. 1, effective January 1, 2005

(f) In an agreement entered into under this section, a chief appraiser may select the medium, format, content, and method to be used by the appraisal district from among those prescribed by the comptroller under Subsection (e).

(f) Repealed by Acts 2005, 79th Leg., Ch. 412, Sec. 18(1), eff. September 1, 2005.

(g) Notwithstanding Subsection (a), if a property owner whose property is included in 25 or more accounts in the appraisal records of the appraisal district requests the chief appraiser to enter into an agreement for the delivery of the notice required by Section 25.19 in an electronic format, the chief appraiser must enter into an agreement under this section for that purpose and shall deliver the notice in accordance with an electronic medium, format, content, and method prescribed by the comptroller under Subsection (e).

Added by Acts 1999, 76th Leg., ch. 441, Sec. 2, eff. Sept. 1, 1999.

Amended by Acts 2003, 78th Leg., ch. 984, Sec. 1; Acts 2003, 78th Leg., ch. 1173, Sec. 1, eff. Jan. 1, 2005.

Amended by:

Acts 2005, 79th Leg., Ch. 412, Sec. 3, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 412, Sec. 18(1), eff. September 1, 2005.

Sec. 1.09. AVAILABILITY OF FORMS. When a property owner is required by this title to use a form, the office or agency with which the form is filed shall make printed and electronic versions of the forms readily and timely available and shall furnish a property owner a form without charge.

Added by Acts 1979, 66th Leg., p. 2220, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 2003, 78th Leg., ch. 984, Sec. 2; Acts 2003, 78th Leg., ch. 1173, Sec. 2, eff. Jan. 1, 2005.

Sec. 1.10. ROLLS IN ELECTRONIC DATA-PROCESSING RECORDS.

The appraisal roll for an appraisal district and the appraisal roll or the tax roll for the unit may be retained in electronic data-processing equipment. However, a physical document for each must be prepared and made readily available to the public.

Acts 1979, 66th Leg., p. 2220, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 118, ch. 13, Sec. 3, eff. Jan. 1, 1982.

Sec. 1.11. COMMUNICATIONS TO FIDUCIARY. (a) On the

written request of a property owner, an appraisal office or an assessor or collector shall deliver all notices, tax bills, and other communications relating to the owner's property or taxes to the owner's fiduciary.

(b) To be effective, a request made under this section must be filed with the appraisal district. A request remains in effect until revoked by a written revocation filed with the appraisal district by the owner.

Added by Acts 1981, 67th Leg., 1st C.S., p. 118, ch. 13, Sec. 4, eff. Jan. 1, 1982.

Amended by:

Acts 2005, 79th Leg., Ch. 1126, Sec. 2, eff. September 1, 2005.

Sec. 1.111. REPRESENTATION OF PROPERTY OWNER. (a) A

property owner may designate a lessee or other person to act as the agent of the owner for any purpose under this title in connection with the property or the property owner.

(b) The designation of an agent must be made by written authorization signed by the owner, a property manager authorized to designate agents for the owner, or other person authorized to act on behalf of the owner, and must clearly indicate that the person is authorized to act on behalf of the property owner in property tax

matters relating to the property or the property owner. The designation may authorize the agent to represent the owner in all property tax matters or in specific property tax matters as identified in the designation.

(c) The designation of an agent under this section remains in effect until revoked in a written revocation filed with the appraisal district by the property owner. A designation may be made to expire according to its own terms but is still subject to prior revocation by the property owner.

(d) A property owner may not designate more than one agent to represent the property owner in connection with an item of property. The designation of an agent in connection with an item of property revokes any previous designation of an agent in connection with that item of property.

(e) An agreement between a property owner or the owner's agent and the chief appraiser is final if the agreement relates to a matter:

(1) which may be protested to the appraisal review board or on which a protest has been filed but not determined by the board; or

(2) which may be corrected under Section 25.25 or on which a motion for correction under that section has been filed but not determined by the board.

(f) A property owner in writing filed with the appraisal district may direct the appraisal district, appraisal review board, and each taxing unit participating in the appraisal district to deliver all notices, tax bills, orders, and other communications relating to one or more specified items of the owner's property to a specified person instead of to the property owner. The instrument must clearly identify the person by name and give the person's address to which all notices, tax bills, orders, and other communications are to be delivered. The property owner may but is not required to designate the person's agent for other tax matters designated under Subsection (a) as the person to receive all notices, tax bills, orders, and other communications. The designation of an agent for other tax matters under Subsection (a) may also provide that the agent is the person to whom notices, tax

bills, orders, and other communications are to be delivered under this subsection.

(g) An appraisal district, appraisal review board, or taxing unit may not require a person to designate an agent to represent the person in a property tax matter other than as provided by this section.

(h) The comptroller shall prescribe forms and adopt rules to facilitate compliance with this section. The comptroller shall include on any form used for designation of an agent for a single-family residential property in which the property owner resides the following statement in boldfaced type:

"In some cases, you may want to contact your appraisal district or other local taxing units for free information and/or forms concerning your case before designating an agent."

(i) An appraisal review board shall accept and consider a motion or protest filed by an agent of a property owner if an agency authorization is filed at or before the hearing on the motion or protest.

Added by Acts 1987, 70th Leg., ch. 435, Sec. 1, eff. Jan. 1, 1988.
Amended by Acts 1989, 71st Leg., ch. 796, Sec. 2, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., 2nd C.S., ch. 6, Sec. 1, eff. Sept. 1, 1991; Acts 1993, 73rd Leg., ch. 981, Sec. 1, eff. Jan. 1, 1994; Acts 1993, 73rd Leg., ch. 1031, Sec. 1, eff. Sept. 1, 1993; Acts 1997, 75th Leg., ch. 349, Sec. 1, eff. Sept. 1, 1997.

Sec. 1.12. MEDIAN LEVEL OF APPRAISAL. (a) For purposes of this title, the median level of appraisal is the median appraisal ratio of a reasonable and representative sample of properties in an appraisal district or, for purposes of Section 41.43 or 42.26, of a sample of properties specified by that section.

(b) An appraisal ratio is the ratio of a property's appraised value as determined by the appraisal office or appraisal review board, as applicable, to:

(1) the appraised value of the property according to law if the property qualifies for appraisal for tax purposes according to a standard other than market value; or

(2) the market value of the property if Subdivision

(1) of this subsection does not apply.

(c) The median appraisal ratio for a sample of properties is, in a numerically ordered list of the appraisal ratios for the properties:

(1) if the sample contains an odd number of properties, the appraisal ratio above and below which there is an equal number of appraisal ratios in the list; or

(2) if the sample contains an even number of properties, the average of the two consecutive appraisal ratios above and below which there is an equal number of appraisal ratios in the list.

(d) For purposes of this section, the appraisal ratio of a homestead to which Section 23.23 applies is the ratio of the property's market value as determined by the appraisal district or appraisal review board, as applicable, to the market value of the property according to law. The appraisal ratio is not calculated according to the appraised value of the property as limited by Section 23.23.

Added by Acts 1981, 67th Leg., 1st C.S., p. 118, ch. 13, Sec. 5, eff. Jan. 1, 1982. Amended by Acts 1983, 68th Leg., p. 4924, ch. 877, Sec. 1, eff. Jan. 1, 1984; Acts 1985, 69th Leg., ch. 823, Sec. 1, eff. Jan. 1, 1986; Acts 1989, 71st Leg., ch. 796, Sec. 3, eff. June 15, 1989; Acts 1997, 75th Leg., ch. 1039, Sec. 46, eff. Jan. 1, 1998.

Sec. 1.15. APPRAISERS FOR TAXING UNITS PROHIBITED. A taxing unit may not employ any person for the purpose of appraising property for taxation purposes except to the extent necessary to perform a contract under Section 6.05(b) of this code.

Added by Acts 1983, 68th Leg., p. 5463, ch. 1028, Sec. 1, eff. Oct. 1, 1985. Renumbered from Sec. 1.13 by Acts 1987, 70th Leg., ch. 167, Sec. 5.01(a)(50) eff. Sept. 1, 1987.