

State of Texas Property Tax Assessments Statutes

Basis for Property Tax Assessments – Market Value

Taxable property is generally appraised at its market value as of January 1 (Sec.23.01, Tax Code).

Market value is the price at which a property would transfer for cash or its equivalent under prevailing market conditions if (Sec. 1.04(7), Tax Code):

- the property is exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- 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
- 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.

Real Property Defined

Real property means land, improvements, a mine or quarry, a mineral in place, standing timber, or an estate or interest, other than a mortgage or other security interest, in real estate (Sec. 1.04(2), Tax Code). Fixtures affixed to land are improvements, which are treated as real property (Sec. 1.04(2) and (3), Tax Code).

Personal Property Defined

Personal property means property that is not real property (Sec. 1.04(4), Tax Code). 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 that constitutes evidence of a valuable interest, claim, or right (Sec. 1.04(5), Tax Code).

Intangible Property Taxes

Intangible personal property means a claim, interest (other than an interest intangible property), right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although a document may be an evidence of its existence (Sec. 1.04(6), Tax Code). The term 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.

