

2025-2026 TEXAS PROPERTY TAX CASE LAW IN REVIEW

(Cases and opinions current through February 5, 2026)
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TEXAS SUPREME COURT

MANDAMUS RELIEF NOT AVAILABLE TO CHALLENGE TAX-RATE BALLOT LANGUAGE UNLESS VIOLATION IS CLEAR

In re Bowen, No. 25-0754, 720 S.W.3d 715 (Tex.2025).

A taxpayer sought a writ of *mandamus* from the Texas Supreme Court to force the City of Austin to change the ballot language for its November 2025 tax-rate election, arguing that the City’s lengthy purpose statement and broad “catchall” description violated state law by obscuring how the new revenue would be used. A writ of *mandamus* is an extraordinary remedy that requires showing both a clear legal violation and no other adequate remedy; and because of this high bar, courts are reluctant to grant it. The Supreme Court denied relief, emphasizing that denial of *mandamus* is not an adjudication of the merits and does not endorse or condemn the ballot language. The Court explained that the Legislature had just amended § 26.07 to codify and expand ballot-language requirements, but those amendments were not briefed. It left open the possibility of providing future guidance once the effect of the new legislation is clearer, while stressing that, in the meantime, Austin voters themselves must decide whether to approve the tax increase, with both sides free to debate the propriety of the ballot wording.

A PROPERTY OWNER WHOSE DUE PROCESS RIGHTS WERE VIOLATED BY DEFECTIVE SERVICE IN A TAX FORECLOSURE MUST ACT WITHIN THE REDEMPTION PERIOD IF

¹ John Brusniak is a principal in Brusniak PC, located at 17480 Dallas Parkway, Suite 210, Dallas, Texas 75287, (214) 506-1073, e-mail at john@TexasPropertyTaxAttorneys.com. He posts regularly on property tax topics on LinkedIn. The law firm’s practice is limited to the representation of taxpayers with property tax disputes. Mr. Brusniak has been engaged in the representation of property taxpayers for over 45 years. He is past Chair of the State Bar of Texas Property Tax Committee, past Chair of the American Bar Association’s Property Tax Committee and past Chair of the State Bar of Texas, Section of Taxation. He has been named by his peers as a “Texas Super Lawyer,” one of the “Best Lawyers in America,” and was President of the National Association of Property Tax Attorneys. He is the co-author of Elliott, Morris and Brusniak, *Texas Tax Code Annotated (Thompson Reuters 2025)*. He writes a regular column on property tax matters for the State Bar of Texas Section of Real Property Newsletter. He is a frequent speaker on property tax matters.

**THEY RECEIVE ACTUAL NOTICE OF THE FORECLOSURE ACTION DURING THAT TIME—
LACHES MAY BE RAISED AS A DEFENSE TO A SUIT TO SET ASIDE A FORECLOSURE IF
ACTUAL NOTICE WAS RECEIVED AFTER THE STATUTORY REDEMPTION PERIOD HAS
EXPIRED**

Thompson v. Landry, 713 S.W.3d 372 (Tex. 2025).

A 12-acre tract was judicially foreclosed for non-payment of property taxes. The taxing authorities, unable to locate the record owner—who had died more than 20 years earlier—served citation by posting at the courthouse. The heir of the owner, who resided on the property, was not named in the lawsuit or served with process. A default judgment was entered, and the property was sold at a tax foreclosure sale. The purchaser paid property taxes on the tract for the next ten years, during which time the heir’s husband paid rent to the purchaser. Ten years after the foreclosure judgment, the heir sued to set it aside, arguing the judgment was void because the taxing authorities failed to serve her with notice of the delinquent tax lawsuit.

The Texas Supreme Court had previously held that tax foreclosure judgments obtained in violation of due process rights are void. However, that precedent did not address the rights of innocent third-party purchasers. In this case, the purchaser argued that the heir’s challenge was barred because she failed to act within the two-year redemption period for homestead properties. She also asserted the equitable defense of laches prevented the claim. The Court held that if a person receives actual notice of a constitutionally defective foreclosure during the redemption period, they must assert their challenge within that timeframe. If actual notice is received after the redemption period has expired, equitable defenses such as laches may apply. Because a factual dispute remained as to when the heir received notice, the Court remanded the case for further proceedings.

TEXAS COURTS OF APPEALS

**SUCCESSOR CHALLENGING TAX FORECLOSURE JUDGMENT HAD BURDEN TO PROVE
DUE-PROCESS VIOLATION; MERE EXISTENCE OF ADDRESS IN TAX ROLLS
INSUFFICIENT TO AVOID LIMITATIONS BAR**

White Star Energy, Inc. v. Ridgefield Permian Minerals, LLC, No. 725 S.W.3d 505 (Tex. App.—El Paso 2025, no pet.).

This permissive appeal arose from competing claims to mineral interests sold at a 1999 Reagan County tax foreclosure sale. White Star purchased the interests at the tax sale, and

more than twenty years later Ridgefield acquired the former owner's remaining interests and sued to quiet title, asserting the tax judgment was void for lack of due process because service had been by posting. The trial court granted summary judgment for Ridgefield, concluding the tax judgment was void, the sheriff's deed conveyed nothing, and Tax Code limitations provisions did not apply.

The court of appeals vacated and remanded. Relying on *Gill v. Hill*, the court held that Ridgefield, as the party seeking to avoid the one-year limitations bar in Tax Code § 33.54(a), bore the burden to prove an individualized due-process violation in the underlying tax suit. Evidence that a taxpayer's address appeared in public tax rolls, standing alone, was insufficient to establish lack of diligence in service or a due-process violation as a matter of law. Because Ridgefield failed to present evidence that the taxpayer could have been located and personally served, it did not conclusively negate White Star's limitations defense.

The court held the trial court erred in granting summary judgment for Ridgefield and in denying White Star's summary-judgment motion based on § 33.54(a). In light of intervening Supreme Court authority clarifying the governing standards, the court vacated the judgment and remanded for further proceedings rather than rendering judgment.

CO-TENANT LACKED AUTHORITY UNDER § 32.06 TO TRANSFER TAX LIENS ENCUMBERING ANOTHER OWNER'S UNDIVIDED INTEREST; STATUTORY SUBROGATION LIMITED TO CONSENTING OWNER'S SHARE

Smith v. Casey Lending, LLC, No. 01-22-000954-CV, 2026 WL 233133 (Tex. App.—Houston [14th Dist.] 2026, no pet. h.) (mem. op.).

After a tax-foreclosure judgment was entered in favor of a property tax lien lender, a co-owner of property filed a bill of review, alleging she did not receive notice of the trial. The lender had obtained judgment based on Tax Code § 32.06, arguing that the Tax Code authorizes the transfer of tax liens encumbering an entire property without the consent of joint owners.

The court rejected the argument. Relying on *Trimble v. Farmer*, 305 S.W.2d 157 (Tex. 1957), the Texas Supreme Court's seminal decision construing the predecessor to § 32.06, the court reaffirmed that a co-tenant may authorize payment and transfer of tax liens only as to the interest he owns, not the interests of non-consenting co-owners. The court explained that § 32.06's language—allowing “a property owner” to authorize payment—tracks the statutory language applied in *Trimble* and does not expand a co-tenant's authority.

The court further found persuasive the Amarillo Court of Appeals' interpretation of § 32.06 in *Runels v. Tax Loans USA, Ltd.*, No. 07-24-00246-CV, 2024 WL 4994307 (Tex. App.—Amarillo Dec. 5, 2024, no pet.) (mem. op.), which held that a transferred tax lien may be enforced only

against the consenting owner's undivided interest. The court distinguished federal bankruptcy cases and Texas equitable-subrogation decisions, emphasizing that the lender moved solely on statutory subrogation under § 32.06. Because the co-tenant lacked authority to encumber another owner's one-third interest, the transferred tax lien could not be enforced against that interest as a matter of law.

TRIAL COURT ABUSED DISCRETION BY ORDERING § 34.08 DEPOSIT IN A LAWSUIT CHALLENGING THE VALIDITY OF A TAX FORECLOSURE SALE DESPITE AN UNCONTESTED AFFIDAVIT OF INABILITY TO PAY BEING FILED

Espinoza v. Propel Fin. Servs., LLC, Nos. 13-25-00650-CV & 13-25-00660-CV, 2026 WL 199369 (Tex. App.—Corpus Christi–Edinburg Jan. 26, 2026, no pet. h.) (mem. op.).

A property owner filed a bill of review challenging the validity of a tax sale, and the trial court ordered him to deposit more than \$60,000 into the registry of the court under Tax Code § 34.08, representing delinquent taxes and costs of sale. Instead, the owner filed a sworn Rule 145 statement of inability to pay, which was not contested. Without holding an evidentiary hearing or making findings regarding the owner's ability to pay, the trial court nevertheless ordered the deposit.

Relying on the Texas Supreme Court's decision in *Mitchell v. MAP Resources, Inc.*, the court of appeals explained that although § 34.08 imposes a mandatory deposit requirement, due process limits how and when that requirement may be enforced. When an owner files an uncontested Rule 145 affidavit, the statutory deposit mandate must yield to Rule 145's procedural protections.

Under *Mitchell*, an owner deprived of due process is entitled to notice of the amount to be deposited and a meaningful opportunity to comply by deposit or affidavit before dismissal. Because an uncontested Rule 145 statement is conclusive as a matter of law, the trial court had no discretion to require payment absent a proper contest, notice, hearing, and findings. The court also rejected the argument that the affidavit had to be filed contemporaneously with the lawsuit, holding that § 34.08 deficiencies may be cured after suit is filed.

PROPERTY OWNER DID NOT FORFEIT APPEAL WHERE EVIDENCE RAISED FACT ISSUE THAT TAX PAYMENT WAS TIMELY MAILED BEFORE DELINQUENCY DATE

Harris Cent. Appraisal Dist. v. LXMI Copper Cove Prop. Owner, LLC, No. 14-24-00624-CV, 2026 WL 88658 (Tex. App.—Houston [14th Dist.] Jan. 13, 2026, no pet. h.) (mem. op.).

A property owner challenged the appraised value of its apartment complex. The appraisal district responded with a plea to the jurisdiction, contending that the owner forfeited its appeal by failing to timely pay taxes as required by Tax Code § 42.08. The appraisal district presented evidence showing that the tax payment was received on February 17, after the February 1 delinquency date.

The court of appeals denied the plea. It explained that under Tax Code § 1.08, a tax payment is timely if it is properly addressed, mailed before the delinquency date, and supported by satisfactory proof of mailing, even if the payment is received later. The property owner presented affidavits and supporting documents from its tax agent showing that the check was physically delivered to a post office on January 31.

This evidence was sufficient to raise a fact issue as to timely mailing. Because the appraisal district failed to conclusively establish forfeiture of the appeal, the trial court properly denied the plea to the jurisdiction.

AFFORDABLE-HOUSING EXEMPTION UPHELD; § 11.1825 DOES NOT REQUIRE COUNTY-RESIDENT OR “ACTIVE” PARTICIPATION BY LOW-INCOME HOUSEHOLDS

Frio Cnty. Appraisal Dist. v. Westview Ranch OTM Harmony LP, No. 08-25-00041-CV, 2026 WL 88101 (Tex. App.—El Paso Jan. 12, 2026, no pet. h.) (mem. op.).

Westview Ranch sought a property-tax exemption under Tax Code § 11.1825 for a rehabilitated multifamily development providing affordable housing to low-income residents. The appraisal district denied the exemption, asserting that Westview failed to comply with § 11.1825(b)(4), which requires a formal policy for giving notice to and receiving advice from low-income households residing in the county. The appraisal district emphasized that members of Westview’s board of directors who provided input on existing projects did not reside in Frio County and argued that the statute requires more active, reciprocal engagement with local residents.

The trial court granted summary judgment for Westview, and the court of appeals affirmed. The court held that Westview’s written policy—allowing ongoing input through email, telephone, mail, and community outreach—satisfied the statutory requirement. It rejected the appraisal district’s argument that participation must come only from low-income residents physically located in the county or that board-level input was disqualifying. The court further held that § 11.1825 does not require proof that residents actually provided input, mandate “active” engagement, or impose different standards for existing versus new projects. Because the appraisal district sought to add requirements not found in the statute, the court declined to judicially amend § 11.1825 and upheld the exemption for tax years 2022 and 2023.

CRUDE OIL HELD IN TANK FARMS FOR EXPORT WAS IN THE “STREAM OF EXPORT” AND EXEMPT FROM AD VALOREM TAXATION UNDER THE IMPORT-EXPORT CLAUSE

San Patricio Cnty. Appraisal Dist. v. Gunvor USA LLC, Nos. 13-24-00590-CV & 13-25-00027-CV, 2026 WL 59714 (Tex. App.—Corpus Christi–Edinburg Jan. 8, 2026, no pet. h.) (mem. op.).

The appraisal district assessed ad valorem taxes on large volumes of crude oil stored in coastal tank farms in San Patricio County on January 1, 2023, even though the oil was sold for delivery to foreign destinations. The taxpayers contended the oil was exempt under the Import-Export Clause because it had entered the stream of export and could not be diverted to domestic use. The trial court granted summary judgment for the taxpayers, and the appraisal district appealed.

The court of appeals affirmed. Relying heavily on *Virginia Indonesia Co. v. Harris County Appraisal District* (VICO), the court held that goods bound for a pre-committed foreign destination enter the stream of export when their movement toward export begins, even if temporarily stored. The court rejected the appraisal district's argument that constant or large-volume presence in tank farms defeated export status, holding that fungible commodities must be analyzed as a mass rather than barrel-by-barrel. It further held that required tank-storage "heels" did not interrupt export continuity.

The court concluded that storage was attributable to the necessities of export logistics—aggregating sufficient volume to load vessels—not to a domestic business purpose. Because the oil remained in uninterrupted export transit, it enjoyed bright-line immunity from state property taxation.

UNEQUAL-APPRAISAL METHODOLOGY; USE OF SUBJECT PROPERTIES AS THEIR OWN COMPARABLES; FUNCTIONAL COMPARABILITY UNDER VALERO; JURY'S AUTHORITY TO DETERMINE VALUE WITHIN EVIDENTIARY RANGE; ADMISSIBILITY OF CERTIFIED APPRAISED VALUES; EXCLUSION OF POST-VALUATION MARKET-VALUE EVIDENCE CONSISTENT WITH TEXAS DISPOSAL; ATTORNEY'S FEES—SUFFICIENCY, SEGREGATION, AND APPLICATION OF STATUTORY CAP

Bexar Appraisal District v. Abasto Properties LLC, No. 04-22-00675-CV, 2025 WL 3533952 (Tex. App.—San Antonio Dec. 10, 2025, no pet.h.) (mem. op.).

***Factual background.**

The case involved sixty separately owned 4,000-square-foot cold-storage condominium units comprising the San Antonio Wholesale Produce Market (SAWPM), a unified wholesale warehouse and distribution facility operating under centralized management. Although the units were separately owned and taxed, SAWPM functioned as a single cold-storage operation competing against other large cold-storage facilities in Bexar County. After the appraisal district significantly increased the appraised values of the units between 2018 and 2019, the owners asserted unequal appraisal claims under Tax Code § 42.26(a)(3) for tax years 2018, 2019, and 2020.

***Jury findings and scope of appeal.**

The case was tried to a jury, which found that the subject properties were not unequally

appraised for tax year 2018, but were unequally appraised for tax years 2019 and 2020, and the jury set reduced values for those two years. The appraisal district did not challenge the 2018 verdict on appeal and instead appealed only the adverse unequal-appraisal findings and reduced valuations for 2019 and 2020. The appellate issues therefore focused on whether the evidence and procedures supporting the jury's determinations for those two years were legally and factually sufficient.

***Appraisal district's unequal-appraisal methodology.**

The appraisal district's expert performed the unequal-appraisal analysis by comparing each of the sixty subject condominium units to the other fifty-nine units within the same facility. Median appraised values were derived exclusively from the subject properties themselves, without reference to any external cold-storage facilities. Under this approach, the appraisal roll values for the SAWPM units were effectively treated as the universe of comparable properties.

***Taxpayer's expert methodology.**

The taxpayer's expert approached the analysis from a functional perspective, treating SAWPM as a single integrated cold-storage operation rather than as sixty independent market participants. He identified eleven large cold-storage facilities in Bexar County that competed with SAWPM for tenants and customers, determined a median per-square-foot appraised value for those facilities with adjustments for differences in size, age, location, and physical characteristics, applied that median to the entire 240,000-square-foot SAWPM complex, and then allocated the resulting value among the individual units. The allocation mirrored how land and common-area value were already distributed to the units on the appraisal roll.

***Challenges to comparability and expert reliability.**

The appraisal district challenged the taxpayer's methodology on the ground that the selected comparables were larger facilities and therefore not legally comparable. The court rejected that argument, relying on the Texas Supreme Court's decision in *Valero Refining-Texas, L.P. v. Galveston Central Appraisal District*. In *Valero*, the Supreme Court explained that "comparable" does not mean "identical," particularly for complex or specialized properties, and that properties may be comparable if they perform similar business functions and can be appropriately adjusted. Applying that reasoning, the court held that wholesale cold-storage facilities serving the same market function could be considered comparable despite differences in scale.

***Allocation of value among condominium units.**

The appraisal district also argued that deriving a value for the entire facility and allocating it to individual units was improper. The court disagreed, noting that the appraisal district

itself allocates land and common-area value to each condominium unit on the appraisal roll. The court further observed that the taxpayer's expert demonstrated that the same per-unit valuation would have resulted using a straight per-square-foot calculation, confirming that the allocation method did not distort value.

***Role of the jury in determining value.**

The appraisal district argued that, because unequal-appraisal claims under § 42.26(a)(3) must be based on "generally accepted appraisal methods and techniques," the jury lacked authority to independently determine a median appraised value. According to the district, only licensed appraisers may select comparables and make adjustments, and once competing experts presented their opinions, the jury was required to choose one expert's valuation in full. The district therefore contended that the jury acted improperly by arriving at a value that did not exactly match either expert's opinion. The court rejected this position, holding that while expert testimony assists the jury, valuation remains a fact question. The jury was entitled to weigh the competing opinions, accept or reject portions of each, and determine a value within the range of competent evidence presented at trial.

***Admission of certified appraised values.**

The appraisal district argued that certified appraised values were inadmissible because the trial was de novo and prior ARB actions may not be admitted into evidence. The court distinguished between the fact of the ARB's decision and the certified appraised values themselves. Because § 42.26 compares appraised values "as found on the tax rolls," the certified values were foundational data and properly admitted.

***Exclusion of post-valuation market-value evidence and *Texas Disposal*.**

The appraisal district sought to introduce post-January 1 sales prices for certain units to explain the increase in appraised values. The court held that exclusion of this evidence was proper. While *Texas Disposal Systems Landfill, Inc. v. Travis Central Appraisal District* clarified that market-value evidence is not categorically irrelevant in unequal-appraisal cases, such evidence must be relevant to the equal-and-uniform inquiry and appropriately adjusted. The court further explained that even if higher market value were shown, a taxpayer remains entitled to the lower of market value or equal-and-uniform value, limiting the probative value of the excluded evidence in this case.

***Attorney's fees—sufficiency, segregation, and tax rates.**

The appraisal district challenged the sufficiency of the taxpayer's attorney-fee evidence, arguing it was conclusory. The court held that testimony regarding experience, hourly rates, time spent, and the nature of the work performed, supported by billing records, satisfied the applicable standards. The district's argument that fees should have been segregated by individual units and tax years was rejected because the claims were intertwined, involving

common legal theories, expert work, and trial presentation. Finally, the court rejected the argument that the taxpayer failed to introduce evidence of applicable tax rates, holding that application of the statutory fee cap is the trial court's responsibility and that tax rates may be judicially noticed.

SOAH HAS NO DUTY TO HOLD EVIDENTIARY HEARING ON INDUSTRIAL CLASSIFICATION; ALJ DID NOT ACT ULTRA VIRES OR VIOLATE DUE PROCESS

Exxon Mobil Global Services v. State Office of Administrative Hearings, No. 15-24-00034-CV, 2025 WL 3492057, at *1–8 (Tex. App.—15th Dist. Dec. 5, 2025, no pet. h.).

Exxon Mobil Global Services protested Harris County's 2021 appraisal of computer and telecommunications equipment, contending that the property had been overvalued. After the ARB denied its protests and carried forward the prior year's appraisal, Exxon appealed to SOAH rather than district court. The appraisal district moved to dismiss, asserting the property was classified by the appraisal district as industrial and therefore outside SOAH's statutory jurisdiction. Exxon responded that the property was not used for industrial purposes. The ALJ dismissed the appeals without holding an evidentiary hearing on classification.

Exxon sought mandamus relief in district court, arguing the ALJ had a ministerial duty to hold a hearing to determine whether the property was truly industrial and that refusal to do so was ultra vires and violated due process. The court of appeals rejected those arguments and affirmed dismissal. The court held that SOAH's jurisdiction is strictly limited by statute and does not include authority to decide industrial classification, even for jurisdictional purposes. Because the Legislature did not grant SOAH power to adjudicate classification disputes, the ALJ had no ministerial duty to conduct an evidentiary hearing and did not act ultra vires by declining to do so.

The court further held that Exxon's due process claim failed because SOAH could not provide process beyond its statutory authority and Exxon voluntarily chose SOAH over district court, which had full jurisdiction to hear classification disputes. Accordingly, the district court properly granted SOAH's plea to the jurisdiction.

RELIGIOUS TAX EXEMPTION APPLIED BASED ON CHURCH'S EQUITABLE OWNERSHIP AND RELIGIOUS USE, EVEN THOUGH LEGAL TITLE WAS HELD BY PARTNERSHIP

South ½ Block 8 Venture v. Travis Central Appraisal District, No. 03-23-00764-CV, 2025 WL 3289204 (Tex. App.—Austin Nov. 26, 2025, no pet. h.) (mem. op.).

A partnership sought a religious-organizations exemption for a downtown Austin parcel used as a Christian Science Reading Room, even though the partnership—not the church—held legal title during the tax years at issue. The church had conveyed the property to the partnership under an agreement allowing it to withdraw at any time and compel reconveyance of its parcel, and it continued to use the property exclusively for religious purposes. Travis Central Appraisal District denied the exemption, arguing that only legal-title holders that are religious organizations qualify under Tax Code § 11.20.

The trial court granted summary judgment for the appraisal district, but the court of appeals reversed and rendered judgment for the taxpayer. The court held that the term “owner” in the religious-organizations exemption includes equitable owners, consistent with the Texas Supreme Court’s interpretation of ownership in other exemption statutes. Because the church had an unqualified right to compel reconveyance of legal title by withdrawing from the partnership, it was the equitable owner of the parcel. The court rejected the appraisal district’s argument that the church’s interest was merely contingent or speculative.

The court further held that the church satisfied all statutory requirements to qualify as a religious organization and that its Reading Room constituted religious worship under the Tax Code. Because the church’s equitable ownership and religious use entitled the property to exemption, that exemption could be imputed to the partnership holding legal title. Accordingly, the court rendered judgment that the property was fully exempt from taxation for the years 2015 through 2017.

PERMISSIVE APPEAL DENIED BECAUSE CIRCUIT-BREAKER ISSUE WAS NOT RIPE BEFORE DE NOVO DETERMINATION OF MARKET VALUE

Westview Drive Invs., LLC v. Harris Central Appraisal District, No. 01-25-00205-CV, 2025 WL 3275143, at *1–8 (Tex. App.—Houston [1st Dist.] Nov. 25, 2025, pet. filed) (mem. op.).

Westview Drive Investments challenged the 2024 appraised value of its Houston apartment complex and sought to invoke the new “circuit breaker” limitation in Tax Code § 23.231, which caps annual increases in appraised value for qualifying property. After the ARB reduced the 2024 value from the appraisal district’s figure but set it well above the 2023 settled value, Westview filed suit for judicial review and moved for summary judgment asserting that the circuit breaker limited the 2024 appraised value to no more than 20 percent above the 2023 value. The trial court denied summary judgment but certified a controlling question for permissive appeal on whether § 23.231 imposed that cap.

The court of appeals denied permission to appeal. It held that the certified question was not ripe because, in a tax appeal tried de novo, the trial court must first determine the property's 2024 market value before any statutory cap can be applied. If the 2024 market value is found to be equal to or less than the 2023 appraised value, the circuit breaker would never be triggered, making the statutory question purely contingent. Because resolution of the issue depended on future fact findings that may not occur as anticipated, the question was not a controlling question of law suitable for interlocutory review.

The court further held that a taxpayer's willingness to accept a capped value and dismiss the case did not confer appellate jurisdiction or justify issuing an advisory opinion. Accordingly, the statutory requirements for a permissive interlocutory appeal were not met, and the petition was denied.

CHARITABLE EXEMPTION DENIED WHERE PROPERTY WAS CO-OWNED AND USED AS OWNERS' RESIDENTIAL HOMESTEAD; RESIDENTIAL USE NOT "INCIDENTAL" AS A MATTER OF LAW

Duncan House Charitable Corp. v. Harris Cnty. Appraisal Dist., No. 14-24-00682-CV, 2025 WL 3165691, at *1-5 (Tex. App.—Houston [14th Dist.] Nov. 13, 2025, pet. filed) (mem. op.).

The Duncan House Charitable Corporation sought a charitable exemption under Tax Code § 11.18 for its undivided fifty percent interest in a historic River Oaks residence for tax years 2017 and 2018. The property had long been occupied by William and Carol Cantrell as their primary residence and was subject to a residential homestead and over-65 exemption on Mr. Cantrell's undivided fifty percent interest. After Mrs. Cantrell conveyed her interest to Duncan House, the Cantrells continued to live in the home, claimed homestead exemptions, and used the property as their full-time residence, while also offering limited public access and tours.

HCAD denied the charitable exemption, and the trial court granted summary judgment for HCAD. The court of appeals affirmed, holding that a charitable exemption requires exclusive charitable use, except for truly incidental use. Because Mr. Cantrell owned an undivided fifty percent interest and occupied the entire property as his residential homestead, his use was not incidental as a matter of law. The court rejected Duncan House's argument that residential use of only a small percentage of the home qualified as incidental, emphasizing that cotenants have full rights to possession of the entire property. Occasional tours and historic-preservation activities did not overcome the property's primary residential use. Because HCAD conclusively negated exclusive charitable use, the

exemption failed, and the court did not reach HCAD’s alternative grounds for summary judgment.

FAILURE TO RAISE MARKET-VALUE CLAIM BEFORE ARB BARRED DISTRICT-COURT REVIEW; OPEN-SPACE DEGREE-OF-INTENSITY STANDARDS PRESUMED VALID; ARBITRATION FEE-SHIFTING STATUTE DID NOT APPLY WHEN TAXPAYER LOST AT TRIAL

Johnson v. Bastrop Cent. Appraisal Dist., No. 03-24-00596-CV, 2025 WL 2989173, at *1-5 (Tex. App.—Austin Oct. 24, 2025, pet. filed) (mem. op.).

In 2018, the owner applied for an open-space appraisal for 19.8 acres used for grazing seven horses. Bastrop Central Appraisal District denied the application, and the owner protested only the denial of special appraisal—not market value. The ARB affirmed the denial, and its order reflected that the market values were correct. The case was referred to nonbinding arbitration, where the arbitrator concluded the property qualified for open-space appraisal, but the appraisal district rejected the arbitrator’s determination, and the case proceeded to trial.

More than five years after filing suit, the owner amended his petition to assert a new excessive-value claim, declaratory relief, and attorney’s fees. The trial court granted the appraisal district’s plea to the jurisdiction as to the excessive-value claim and summary judgment on the merits, and the court of appeals affirmed. The court held that it lacked jurisdiction over the excessive-value claim because the owner failed to exhaust administrative remedies by raising market value before the ARB.

On the merits, the court held that the appraisal district was entitled to summary judgment on the open-space issue because its agricultural-use manual required minimum acreage far exceeding the property’s size. The court emphasized that chief appraisers are statutorily authorized to adopt degree-of-intensity standards and that those standards are presumed valid and may not be overturned unless the chief appraiser acted contrary to the Tax Code. The court also rejected the owner’s attempt to obtain relief under the Uniform Declaratory Judgments Act as an impermissible effort to obtain redundant relief and attorney’s fees where the Tax Code provides exclusive remedies.

Finally, the court held that Tax Code § 42.225 did not authorize attorney’s fees. Although the arbitrator ruled in the owner’s favor, the final determination at trial was less favorable to the taxpayer, resulting in a higher appraised value than that implied by the arbitration award. Because § 42.225 shifts fees only when the final determination results in an appraised value equal to or less than the arbitrator’s finding, the statute did not apply.

TAX CODE'S EXCLUSIVE REMEDIES BARRED STANDALONE DECLARATORY JUDGMENT AND INJUNCTIVE CLAIMS, BUT DID NOT PRECLUDE CLASS ACTION ON ARB APPEALS WHERE ADMINISTRATIVE REMEDIES WERE EXHAUSTED

Robertson Cent. Appraisal Dist. v. Hoppess, No. 10-22-00396-CV, 2025 WL 2934519, at *1-7 (Tex. App.—Waco Oct. 16, 2025, pet. filed) (mem. op.).

Multiple property owners sued the Robertson Central Appraisal District and its officials alleging that pipeline easements and corridors were systematically excluded or undervalued, resulting in unequal taxation of their properties. The owners alleged they protested their appraised values and unequal appraisal before the ARB for tax years 2013–2021 and appealed the ARB's orders to district court, while also asserting standalone claims for declaratory and injunctive relief and seeking class certification. The appraisal district filed a partial plea to the jurisdiction challenging the declaratory judgment claims, injunctive relief, and class claims, arguing the Tax Code provides exclusive remedies.

The court of appeals held that the trial court lacked jurisdiction over the owners' standalone declaratory judgment action and requests for injunctive relief because those claims were redundant of the Tax Code's administrative appeal process. The court emphasized that the owners expressly sought relief under Tax Code § 42.24 and merely repleaded valuation and equalization complaints in constitutional and declaratory terms. Recasting appraisal disputes as ultra vires or constitutional claims did not avoid the Tax Code's exclusivity provisions. The court also held that class certification could not be maintained as to the dismissed declaratory judgment and injunctive claims.

However, the court held that the trial court did not err in allowing the case to proceed as a potential class action limited to appeals of ARB orders, where class members had exhausted administrative remedies and timely invoked district-court jurisdiction. The court therefore reversed and rendered dismissal of the declaratory judgment, injunctive, and related class claims, but affirmed the denial of the plea to the jurisdiction as to the ARB appeals.

TAXING AUTHORITIES HAD STANDING TO COLLECT DELINQUENT TAXES; PETITION NEED NOT ACCOUNT FOR ALLEGED PRIOR PAYMENTS; FAILURE TO RULE ON MERITLESS MOTIONS DID NOT DEPRIVE COURT OF JURISDICTION

Cantu v. Pasadena Indep. Sch. Dist., et al., No. 14-24-00747-CV, 2025 WL 2934048 (Tex. App.—Houston [14th Dist.] Oct. 16, 2025, no pet.) (mem. op.).

Several taxing authorities sued Artemio Cantu to collect delinquent property taxes on vehicles and two tracts of land in Harris County. Cantu, appearing pro se, filed motions asserting that he had previously tendered payment and arguing that the taxing authorities' petition was deficient because it did not account for those alleged payments. He contended that, as a result, the taxing authorities lacked standing and the trial court lacked jurisdiction, and he sought to strike the petition or compel an amended pleading.

The trial court entered judgment for the taxing authorities, and the court of appeals affirmed. The court held that Tax Code § 33.43 does not require a taxing authority to plead an accounting of alleged prior payments in a delinquent-tax petition. Prior payment is an affirmative defense that the taxpayer must raise and prove after the taxing authority establishes its prima facie case. Because the petition alleged delinquency as required by statute, the taxing authorities had standing, and the trial court had subject-matter jurisdiction.

The court further held that the taxing authorities' failure to respond to Cantu's motions did not constitute an admission or require the trial court to grant relief. Any failure to expressly rule on Cantu's motions was harmless, as the motions were meritless and were implicitly denied in the final judgment. Finding no reversible error, the court affirmed the judgment for delinquent taxes, penalties, interest, and fees.

INDIVIDUAL MANAGING UNINCORPORATED RELIGIOUS ENTITY WAS PROPER PARTY TO DELINQUENT TAX SUIT; SUBSTITUTED SERVICE VALID; RELIGIOUS BELIEFS DID NOT EXCUSE COMPLIANCE WITH TAX CODE

Van Horne v. Central Appraisal District of Taylor County, No. 11-25-00030-CV, 2025 WL 2797281, at *1-4 (Tex. App.—Eastland Oct. 2, 2025, pet. filed) (mem. op.).

The Central Appraisal District of Taylor County sued Van Horne to collect delinquent property taxes for tax years 2022 and 2023 on two properties in Taylor County. After unsuccessful attempts at personal service, the trial court authorized substituted service, and Van Horne was served by posting at his residence. Van Horne appeared and participated at a bench trial, after which the trial court entered judgment for the delinquent taxes.

On appeal, Van Horne argued that he was not a proper party, that the appraisal district lacked standing, that service was defective, and that he was exempt from taxation based on religious beliefs and "matters of conscience." The court of appeals affirmed. It held that Van Horne was a proper defendant because he managed and controlled an unincorporated religious entity that owned the property, and individuals doing business through

unincorporated entities are personally liable for the entity’s obligations. The court rejected Van Horne’s standing arguments as previously resolved and held that substituted service strictly complied with the trial court’s order and Rule 106.

The court further held that religious beliefs do not excuse compliance with generally applicable tax laws and that statutory exemptions must be applied for and proven under the Tax Code. Because Van Horne failed to obtain any exemption and was properly served and subject to the court’s jurisdiction, the judgment for delinquent taxes was affirmed.

HOMEOWNERS’ PENDING PROTEST DID NOT BAR DELINQUENT TAX SUIT; FAILURE TO PAY TAXES WAIVED REMEDIES

Evans v. County of Comal, No. 03-25-00102-CV, 2025 WL 2626413, at *2 (Tex. App. Sept. 12, 2025, no pet.) (mem. op.)

The District Court in Comal County entered judgment against homeowners for \$46,395.48 in delinquent property taxes, interest, and fees for 2023–2024. The homeowners, appearing pro se, argued that the judgment was improper because they had filed a protest of the denial of their homestead exemption in September 2024 and were awaiting an appraisal review board hearing when Comal County filed suit. The court of appeals rejected this argument, holding that resolution of a property owner’s protest is not a prerequisite for a taxing unit to pursue a delinquent tax case. The court further noted that property owners who protest must continue to pay undisputed taxes, and failure to do so waives any administrative remedy. Because the homeowners presented no evidence that they paid their 2023–2024 taxes while seeking relief, the court affirmed the judgment.

COUNTERCLAIMS BARRED BY GOVERNMENTAL IMMUNITY BECAUSE DELINQUENT TAX SUIT IS *IN REM*, NOT A CLAIM FOR MONEY DAMAGES, AND ASSESSOR-COLLECTOR ACTED WITHIN STATUTORY AUTHORITY

Ho v. Harris County, No. 01-24-00740-CV, 2025 WL 2446038 (Tex. App.—Houston [1st Dist.] Aug. 26, 2025, pet. filed) (mem. op.)

Harris County sued to collect delinquent property taxes and foreclose its tax liens. The defendant counterclaimed against the county and the tax assessor-collector, alleging wrongful debt collection, *ultra vires* conduct, and a constitutional taking, and sought damages, declarations, and injunctions. The trial court dismissed the counterclaims on pleas to the jurisdiction.

The court of appeals affirmed. It held that immunity was not waived for the county because a delinquent tax suit is *in rem*, not a claim for monetary damages—so the county was enforcing its lien against the property, rather than seeking affirmative money relief that might open the door to counterclaims. As to the assessor-collector, assessing and collecting taxes and filing delinquent tax suits are duties authorized by statute, so there was no *ultra vires* claim. Because no valid waiver of immunity was shown, the counterclaims were barred.

RELIGIOUS ORGANIZATION NOT EXCUSED FROM PROPERTY TAXES; LIABILITY DERIVES FROM OWNERSHIP, AND EXEMPTIONS REQUIRE STATUTORY APPLICATION

KOYOE Soc’y v. Cent. Appraisal Dist. of Taylor Cnty., No. 11-23-00199-CV, 2025 WL 2346889 (Tex. App.—Eastland Aug. 14, 2025, pet. denied) (mem. op.).

The Central Appraisal District sued the KOYOE Society for delinquent taxes on four tracts of land in Taylor County. The Society, represented not by counsel but by a self-described “advocate,” argued that it was a religious entity not subject to Texas taxation because it had separated itself from “secular political society.” It had never filed for a religious-use exemption. The trial court entered judgment for more than \$47,000 in taxes and fees, and the Society appealed.

The court of appeals affirmed. It rejected the Society’s jurisdictional arguments, noting that Texas courts have subject matter and personal jurisdiction over suits to collect delinquent taxes on property located in the state, regardless of the owner’s beliefs. Relying on its prior decision in *Children of the Kingdom v. Central Appraisal Dist. of Taylor Cnty.*, 674 S.W.3d 407 (Tex. App.—Eastland 2023, pet. denied), the court held that property tax liability derives from ownership of property, not from consent to civil society. Religious freedom does not excuse compliance with generally applicable, neutral laws, and exemptions may only be claimed through the application process set out in the Tax Code.

GOVERNMENTAL IMMUNITY BARS REFUND CLAIM AGAINST TAX ASSESSOR-COLLECTOR; NO *ULTRA VIRES* CLAIM EXISTS WHEN OFFICIAL PERFORMS DUTIES REQUIRED BY LAW

Mullerin v. Uresti, No. 04-24-00186-CV, 2025 WL 1909402 (Tex. App.—San Antonio July 9, 2025, no. pet.) (mem. op.).

In 2021 a taxpayer purchased a home in San Antonio and paid that year’s property taxes as billed. The following year the taxpayer protested the home’s 2022 value and appealed the ARB’s order to district court. The suit named the appraisal district, its chief appraiser, and the county tax assessor-collector, but the only claim against the assessor was for a refund

of a portion of the 2021 taxes, based on the assertion that the 2021 appraised value had been too high. The trial court dismissed those claims, and the taxpayer appealed.

The court of appeals affirmed. It explained that immunity protects taxing officials unless clearly waived. Sovereign immunity protects the State itself; governmental immunity protects subdivisions such as counties and appraisal offices. The taxpayer argued the assessor had waived immunity by raising it late, but the court held that immunity is jurisdictional and can be raised at any time, even on appeal. The court also noted that no *ultra vires* claim—Latin for “beyond the powers”—exists when an official performs duties required by law, such as assessing and collecting taxes and maintaining liens. Finally, because the Tax Code provides exclusive procedures for challenging valuations and seeking refunds, and those procedures were not followed, the claims against the assessor were barred.

(The appraisal district and chief appraiser remained defendants in the underlying case, but they were not parties to this interlocutory appeal, which addressed only the jurisdictional ruling as to the assessor.)

DISMISSAL FOR LACK OF JURISDICTION WAS PROPER WHERE TAXPAYERS CHALLENGED MASS APPRAISAL PRACTICES OUTSIDE THE TEXAS TAX CODE’S REMEDIES AND FAILED TO ALLEGE A PARTICULARIZED INJURY DISTINCT FROM OTHER TAXPAYERS

Vexler v. Spencer, No. 02-24-00305-CV, 2025 WL 1271691 (Tex. App.-Fort Worth, May 1, 2025, pet. denied) (mem.op.)

Taxpayers filed suit challenging both their individual appraisals and the broader mass appraisal practices of the appraisal district. They alleged that the district and its chief appraiser used valuation methods that flagrantly violated multiple provisions of the Uniform Standards of Professional Appraisal Practice (USPAP). They also argued that the statutory authorization for mass appraisal under the Texas Tax Code was facially unconstitutional. Characterizing the conduct as *ultra vires*, they contended that their claims fell outside the Tax Code’s exclusive remedies and sought various forms of relief, including declaratory and injunctive relief.

The court of appeals affirmed the trial court’s dismissal for lack of jurisdiction. It held that the taxpayers were required to pursue the exclusive remedies provided under the Texas Tax Code—such as administrative protest and judicial review—because their complaints fell squarely within the scope of relief authorized by the Code

The court further found that the plaintiffs lacked standing to assert their constitutional claims, as they had not alleged a particularized injury distinct from the generalized

grievances shared by all taxpayers in the county—an essential requirement for asserting such claims.

APPRAISAL REVIEW BOARD ERRED WHEN IT DISMISSED THE LATE PROTEST OF A PURCHASER OF PROPERTY WHO WAS NOT SENT A NOTICE OF REMOVAL OF OPEN SPACE LAND VALUATION

Long v. Atascosa Central Appraisal District, No. 04-24-00217-CV, 2025 WL 1241900 (Tex. App.-San Antonio, April 30, 2025, pet. denied) (mem. op.)

The owner of property receiving a 1-d-1 open-space valuation died on December 31, 2021. The land was inherited and sold by the heir the following month. In March, the appraisal district mailed a notice of removal of the open-space valuation to the heir, but not to the new owner. In May, it sent a notice of appraised value to the new owner, showing a market value assessment and \$0 under the open-space land category. The purchaser did not learn that the special valuation had been removed until he received his tax bill in the fall. He promptly filed a late protest under Section 41.411 of the Tax Code, citing the appraisal district's failure to deliver notice. Rather than address that claim, the appraisal review board dismissed the protest, reasoning that the purchaser had failed to timely protest after receiving the May notice of value.

The court of appeals reversed, holding that the purchaser was entitled to a determination on his claim that the appraisal district failed to notify him of the removal of the special valuation—a failure that, if proven, would have deprived him of the opportunity to be heard. The court found that the dismissal was improper under Section 41.411, which protects due process rights when required notices are not delivered. The appraisal district also argued that the purchaser wasn't entitled to the valuation because he failed to file a new application. The court rejected that argument, explaining that the failure to apply was itself the result of the district's failure to notify him—thus triggering the very protections 41.411 was designed to afford.

TAXPAYER NOT ENTITLED TO CORRECTION OF APPRAISAL ROLLS WHERE NO EVIDENCE OF DOUBLE APPRAISAL EXISTED AND PROPERTY PHYSICALLY EXISTED IN COUNTY DESPITE CLAIMED LOCATION ERROR

J-W Power Co. v. Henderson County Appraisal District, No. 12-22-00325-CV, 2025 WL 965963 (Tex. App.-Tyler, March 31, 2025, pet. denied) (mem. op.)

Taxpayer, which owned and leased natural gas compressors, stored those compressors in various yards—including in Gregg County—when they were not under lease. During the 2013–2016 tax years, the Henderson County Appraisal District assessed and taxed certain compressors located in Henderson County as business personal property. Taxpayer filed protests each year challenging their taxability in Henderson County, but the protests were denied, and Taxpayer did not pursue an appeal. In early 2018, after the decision by the

Texas Supreme Court in *EXLP Leasing LLC v. Galveston Central Appraisal District* (which held that leased heavy equipment inventory should be appraised at the dealer’s storage location), Taxpayer filed motions under § 25.25(c)(2) and (3) seeking retroactive correction of the appraisal rolls. Taxpayer argued that the appraisal district had subjected the compressors to double taxation—once in Henderson County as business personal property and again in Gregg County as inventory—and that the compressors did not “exist” in the form or location described on the appraisal rolls.

The Court of Appeals held that Taxpayer failed to satisfy both § 25.25(c)(2) (“multiple appraisals”) and (c)(3) (“form or location”) prongs. As to the first prong, the court found no evidence of double appraisal because Taxpayer did not show that the compressors were also actually appraised by the Gregg County Appraisal District during the relevant years. As to the second, the court concluded that § 25.25(c)(3) did not apply because the compressors physically existed in Henderson County, even if they were incorrectly taxed there.

TEXAS ATTORNEY GENERAL OPINIONS

A TAXING UNIT THAT DOES NOT IMPOSE A COLLECTION PENALTY, EVEN THOUGH AUTHORIZED TO DO SO, MAY STILL RECOVER ATTORNEY’S FEES IN A DELINQUENT TAX COLLECTION LAWSUIT

Tex. Att’y Gen. Op. KP-0483 (2025)

Although taxing units may not recover attorney’s fees from delinquent taxpayers both under the Tax Code’s collection penalty provision and as court costs in a judgment, they may recover attorney’s fees if they do not impose the collection penalty, such as by filing suit before penalties would otherwise attach.