MCCREARY, VESELKA, BRAGG & ALLEN, P.C.
ATTORNEYS AT LAW
700 Jeffrey Way, Suite 100
Round Rock, Texas 78665

2025 PROPERTY TAX CASES
And Attorney General's Opinions

Last updated: August 19, 2025

Cases

KOYOE Society v. Central Appraisal District of Taylor County
2025 WL 2346889 (Tex. App. – August 14, 2025, no pet. hist.) (not reported)

Issues: Delinquent tax suits; religious exemptions

The appraisal district, exercising its contractual authority to collect taxes, sued KOYOE. KOYOE responded that it was a religious organization, exempt from taxation, immune from suit, and not subject to the trial court's authority. KOYOE had never even filed an application for a religious exemption. Following a trial, the court entered judgement for the district. KOYOE appealed.

The court of appeals affirmed the trial court's judgment and rejected KOYOE's arguments. The higher court explained that KOYOE was required to file an exemption application if it wanted an exemption for its property. The district had all the authority that it needed to levy and collect taxes on KOYOE's property. The district had standing to file the delinquent-tax suit, and KOYOE was subject to the courts' authority. None of that violated KOYOE's First Amendment rights to the free exercise of its religion.

Garcia v. Garcia
2025 WL 2312409 (Tex. App. – Houston [14th Dist.], August 12, 2025, no pet. hist.) (not reported)

Issues: Tax sales

Williams filed a fraudulent deed purporting to convey a lot owned by Gibbs to himself. Twelve years later taxing units sued Williams for delinquent taxes on the lot. The suit led to a tax sale, and Ramirez purchased the lot. Years later the person who traced his title to Ramirez sued the person who traced her title to Gibbs. The issue was whether the tax sale had conveyed the lot even though Williams had not owned it. The trial court ruled that the tax sale had not conveyed anything. The opposing party appealed.

The court of appeals reversed the trial court's judgment. The court of appeals ruled that the tax sale had conveyed the lot to Ramirez. The court explained that under §34.01 of

the Tax Code, a tax sale conveys "good and perfect title" to the interest owned by the defendant in the delinquent tax suit. In this instance, Williams was the only defendant named in the delinquent tax suit, but the taxing units' pleadings said that they were suing any unknown parties owning or claiming any interest in the lot. That meant that the tax sale conveyed all interests in the lot and Ramirez acquired full title to it. The party who traced his ownership back to Ramirez was the rightful owner of the lot.

Mullerin v. Uresti
2025 WL 1909402 (Tex. App. – San Antonio, July 9, 2025, no. pet. hist.) (not reported)

Issues: Governmental immunity, exhaustion of remedies

Mullerin acquired property in April of 2021. She paid the 2021 taxes without protest. She protested the 2022 appraisal of the property but was not satisfied with the ARB's order. Instead of filing an ordinary appeal under Chapter 42 of the Tax Code, Mullerin sued the chief appraiser and the county tax assessor-collector. She sought an injunction and a refund of the taxes she had paid for 2021. The TAC didn't file an answer on time, but before the trial court could enter a default judgment, he filed a general denial. About six months later, the TAC filed a plea to the jurisdiction alleging governmental immunity. The trial court granted the plea to the jurisdiction and dismissed Mullerin's claims against the TAC. Mullerin appealed.

The court of appeals affirmed the trial court's order. The court of appeals explained that governmental immunity protects a local government against most lawsuits. It also applies to a suit filed against a public official in his/her official capacity. Mullerin's suit concerned actions by the TAC in furtherance of his official duties. It didn't matter that the TAC had not asserted his immunity in his original answer because governmental immunity can be raised at any stage of a lawsuit. The principle even bars suits for injunctions and declaratory judgments. A narrow exception may apply where a person pays taxes under duress and has a valid claim for repayment. Mullerin's claims, however, had to do with alleged appraisal errors. She was bound to follow the Tax Code's exclusive procedures for a property owner complaining about an appraisal. The Code does not allow a suit against a TAC. Thus, there was no waiver of the TAC's governmental immunity.

Franks v. Texas Comptroller of Public Accounts
2025 WL 1534953 (Tex. App. – Eastland, May 30, 2025, no pet. hist.) (to be published)

Issues: Governmental Immunity, Texas Economic Development Act

This case concerns the now defunct Texas Economic Development Act (Chapter 313 of the Tax Code), which allowed a school district to limit a property's taxable value in the interest of economic development. The Act expired at the end of 2022. In order to grant a value limitation, a school district had to refer the proposal to the comptroller for a review. The comptroller would consider whether the proposed project was likely to generate enough tax revenue to offset the losses from the value limitation and whether the limitation was a determining factor for the company proposing the project. If the comptroller's

answer was yes, he would issue a certificate of limitation. The school board could then decide about granting the limitation. In this instance, the comptroller issued a certificate for a proposed wind farm, and the school board granted the limitation.

Franks owned property in the school district and objected to the limitation. She sued the comptroller (but not the school district) to challenge his certificate. The comptroller filed a plea to the jurisdiction, which was sustained by the trial court. Franks appealed.

The court of appeals affirmed the trial court's dismissal of the case. The higher court ruled that the comptroller was immune from the suit. He was acting within his authority when he reviewed the economic data and made his determinations about the proposed project. He had that authority even though the developer did not own the land and the proposed wind farm did not exist yet.

Recall that in the mid-1990's there was widespread hysteria about governmental "takings" of private property rights. The legislature enacted a law, which it called the "Private Real Property Rights Preservation Act," Chapter 2007 of the Government Code. Franks argued that the law waived the comptroller's immunity, but the court of appeals disagreed. The law did not apply to a comptroller's decision under the Economic Development Act.

The higher court further ruled that Franks lacked standing to challenge the comptroller's certificate. She was not injured by the certificate. Her grievance was with the school board's decision to grant the value limitation, not with the comptroller's determination.

Thompson v. Landry
2025 WL 1350003 (Tex., May 9, 2025)

Issues: Challenging a tax sale

Landry inherited real property when her grandmother died in the 1980s. In 2004, taxing units filed a suit seeking many years of delinquent taxes. They named the grandmother as a defendant and served her by posting a notice at the courthouse. When no answer was filed, the court entered a default judgment and ordered the sale of the property. Thompson bought the property and recorded the sheriff's deed in early 2007. Thompson paid the taxes on the property in subsequent years. At all relevant times, Landry and her husband lived on the property. In 2009, her husband leased the property from Thompson and paid rent for a while. In 2016, Thompson sought to evict the Landrys.

In 2018, Landry filed a suit to challenge the old delinquent-tax judgment and sale. She claimed that the service by posting violated her due-process rights. Thompson argued that §33.54 of the Tax Code requires a person challenging a tax sale to file suit within two years after the sheriff's deed is filed. In this case, more than ten years had passed since Thompson's deed was recorded. Thompson also raised the equitable defenses of laches and estoppel. The trial court granted Landry's motion for summary judgment and denied Thompson's. That summary judgment voided the tax sale and awarded the property to Landry.

The court of appeals partially reversed the trial court and sent the case back down for consideration of factual issues. The intermediate court ruled, however, that Thompson's limitations defense as well as her equitable defenses would not block Landry's suit. At Thompson's request, the Texas Supreme Court agreed to consider the case.

The Supreme Court disagreed with the lower courts. The high Court ruled that if Landry had known about the tax sale during the two-year limitations period, she was required to challenge the sale during that period. That was an unresolved question of fact. The Supreme Court also ruled that Thompson could assert her equitable defenses in response to Landry's claim. If Landry had learned about the sale tax and let years pass while appearing to accept it or while doing nothing, she could be equitably barred from challenging the sale. The Supreme Court sent the case back to the trial court for consideration of the unresolved factual issues.

Vexler v. Spencer
2025 WL 1271691 (Tex. App. – Fort Worth, May 1, 2025, no pet. hist.) (not reported)

Issues: Governmental immunity, exhaustion of remedies

Several property owners, without going through the protest process, sued the appraisal district and its chief appraiser. They complained about the district "recklessly" and "fraudulently" raising values over the course of several years. They complained that the district wasn't following §23.01(b) of the Tax Code, which directs an appraisal district to comply with USPAP when doing mass appraisals. At the same time, they argued that §23.01(b) was unconstitutional. They sought injunctive and declaratory relief and money damages. The district and the chief appraiser filed pleas to the jurisdiction asserting governmental immunity. The trial court dismissed the case, and the property owners appealed.

The court of appeals affirmed the dismissal of the case. The higher court explained that a property owner who disagrees with a tax appraisal must follow the Tax Code's protest process. The owner can't make up alternative procedures and remedies. The Declaratory Judgments Act does not create an alternative. If a property owner doesn't follow the Code's procedures, the law does not waive the immunity that protects an appraisal district and its chief appraiser from suit.

The court of appeals also explained that the property owners lacked standing to assert their claims. A person whose only interest in a governmental policy is as a citizen or a taxpayer has no standing to challenge the policy in court. The person needs to show that he/she has suffered some particular individual injury as a result of the policy. These property owners failed to do that. They had an opportunity to amend their pleadings and try a different approach, but they hadn't done that. The court of appeals declined to give them another opportunity.

Editor's Comment: In 1983, the Eastland Court of Appeals ruled in *Brooks v. Bachus* that a property owner who disagrees with a tax appraisal must follow the Tax Code's protest procedures. There is no alternative. Over the next forty-two years, hundreds of other court opinions have made the same point. It is amazing that some people still don't understand.

Long v. Atascosa Central Appraisal District
2025 WL 1241900 (Tex. App. – San Antonio, April 30, 2025, no pet. hist.) (not reported)

Issues: Delivery of notices; exhaustion of remedies

Rachel conveyed land to her uncle George in late January 2022, just one month after she inherited it. The deed from Rachel to George was recorded right away. The land had long been appraised as 1-d-1 land. About five weeks after Rachel conveyed the land to George, the appraisal district discovered the deed through which Rachel had acquired the land and listed her as the owner. A few days later, the district sent Rachel a notice that the 1-d-1 appraisal was being cancelled and that she would have to file her own application if she wanted it reinstated. On that same day, the district discovered Rachel's deed to George and listed the land in George's name. About two months later, the district sent George a notice of appraised value showing the land appraised at its market value. Neither Rachel nor George filed a 1-d-1 application.

Near the end of 2022, George filed a failure-to-deliver-notice protest with the ARB complaining that the district had not sent him a notice specifically about the cancellation of the 1-d-1 appraisal. The ARB conducted a hearing and made a "determination" adverse to George but apparently did not issue a written order. Nevertheless, George took his claims to court in a suit filed against the district. The district pleaded that George had failed to exhaust his administrative remedies, and the trial court dismissed the case. George appealed.

The court of appeals reversed the trial court's order. The higher court reasoned that George had exhausted his administrative remedies by filing a failure-to-deliver-notice protest and obtaining a "determination" from the ARB. He had a right to appeal by suing the district. The court ruled however that the district was immune from the claims that George attempted to assert under the Uniform Declaratory Judgements Act. Neither the trial court nor the court of appeals ruled on the question of whether the notices sent to Rachel and George were sufficient.

J-W Power Co. v. Henderson County Appraisal District
2025 WL 965963 (Tex. App. – Tyler, March 31, 2025, no pet. hist.) (not reported)

Issues: Corrections to appraisal rolls

This opinion harkens back to the pipeline compressor controversy that began years ago. The Texas Supreme Court surprised everyone in 2018 when it ruled that the Tax Code's method for appraising leased heavy equipment *was* constitutional. At that time, heavy equipment owners had filed many unsuccessful protests against appraisal districts who

had insisted on appraising their property at its market value. But the owners had not appealed the adverse rulings from ARBs. As a result of the Supreme Court's ruling, the owners tried filing motions to correct appraisal rolls under §25.25 of the Tax Code raising the same claims that ARBs had previously rejected. Lower courts ruled that the owners could not reprise the same rejected claims, but the Supreme Court overruled them. So, the lower courts were left to consider the merits of the §25.25 motions. In this case, the trial court entered a summary judgment in favor of the appraisal district, and J-W Power appealed once again.

The court of appeals affirmed the summary judgment for the district. The court of appeals explained that there had not been any multiple appraisals of the compressors in question. The compressors located in Henderson County had not been appraised or taxed anywhere else. J-W Power had filed declarations and monthly statements with the appraisal district in Gregg County where it claimed that the compressors were really taxable, but it did not include the compressors located in Henderson County. J-W Power's vice president admitted that the compressors in question had never been on appraisal rolls in Gregg County

The court of appeals also explained that the compressors did exist in Henderson County. Even if J-W Power was correct that the law made the compressors legally taxable in Gregg County, there was no question that they actually existed in Henderson County. There was no basis for deleting them from the appraisal rolls in Henderson County as property that did not exist at the locations shown on those rolls.

Hesener v. Travis County
2025 WL 875812 (Tex. App. – Austin, March 21, 2025, pet. denied) (not reported)

Issues: Governmental immunity

Hesener sued the taxing units that taxed his property. He claimed that their tax liens were invalid and that they had no authority to tax his property. He sought declaratory and injunctive relief. The taxing units files a plea to the jurisdiction and a motion to have Hesener's complaints dismissed as baseless. They asserted that they were immune from the suit. The trial court dismissed the case, and Hesener appealed.

The court of appeals affirmed the trial court's dismissal of the case. The court of appeals explained that local governments are immune from suit unless a plaintiff can show that state law waives the immunity for a type of suit. The waiver of immunity must be "clear and unambiguous." There is no law allowing a suit of the type filed by Hesener. A taxpayer may sue a local government to recover an illegal tax that the taxpayer paid involuntarily or under duress, but that was not what Hesener was claiming. The taxing units were immune.

Jackson v. Harrison Central Appraisal District
2025 WL 653351 Tex. App. – Texarkana, February 26, 2025, no pet hist.) (not reported)

Issues: Delinquent tax suits; exhaustion of remedies

The appraisal district acting as a tax collector sued Johnson for delinquent taxes. Johnson argued that her land should have an agricultural appraisal and that it was appraised unequally compared to nearby agricultural land. The district sought a summary judgment. The district's summary judgment evidence included the delinquent tax records and the chief appraiser's affidavit explaining that Johnson had never protested the appraisal of her property. Johnson offered no contradictory evidence. The trial court entered a summary judgment for the district and Johnson appealed.

The court of appeals affirmed the summary judgment for the district. The higher court explained that the delinquent tax records were sufficient to establish a prima facie case as to every material fact necessary to support the district's delinquent-tax claims. She could not contest the appraisal of her property because she had not filed a protest or exhausted the administrative remedies that might have been provided by the ARB.

Attorney General's Opinions

Opinion KP-0483
February 12, 2025

Issues: Collecting delinquent taxes

Section 33.07 allows a taxing unit to impose an extra penalty on delinquent taxes and use the money from that penalty to pay MVBA or another private law firm. But that penalty applies only to taxes that remain delinquent on July 1 of the year in which they become delinquent. A taxing unit that files suit against a delinquent taxpayer may recover its attorneys' fees for the suit under §33.48. A taxing unit may not recover both the §33.07 penalty and attorneys' fees under §33.48. In this opinion, the attorney general explains that if a taxing unit has adopted §33.07 penalties but its lawyers file a delinquent-tax suit before July 1, the taxing unit can recover its attorneys' fees under §33.48.