

By: Bettencourt

S.B. No. 8

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of a person who acquires a residence  
3 homestead to receive an ad valorem tax exemption for the homestead  
4 in the year in which the property is acquired and to the protection  
5 of school districts against the resulting loss in revenue.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 11.42, Tax Code, is amended by adding  
8 Subsection (f) to read as follows:

9 (f) A person who acquires property after January 1 of a tax  
10 year may receive an exemption authorized by Section 11.13, other  
11 than an exemption authorized by Section 11.13(c) or (d), for the  
12 applicable portion of that tax year immediately on qualification  
13 for the exemption if the preceding owner did not receive the same  
14 exemption for that tax year.

15 SECTION 2. Section 11.43(d), Tax Code, is amended to read as  
16 follows:

17 (d) To receive an exemption the eligibility for which is  
18 determined by the claimant's qualifications on January 1 of the tax  
19 year, a person required to claim an exemption must file a completed  
20 exemption application form before May 1 and must furnish the  
21 information required by the form. A person who after January 1 of a  
22 tax year acquires property that qualifies for an exemption covered  
23 by Section 11.42(d) or (f) must apply for the exemption for the  
24 applicable portion of that tax year before the first anniversary of

1 the date the person acquires the property. For good cause shown the  
2 chief appraiser may extend the deadline for filing an exemption  
3 application by written order for a single period not to exceed 60  
4 days.

5 SECTION 3. Section 23.23, Tax Code, is amended by adding  
6 Subsection (c-1) to read as follows:

7 (c-1) For purposes of Subsection (c), an owner who receives  
8 an exemption as provided by Section 11.42(f) is considered to have  
9 qualified the property for the exemption as of January 1 of the tax  
10 year following the tax year in which the owner acquired the  
11 property.

12 SECTION 4. Chapter 26, Tax Code, is amended by adding  
13 Section 26.1115 to read as follows:

14 Sec. 26.1115. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD  
15 GENERALLY. (a) If an individual receives one or more exemptions  
16 under Section 11.13 for a portion of a tax year as provided by  
17 Section 11.42(f), except as provided by Subsection (b) of this  
18 section, the amount of tax due on the property for that year is  
19 calculated by:

20 (1) subtracting:

21 (A) the amount of the taxes that otherwise would  
22 be imposed on the property for the entire year had the individual  
23 qualified for the exemptions for the entire year; from

24 (B) the amount of the taxes that otherwise would  
25 be imposed on the property for the entire year had the individual  
26 not qualified for the exemptions during the year;

27 (2) multiplying the remainder determined under

1 Subdivision (1) by a fraction, the denominator of which is 365 and  
2 the numerator of which is the number of days in that year that  
3 elapsed before the date the individual first qualified the property  
4 for the exemptions; and

5 (3) adding the product determined under Subdivision  
6 (2) and the amount described by Subdivision (1)(A).

7 (b) If an individual receives one or more exemptions to  
8 which Subsection (a) of this section applies for a portion of a tax  
9 year as provided by Section 11.42(f) and the exemptions terminate  
10 during the year in which the individual acquired the property, the  
11 amount of tax due on the property for that year is calculated by:

12 (1) subtracting:

13 (A) the amount of the taxes that otherwise would  
14 be imposed on the property for the entire year had the individual  
15 qualified for the exemptions for the entire year; from

16 (B) the amount of the taxes that otherwise would  
17 be imposed on the property for the entire year had the individual  
18 not qualified for the exemptions during the year;

19 (2) multiplying the remainder determined under  
20 Subdivision (1) by a fraction, the denominator of which is 365 and  
21 the numerator of which is the sum of:

22 (A) the number of days in that year that elapsed  
23 before the date the individual first qualified the property for the  
24 exemptions; and

25 (B) the number of days in that year that elapsed  
26 after the date the exemptions terminated; and

27 (3) adding the product determined under Subdivision

1 (2) and the amount described by Subdivision (1)(A).

2 (c) If an individual qualifies to receive an exemption as  
3 described by Subsection (a) with respect to a property after the  
4 amount of tax due on the property is calculated and if the effect of  
5 the qualification is to reduce the amount of tax due on the  
6 property, the assessor for each taxing unit shall recalculate the  
7 amount of the tax due on the property and correct the tax roll. If  
8 the tax bill has been mailed and the tax on the property has not been  
9 paid, the assessor shall mail a corrected tax bill to the individual  
10 in whose name the property is listed on the tax roll or to the  
11 individual's authorized agent. If the tax on the property has been  
12 paid, the collector for the taxing unit shall refund to the  
13 individual who paid the tax the amount by which the payment exceeded  
14 the tax due.

15 SECTION 5. Section 39.082, Education Code, is amended by  
16 adding Subsection (c-1) to read as follows:

17 (c-1) The system may not include an indicator under  
18 Subsection (b) or any other performance measure that penalizes a  
19 school district for failure to collect the amount of taxes equal to  
20 the total amount of tax refunds provided under Section 26.1115(c),  
21 Tax Code.

22 SECTION 6. Section 48.202, Education Code, is amended by  
23 adding Subsection (e-1) to read as follows:

24 (e-1) For purposes of this section, the total amount of  
25 maintenance and operations taxes collected by a school district  
26 includes the amount of taxes refunded under Section 26.1115(c), Tax  
27 Code.

1 SECTION 7. Subchapter F, Chapter 48, Education Code, is  
2 amended by adding Section 48.2541 to read as follows:

3 Sec. 48.2541. ADDITIONAL STATE AID FOR CERTAIN AD VALOREM  
4 TAX REFUNDS. For each school year, a school district, including a  
5 school district that is otherwise ineligible for state aid under  
6 this chapter, is entitled to state aid in an amount equal to the  
7 amount of all tax refunds provided under Section 26.1115(c), Tax  
8 Code.

9 SECTION 8. This Act applies only to a residence homestead  
10 acquired on or after the effective date of this Act.

11 SECTION 9. This Act takes effect January 1, 2022.