

By: Allison

H.B. No. 1601

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a local option exemption from ad valorem taxation of all  
3 or part of the appraised value of the residence homesteads of  
4 certain peace officers.

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

6 SECTION 1. Section 11.13(i), Tax Code, is amended to read as  
7 follows:

8 (i) The assessor and collector for a taxing unit may  
9 disregard the exemptions authorized by Subsection (b), (c), (d),  
10 ~~[or] (n), or (s) [of this section]~~ and assess and collect a tax  
11 pledged for payment of debt without deducting the amount of the  
12 exemption if:

13 (1) prior to adoption of the exemption, the taxing  
14 unit pledged the taxes for the payment of a debt; and

15 (2) granting the exemption would impair the obligation  
16 of the contract creating the debt.

17 SECTION 2. Section 11.13(m), Tax Code, is amended by adding  
18 Subdivisions (1-a) and (1-b) to read as follows:

19 (1-a) "Eligible peace officer" means an individual  
20 listed under Article 2.12(1), (2), (3), or (4), Code of Criminal  
21 Procedure, who is employed full-time as a peace officer by this  
22 state or by a political subdivision of this state.

23 (1-b) "High-need area" means an area designated by the  
24 governing body of a taxing unit that the governing body determines

1 is likely to benefit from a greater number of peace officers  
2 residing in the area.

3 SECTION 3. Section 11.13, Tax Code, is amended by adding  
4 Subsections (s) and (t) to read as follows:

5 (s) In addition to any other exemptions provided by this  
6 section, an eligible peace officer is entitled to an exemption from  
7 taxation by a taxing unit of all or part of the appraised value of  
8 the peace officer's residence homestead if:

9 (1) the exemption is adopted by the governing body of  
10 the taxing unit in the manner required by law for official action by  
11 the governing body; and

12 (2) the peace officer's residence homestead is located  
13 in an area designated as a high-need area by the governing body of  
14 the taxing unit.

15 (t) The governing body of a taxing unit may adopt the  
16 exemption provided by Subsection (s) as a specified dollar amount  
17 or as a percentage of the appraised value of the property.

18 SECTION 4. Section 403.302(d), Government Code, is amended  
19 to read as follows:

20 (d) For the purposes of this section, "taxable value" means  
21 the market value of all taxable property less:

22 (1) the total dollar amount of any residence homestead  
23 exemptions lawfully granted under Section 11.13(b), ~~(c)~~, or  
24 (s), Tax Code, in the year that is the subject of the study for each  
25 school district;

26 (2) one-half of the total dollar amount of any  
27 residence homestead exemptions granted under Section 11.13(n), Tax

1 Code, in the year that is the subject of the study for each school  
2 district;

3 (3) the total dollar amount of any exemptions granted  
4 before May 31, 1993, within a reinvestment zone under agreements  
5 authorized by Chapter 312, Tax Code;

6 (4) subject to Subsection (e), the total dollar amount  
7 of any captured appraised value of property that:

8 (A) is within a reinvestment zone created on or  
9 before May 31, 1999, or is proposed to be included within the  
10 boundaries of a reinvestment zone as the boundaries of the zone and  
11 the proposed portion of tax increment paid into the tax increment  
12 fund by a school district are described in a written notification  
13 provided by the municipality or the board of directors of the zone  
14 to the governing bodies of the other taxing units in the manner  
15 provided by former Section 311.003(e), Tax Code, before May 31,  
16 1999, and within the boundaries of the zone as those boundaries  
17 existed on September 1, 1999, including subsequent improvements to  
18 the property regardless of when made;

19 (B) generates taxes paid into a tax increment  
20 fund created under Chapter 311, Tax Code, under a reinvestment zone  
21 financing plan approved under Section 311.011(d), Tax Code, on or  
22 before September 1, 1999; and

23 (C) is eligible for tax increment financing under  
24 Chapter 311, Tax Code;

25 (5) the total dollar amount of any captured appraised  
26 value of property that:

27 (A) is within a reinvestment zone:

1 (i) created on or before December 31, 2008,  
2 by a municipality with a population of less than 18,000; and

3 (ii) the project plan for which includes  
4 the alteration, remodeling, repair, or reconstruction of a  
5 structure that is included on the National Register of Historic  
6 Places and requires that a portion of the tax increment of the zone  
7 be used for the improvement or construction of related facilities  
8 or for affordable housing;

9 (B) generates school district taxes that are paid  
10 into a tax increment fund created under Chapter 311, Tax Code; and

11 (C) is eligible for tax increment financing under  
12 Chapter 311, Tax Code;

13 (6) the total dollar amount of any exemptions granted  
14 under Section 11.251 or 11.253, Tax Code;

15 (7) the difference between the comptroller's estimate  
16 of the market value and the productivity value of land that  
17 qualifies for appraisal on the basis of its productive capacity,  
18 except that the productivity value estimated by the comptroller may  
19 not exceed the fair market value of the land;

20 (8) the portion of the appraised value of residence  
21 homesteads of individuals who receive a tax limitation under  
22 Section 11.26, Tax Code, on which school district taxes are not  
23 imposed in the year that is the subject of the study, calculated as  
24 if the residence homesteads were appraised at the full value  
25 required by law;

26 (9) a portion of the market value of property not  
27 otherwise fully taxable by the district at market value because of

1 action required by statute or the constitution of this state, other  
2 than Section 11.311, Tax Code, that, if the tax rate adopted by the  
3 district is applied to it, produces an amount equal to the  
4 difference between the tax that the district would have imposed on  
5 the property if the property were fully taxable at market value and  
6 the tax that the district is actually authorized to impose on the  
7 property, if this subsection does not otherwise require that  
8 portion to be deducted;

9 (10) the market value of all tangible personal  
10 property, other than manufactured homes, owned by a family or  
11 individual and not held or used for the production of income;

12 (11) the appraised value of property the collection of  
13 delinquent taxes on which is deferred under Section 33.06, Tax  
14 Code;

15 (12) the portion of the appraised value of property  
16 the collection of delinquent taxes on which is deferred under  
17 Section 33.065, Tax Code;

18 (13) the amount by which the market value of a  
19 residence homestead to which Section 23.23, Tax Code, applies  
20 exceeds the appraised value of that property as calculated under  
21 that section; and

22 (14) the total dollar amount of any exemptions granted  
23 under Section 11.35, Tax Code.

24 SECTION 5. This Act applies only to ad valorem taxes imposed  
25 for a tax year that begins on or after the effective date of this  
26 Act.

27 SECTION 6. This Act takes effect January 1, 2022, but only

1 if the constitutional amendment proposed by the 87th Legislature,  
2 Regular Session, 2021, authorizing a local option exemption from ad  
3 valorem taxation of all or part of the appraised value of the  
4 residence homesteads of certain peace officers is approved by the  
5 voters. If that amendment is not approved by the voters, this Act  
6 has no effect.