

By: Rodriguez

H.B. No. 3359

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the authority of the governing body of a taxing unit
3 other than a school district to adopt an exemption from ad valorem
4 taxation of a portion, expressed as a dollar amount, of the
5 appraised value of an individual's residence homestead and the
6 treatment of such an exemption in the calculation of certain ad
7 valorem tax rates.

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

9 SECTION 1. Section 11.13, Tax Code, is amended by amending
10 Subsection (i) and adding Subsections (s) and (t) to read as
11 follows:

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

17 (1) prior to adoption of the exemption, the unit
18 pledged the taxes for the payment of a debt; and

19 (2) granting the exemption would impair the obligation
20 of the contract creating the debt.

21 (s) In addition to any other exemptions provided by this
22 section, an individual is entitled to an exemption from taxation by
23 a taxing unit other than a school district of a portion of the
24 appraised value of the individual's residence homestead if the

1 exemption is adopted by the governing body of the taxing unit before
2 July 1 in the manner provided by law for official action by the
3 body. The amount of the exemption is \$5,000 of the appraised value
4 of the residence homestead, except that if the average market value
5 of residence homesteads in the taxing unit in the tax year in which
6 the exemption is adopted exceeds \$25,000, as calculated based on
7 the appraisal records prepared by the chief appraiser of each
8 appraisal district in which the taxing unit participates, the
9 governing body may authorize an exemption in a larger dollar amount
10 not to exceed an amount equal to 20 percent of the average market
11 value of residence homesteads in the taxing unit in the tax year in
12 which the exemption is adopted.

13 (t) This subsection applies only to a taxing unit the
14 governing body of which has ceased granting an exemption under
15 Subsection (n) and has adopted an exemption under Subsection (s).
16 An individual who would have been entitled to an exemption from
17 taxation by the taxing unit under Subsection (n) had the governing
18 body not ceased granting an exemption under that subsection is
19 entitled to continue to receive an exemption under that subsection
20 in lieu of the exemption under Subsection (s) if the individual
21 otherwise qualifies for the exemption under Subsection (n) and the
22 amount of the exemption under that subsection exceeds the amount of
23 the exemption under Subsection (s). The exemption applies only to
24 property for which the individual received an exemption under
25 Subsection (n) in the last year in which the governing body granted
26 an exemption under that subsection. The exemption expires in the
27 event of a change in ownership of the property or, if the property

1 is owned by a qualifying trust and the trustor of the trust or a
2 beneficiary of the trust has the right to use and occupy the
3 property as the trustor's or beneficiary's principal residential
4 property, there is a change in the trustor or beneficiary of the
5 trust, respectively.

6 SECTION 2. Section 25.23(a), Tax Code, is amended to read as
7 follows:

8 (a) After submission of appraisal records, the chief
9 appraiser shall prepare supplemental appraisal records listing:

10 (1) each taxable property the chief appraiser
11 discovers that is not included in the records already submitted,
12 including property that was omitted from an appraisal roll in a
13 prior tax year;

14 (2) property on which the appraisal review board has
15 not determined a protest at the time of its approval of the
16 appraisal records; and

17 (3) property that qualifies for an exemption under
18 Section 11.13(n) or (s) that was adopted by the governing body of a
19 taxing unit after the date the appraisal records were submitted.

20 SECTION 3. Sections 26.012(6) and (15), Tax Code, are
21 amended to read as follows:

22 (6) "Current total value" means the total taxable
23 value of property listed on the appraisal roll for the current year,
24 including all appraisal roll supplements and corrections as of the
25 date of the calculation, less the taxable value of property
26 exempted for the current tax year for the first time under Section
27 11.31 or 11.315, except that:

1 (A) the current total value for a school district
2 excludes:

3 (i) the total value of homesteads that
4 qualify for a tax limitation as provided by Section 11.26; and

5 (ii) new property value of property that is
6 subject to an agreement entered into under Chapter 313; ~~and~~

7 (B) the current total value for a county,
8 municipality, or junior college district excludes the total value
9 of homesteads that qualify for a tax limitation provided by Section
10 11.261; and

11 (C) the current total value for a taxing unit the
12 governing body of which has adopted an exemption under Section
13 11.13(s) includes, with regard to homesteads other than those
14 described by Paragraph (B) of this subdivision, the total dollar
15 amount of the exemptions granted under that subsection.

16 (15) "Lost property levy" means the amount of taxes
17 levied in the preceding year on property value that was taxable in
18 the preceding year but is not taxable in the current year because
19 the property is exempt in the current year under a provision of this
20 code other than Section 11.13(s), 11.251, 11.253, or 11.35, the
21 property has qualified for special appraisal under Chapter 23 in
22 the current year, or the property is located in territory that has
23 ceased to be a part of the taxing unit since the preceding year.

24 SECTION 4. 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 5. This Act takes effect January 1, 2022, but only

1 if the constitutional amendment proposed by the 87th Legislature,
2 Regular Session, 2021, authorizing the governing body of a
3 political subdivision other than a school district to adopt an
4 exemption from ad valorem taxation of a portion, expressed as a
5 dollar amount, of the market value of an individual's residence
6 homestead is approved by the voters. If that amendment is not
7 approved by the voters, this Act has no effect.