

By: Creighton

S.B. No. 1096

A BILL TO BE ENTITLED

AN ACT

relating to the limitation on increases in the appraised value of a residence homestead for ad valorem taxation.

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

SECTION 1. Section 23.23(a), Tax Code, is amended to read as follows:

(a) Notwithstanding the requirements of Section 25.18 and regardless of whether the appraisal office has appraised the property and determined the market value of the property for the tax year, an appraisal office may increase the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of:

(1) the market value of the property for the most recent tax year that the market value was determined by the appraisal office; or

(2) the sum of:

(A) the following applicable percentage [~~10 percent~~] of the appraised value of the property for the preceding tax year:

(i) three percent if the appraised value is \$1 million or less; or

(ii) five percent if the appraised value is more than \$1 million;

(B) the appraised value of the property for the

1 preceding tax year; and

2 (C) the market value of all new improvements to  
3 the property.

4 SECTION 2. This Act applies only to the appraisal for ad  
5 valorem taxation of residence homesteads for a tax year that begins  
6 on or after the effective date of this Act.

7 SECTION 3. This Act takes effect January 1, 2022, but only  
8 if the constitutional amendment proposed by the 87th Legislature,  
9 Regular Session, 2021, to authorize the legislature to set a lower  
10 limit and provide for more than one limit on the maximum appraised  
11 value of a residence homestead for ad valorem taxation is approved  
12 by the voters. If that amendment is not approved by the voters,  
13 this Act has no effect.