

By: VanDeaver

H.B. No. 3564

A BILL TO BE ENTITLED

AN ACT

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

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 is ~~[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) ~~[10 percent of the appraised value of the property for the preceding tax year,~~

~~[(B)]~~ the appraised value of the property for the preceding tax year, which is the appraised value of the property for the tax year in which the owner first qualified the property for an exemption under Section 11.13 as that value may have been adjusted as provided by this section; and

(B) ~~[(C)]~~ the market value of all new

1 improvements to the property.

2 SECTION 2. This Act applies only to the appraisal of a
3 residence homestead for ad valorem tax purposes for a tax year that
4 begins on or after the effective date of this Act.

5 SECTION 3. This Act takes effect January 1, 2024, but only
6 if the constitutional amendment proposed by the 88th Legislature,
7 Regular Session, 2023, to authorize the legislature to limit the
8 maximum appraised value of a residence homestead for ad valorem tax
9 purposes to the appraised value of the property when it was first
10 qualified as a residence homestead, plus the value of subsequent
11 improvements, is approved by the voters. If that amendment is not
12 approved by the voters, this Act has no effect.