

By: Louderback

H.B. No. 1688

A BILL TO BE ENTITLED

1 AN ACT

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 Subdivision (1-a) 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 SECTION 3. Section 11.13, Tax Code, is amended by adding  
24 Subsections (s) and (t) to read as follows:

1       (s) In addition to any other exemptions provided by this  
2 section, an eligible peace officer is entitled to an exemption from  
3 taxation by a taxing unit of all or part of the appraised value of  
4 the peace officer's residence homestead if the exemption is adopted  
5 by the governing body of the taxing unit in the manner required by  
6 law for official action by the governing body.

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

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

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

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

18           (2) one-half of the total dollar amount of any  
19 residence homestead exemptions granted under Section 11.13(n), Tax  
20 Code, in the year that is the subject of the study for each school  
21 district;

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

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

27           (A) is within a reinvestment zone created on or

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

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

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

17 (5) the total dollar amount of any captured appraised  
18 value of property that:

19 (A) is within a reinvestment zone:

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

22 (ii) the project plan for which includes  
23 the alteration, remodeling, repair, or reconstruction of a  
24 structure that is included on the National Register of Historic  
25 Places and requires that a portion of the tax increment of the zone  
26 be used for the improvement or construction of related facilities  
27 or for affordable housing;

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

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

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

7 (7) the difference between the comptroller's estimate  
8 of the market value and the productivity value of land that  
9 qualifies for appraisal on the basis of its productive capacity,  
10 except that the productivity value estimated by the comptroller may  
11 not exceed the fair market value of the land;

12 (8) the portion of the appraised value of residence  
13 homesteads of individuals who receive a tax limitation under  
14 Section 11.26, Tax Code, on which school district taxes are not  
15 imposed in the year that is the subject of the study, calculated as  
16 if the residence homesteads were appraised at the full value  
17 required by law;

18 (9) a portion of the market value of property not  
19 otherwise fully taxable by the district at market value because of  
20 action required by statute or the constitution of this state, other  
21 than Section 11.311, Tax Code, that, if the tax rate adopted by the  
22 district is applied to it, produces an amount equal to the  
23 difference between the tax that the district would have imposed on  
24 the property if the property were fully taxable at market value and  
25 the tax that the district is actually authorized to impose on the  
26 property, if this subsection does not otherwise require that  
27 portion to be deducted;

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

4           (11) the appraised value of property the collection of  
5 delinquent taxes on which is deferred under Section 33.06, Tax  
6 Code;

7           (12) the portion of the appraised value of property  
8 the collection of delinquent taxes on which is deferred under  
9 Section 33.065, Tax Code;

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

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

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

19           SECTION 6. This Act takes effect January 1, 2026, but only  
20 if the constitutional amendment proposed by the 89th Legislature,  
21 Regular Session, 2025, authorizing a local option exemption from ad  
22 valorem taxation of all or part of the appraised value of the  
23 residence homesteads of certain peace officers is approved by the  
24 voters. If that amendment is not approved by the voters, this Act  
25 has no effect.