

By: Pierson

H.B. No. 4060

A BILL TO BE ENTITLED

AN ACT

relating to a local option exemption from ad valorem taxation by a taxing unit of all or part of the appraised value of the residence homestead of a peace officer employed by the taxing unit.

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

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

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

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

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

SECTION 2. Section 11.13(m), Tax Code, is amended by adding Subdivision (1-a) to read as follows:

(1-a) "Peace officer" means a peace officer described by Article 2A.001, Code of Criminal Procedure.

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

(s) In addition to any other exemptions provided by this section, a peace officer who is employed by a taxing unit is

1 entitled to an exemption from taxation by the taxing unit of a
2 percentage of the appraised value of the individual's residence
3 homestead if the governing body of the taxing unit adopts the
4 exemption in the manner required by law for official action by the
5 governing body. An exemption authorized by this subsection exempts
6 from taxation by the taxing unit a percentage of the appraised value
7 of an individual's residence homestead as follows:

8 (1) 20 percent, if the individual has been employed by
9 the taxing unit as a peace officer for at least five years and less
10 than 10 years;

11 (2) 40 percent, if the individual has been employed by
12 the taxing unit as a peace officer for at least 10 years and less
13 than 15 years;

14 (3) 60 percent, if the individual has been employed by
15 the taxing unit as a peace officer for at least 15 years and less
16 than 20 years;

17 (4) 80 percent, if the individual has been employed by
18 the taxing unit as a peace officer for at least 20 years and less
19 than 25 years; or

20 (5) 100 percent, if the individual has been employed
21 by the taxing unit as a peace officer for 25 years or more.

22 SECTION 4. Section 403.302(d), Government Code, as
23 effective until January 1, 2027, is amended to read as follows:

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

26 (1) the total dollar amount of any residence homestead
27 exemptions lawfully granted under Section 11.13(b), ~~or~~ (c), or

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

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

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

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

12 (A) is within a reinvestment zone created on or
13 before May 31, 1999, or is proposed to be included within the
14 boundaries of a reinvestment zone as the boundaries of the zone and
15 the proposed portion of tax increment paid into the tax increment
16 fund by a school district are described in a written notification
17 provided by the municipality or the board of directors of the zone
18 to the governing bodies of the other taxing units in the manner
19 provided by former Section 311.003(e), Tax Code, before May 31,
20 1999, and within the boundaries of the zone as those boundaries
21 existed on September 1, 1999, including subsequent improvements to
22 the property regardless of when made;

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

27 (C) is eligible for tax increment financing under

Chapter 311, Tax Code;

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

(A) is within a reinvestment zone:

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

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

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

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

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

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

(8) the portion of the appraised value of residence homesteads of individuals who receive a tax limitation under Section 11.26, Tax Code, on which school district taxes are not imposed in the year that is the subject of the study, calculated as

1 if the residence homesteads were appraised at the full value
2 required by law;

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

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

16 (11) the appraised value of property the collection of
17 delinquent taxes on which is deferred under Section 33.06, Tax
18 Code;

19 (12) the portion of the appraised value of property
20 the collection of delinquent taxes on which is deferred under
21 Section 33.065, Tax Code;

22 (13) the amount by which the market value of property
23 to which Section 23.23 or 23.231, Tax Code, applies exceeds the
24 appraised value of that property as calculated under Section 23.23
25 or 23.231, Tax Code, as applicable; and

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

SECTION 5. Section 403.302(d), Government Code, as effective January 1, 2027, is amended to read as follows:

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

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

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

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

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

(A) is within a reinvestment zone created on or before May 31, 1999, or is proposed to be included within the boundaries of a reinvestment zone as the boundaries of the zone and the proposed portion of tax increment paid into the tax increment fund by a school district are described in a written notification provided by the municipality or the board of directors of the zone to the governing bodies of the other taxing units in the manner provided by former Section 311.003(e), Tax Code, before May 31, 1999, and within the boundaries of the zone as those boundaries existed on September 1, 1999, including subsequent improvements to

1 the property regardless of when made;

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

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

8 (5) the total dollar amount of any captured appraised
9 value of property that:

10 (A) is within a reinvestment zone:

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

13 (ii) the project plan for which includes
14 the alteration, remodeling, repair, or reconstruction of a
15 structure that is included on the National Register of Historic
16 Places and requires that a portion of the tax increment of the zone
17 be used for the improvement or construction of related facilities
18 or for affordable housing;

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

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

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

25 (7) the difference between the comptroller's estimate
26 of the market value and the productivity value of land that
27 qualifies for appraisal on the basis of its productive capacity,

1 except that the productivity value estimated by the comptroller may
2 not exceed the fair market value of the land;

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

9 (9) a portion of the market value of property not
10 otherwise fully taxable by the district at market value because of
11 action required by statute or the constitution of this state, other
12 than Section 11.311, Tax Code, that, if the tax rate adopted by the
13 district is applied to it, produces an amount equal to the
14 difference between the tax that the district would have imposed on
15 the property if the property were fully taxable at market value and
16 the tax that the district is actually authorized to impose on the
17 property, if this subsection does not otherwise require that
18 portion to be deducted;

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

22 (11) the appraised value of property the collection of
23 delinquent taxes on which is deferred under Section 33.06, Tax
24 Code;

25 (12) the portion of the appraised value of property
26 the collection of delinquent taxes on which is deferred under
27 Section 33.065, Tax Code;

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

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

7 SECTION 6. This Act applies only to ad valorem taxes imposed
8 for a tax year that begins on or after the effective date of this
9 Act.

10 SECTION 7. This Act takes effect January 1, 2026, but only
11 if the constitutional amendment proposed by the 89th Legislature,
12 Regular Session, 2025, authorizing a local option exemption from ad
13 valorem taxation by a political subdivision of all or part of the
14 appraised value of the residence homestead of a peace officer
15 employed by the political subdivision is approved by the voters. If
16 that amendment is not approved by the voters, this Act has no
17 effect.