

Amend HB 217 as follows:

(1) In SECTION 2 of the bill, in added Subsection (m), Section 11.26, Tax Code (committee printing, on page 2, line 48), strike "an individual" and substitute "a disabled individual".

(2) In SECTION 2 of the bill, in added Subsection (m), Section 11.26, Tax Code (committee printing, on page 2, line 49), strike "the individual" and substitute "the disabled individual".

(3) Add the following appropriately numbered SECTIONS to the bill:

SECTION \_\_\_\_\_. Section 11.42(c), Tax Code, is amended to read as follows:

(c) An exemption authorized by Section 11.13(c) or (d) [~~for an individual 65 years of age or older~~] is effective as of January 1 of the tax year in which the person qualifies for the exemption and applies to the entire tax year.

SECTION \_\_\_\_\_. Section 11.43(k), Tax Code, is amended to read as follows:

(k) A person who qualifies for an [~~the~~] exemption authorized by Section 11.13(c) or (d) [~~for an individual 65 years of age or older~~] must apply for the exemption no later than the first anniversary of the date the person qualified for the exemption.

SECTION \_\_\_\_\_. Section 26.10(b), Tax Code, is amended to read as follows:

(b) If the appraisal roll shows that a residence homestead exemption for an individual 65 years of age or older or a residence homestead exemption for a disabled individual applicable to a property on January 1 of a year terminated during the year and if the owner qualifies a different property for one of those [~~a~~] residence homestead exemptions [~~exemption~~] during the same year, the tax due against the former residence homestead is calculated by:

(1) subtracting:

(A) the amount of the taxes that otherwise would be imposed on the former residence homestead for the entire year had the individual qualified for the residence homestead exemption for the entire year; from

(B) the amount of the taxes that otherwise would

be imposed on the former residence homestead for the entire year had the individual not qualified for the residence homestead exemption during the year;

(2) multiplying the remainder determined under Subdivision (1) by a fraction, the denominator of which is 365 and the numerator of which is the number of days that elapsed after the date the exemption terminated; and

(3) adding the product determined under Subdivision (2) and the amount described by Subdivision (1)(A).

SECTION \_\_\_\_\_. Section 26.112, Tax Code, is amended to read as follows:

Sec. 26.112. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF ELDERLY OR DISABLED PERSON. (a) Except as provided by Section 26.10(b), if at any time during a tax year property is owned by an individual who qualifies for an exemption under Section 11.13(c) or (d) [~~for an individual 65 years of age or older~~], the amount of the tax due on the property for the tax year is calculated as if the person qualified for the exemption on January 1 and continued to qualify for the exemption for the remainder of the tax year.

(b) If a person qualifies for an exemption under Section 11.13(c) or (d) [~~for an individual 65 years of age or older~~] with respect to the property after the amount of the tax due on the property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, the assessor for each taxing unit shall recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall mail a corrected tax bill to the person in whose name the property is listed on the tax roll or to the person's authorized agent. If the tax on the property has been paid, the tax collector for the taxing unit shall refund to the person who paid the tax the amount by which the payment exceeded the tax due.

(4) Strike SECTION 4 of the bill (committee printing page 3, line 64 through page 4, line 2) and substitute the following appropriately numbered SECTION:

SECTION \_\_\_\_\_. (a) Except as provided by Subsection (b) of this section, this Act takes effect January 1, 2004, and applies

only to an ad valorem tax year that begins on or after that date.

(b) The changes in law to Section 11.26, Tax Code, and to Section 403.302, Government Code, made by this Act take effect only if the constitutional amendment proposed by the 78th Legislature, Regular Session, 2003, to prohibit an increase in the total amount of school district ad valorem taxes that may be imposed on the residence homestead of a disabled person is approved by the voters. If that amendment is not approved by the voters, the changes in law to those sections made by this Act have no effect.

(5) Renumber the existing SECTIONS of the bill accordingly.