

By: Rose

H.B. No. 3228

A BILL TO BE ENTITLED

AN ACT

1
2 relating to limiting the amount of county and municipal ad valorem
3 taxes that may be imposed on the residence homestead of a disabled
4 person.

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

6 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by
7 adding Section 11.261 to read as follows:

8 Sec. 11.261. LIMITATION OF COUNTY AND MUNICIPAL TAXES ON
9 HOMESTEADS OF DISABLED INDIVIDUALS. (a) The tax officials shall
10 appraise the property to which this section applies and calculate
11 taxes as on other property, but if the tax so calculated exceeds the
12 limitation imposed by this section, the tax imposed is the amount of
13 the tax as limited by this section, except as otherwise provided by
14 this section. A county or municipality may not increase the total
15 annual amount of ad valorem tax it imposes on the residence
16 homestead of an individual who is disabled above the amount of the
17 tax it imposed in the preceding tax year if the individual qualified
18 that residence homestead in the preceding year for the exemption
19 provided by Section 11.13(c) for an individual who is disabled.

20 (b) If an individual makes improvements to the individual's
21 residence homestead, other than improvements required to comply
22 with governmental requirements or repairs, the county or
23 municipality may increase the tax on the homestead in the first year
24 the value of the homestead is increased on the appraisal roll

1 because of the enhancement of value by the improvements. The amount
2 of the tax increase is determined by applying the current tax rate
3 to the difference in the assessed value of the homestead with the
4 improvements and the assessed value it would have had without the
5 improvements. A limitation imposed by this section then applies to
6 the increased amount of tax until more improvements, if any, are
7 made.

8 (c) The limitation on tax increases required by this section
9 expires if on January 1:

10 (1) none of the owners of the structure who qualify for
11 the exemption and who owned the structure when the limitation first
12 took effect is using the structure as a residence homestead; or

13 (2) none of the owners of the structure qualifies for
14 the exemption.

15 (d) If the appraisal roll provides for taxation of appraised
16 value for a prior year because a residence homestead exemption for
17 an individual who is disabled was erroneously allowed, the tax
18 assessor shall add, as back taxes due as provided by Section
19 26.09(d), the positive difference if any between the tax that
20 should have been imposed for that year and the tax that was imposed
21 because of the provisions of this section.

22 (e) The limitation on tax increases required by this section
23 does not expire because the owner of an interest in the structure
24 conveys the interest to a qualifying trust as defined by Section
25 11.13(j) if the owner or the owner's spouse is a trustor of the
26 trust and is entitled to occupy the structure.

27 (f) If an individual who qualifies for the exemption

1 provided by Section 11.13(c) for an individual who is disabled
2 dies, the surviving spouse of the individual is entitled to the
3 limitation applicable to the residence homestead under Subsection
4 (a) in the same manner as Subsection (a) applies to the residence
5 homestead of a disabled individual if:

6 (1) the surviving spouse is 55 years of age or older
7 when the disabled individual dies; and

8 (2) the residence homestead of the disabled
9 individual:

10 (A) is the residence homestead of the surviving
11 spouse on the date the individual dies; and

12 (B) remains the residence homestead of the
13 surviving spouse.

14 SECTION 2. (a) This Act takes effect January 1, 2004, and
15 applies only to taxes imposed for tax years that begin on or after
16 that date, but only if the constitutional amendment proposed by the
17 78th Legislature, Regular Session, 2003, to prohibit an increase in
18 the total amount of county or municipal ad valorem taxes that may be
19 imposed on the residence homestead of a disabled person is approved
20 by the voters. If that amendment is not approved by the voters, this
21 Act has no effect.

22 (b) The change in law made by this Act does not affect the
23 amount of taxes imposed on the residence homestead of any
24 individual for a tax year that begins before the effective date of
25 this Act.