

By: Bohac

H.B. No. 133

A BILL TO BE ENTITLED

AN ACT

relating to limiting the maximum average annual increase in the appraised value of residence homesteads for purposes of ad valorem taxation by a school district to five percent.

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) The appraised value of a residence homestead for a tax year may not exceed the lesser of:

(1) the market value of the property; or

(2) the sum of:

(A) for purposes of taxation by a school district other than a junior college district, five percent of the appraised value of the property for the last year in which the property was appraised for taxation, and for purposes of taxation by any other taxing unit, 10 percent of the appraised value of the property for the last year in which the property was appraised for taxation, times the number of years since the property was last appraised;

(B) the appraised value of the property for the last year in which the property was appraised; and

(C) the market value of all new improvements to the property.

SECTION 2. This Act applies only to the appraisal of a residence homestead for ad valorem tax purposes for a tax year that

1 begins on or after January 1, 2007.

2 SECTION 3. This Act takes effect January 1, 2007, but only
3 if the constitutional amendment proposed by the 79th Legislature,
4 3rd Called Session, 2006, authorizing the legislature to establish
5 for purposes of ad valorem taxation by a school district a limit on
6 the annual increase in the appraised value of residence homesteads
7 of five percent or more is approved by the voters. If that
8 amendment is not approved by the voters, this Act has no effect.