

By: Leibowitz

H.B. No. 2444

A BILL TO BE ENTITLED

1

AN ACT

2 relating to limiting the appraised value for ad valorem tax
3 purposes of certain residence homesteads.

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

5 SECTION 1. Section 23.23, Tax Code, is amended by amending
6 Subsections (a) and (b) and adding Subsection (g) to read as
7 follows:

8 (a) Except as provided by Subsection (g), the ~~[The]~~
9 appraised value of a residence homestead for a tax year may not
10 exceed the lesser of:

11 (1) the market value of the property; or

12 (2) the sum of:

13 (A) 10 percent of the appraised value of the
14 property for the last year in which the property was appraised for
15 taxation times the number of years since the property was last
16 appraised;

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

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

21 (b) When appraising a residence homestead, the chief
22 appraiser shall:

23 (1) appraise the property at its market value; and

24 (2) include in the appraisal records ~~[both]~~ the market

1 value of the property, ~~and~~ the amount computed under Subsection
2 (a)(2), and, if applicable, the appraised value determined under
3 Subsection (g).

4 (g) This subsection applies only to a residence homestead
5 that remains unsold after having been listed for sale and actively
6 and continuously marketed for at least 12 months at an asking price
7 that is equal to or less than the appraised value of the property
8 for ad valorem tax purposes as otherwise determined under this
9 chapter. On written application by the owner of an eligible
10 residence homestead, the chief appraiser shall reduce the appraised
11 value of the residence homestead to the appraised value of the
12 homestead for ad valorem tax purposes on January 1 of the fourth tax
13 year preceding the year the homestead was first listed for sale.
14 The chief appraiser shall continue to maintain the reduced value in
15 the appraisal records until January 1 of the fifth tax year after
16 the year in which the reduction was made. To be valid, an
17 application under this section must be signed and attested to by the
18 owner of the residence homestead or the real estate agent marketing
19 the property. A limitation required by this subsection expires on
20 January 1 of the first tax year in which the owner of the residence
21 homestead ceases to own the property or ceases to qualify the
22 property for an exemption under Section 11.13. The comptroller by
23 rule shall adopt forms and procedures to implement and enforce this
24 subsection. The rules shall establish standards or criteria for
25 determining whether a residence homestead has been actively and
26 continuously marketed in good faith for at least 12 months as
27 required by this subsection.

1 SECTION 2. This Act applies only to a tax year that begins
2 on or after the effective date of this Act.

3 SECTION 3. This Act takes effect January 1, 2006, but only
4 if the constitutional amendment proposed by the 79th Legislature,
5 Regular Session, 2005, to authorize the legislature to limit the
6 appraised value for ad valorem tax purposes of a residence
7 homestead that is offered for sale for a price at or below the
8 appraised value and is not sold within a year of being offered for
9 sale at that price is approved by the voters. If that amendment is
10 not approved by the voters, this Act has no effect.