

By: Guillen

H.B. No. 2600

A BILL TO BE ENTITLED

1 AN ACT

2 relating to increasing the amount of the residence homestead
3 exemption from ad valorem taxation for public school purposes and
4 correspondingly adjusting the limitation on the amount of ad
5 valorem taxes that may be imposed for those purposes on the
6 homesteads of certain persons.

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

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

10 (b) An adult is entitled to exemption from taxation by a
11 school district of \$45,000 [~~\$15,000~~] of the appraised value of the
12 adult's residence homestead, except that \$40,000 [~~\$10,000~~] of the
13 exemption does not apply to an entity operating under former
14 Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those chapters
15 existed on May 1, 1995, as permitted by Section 11.301, Education
16 Code.

17 SECTION 2. Section 11.26(a), Tax Code, is amended to read as
18 follows:

19 (a) The tax officials shall appraise the property to which
20 this section applies and calculate taxes as on other property, but
21 if the tax so calculated exceeds the limitation imposed by this
22 section, the tax imposed is the amount of the tax as limited by this
23 section, except as otherwise provided by this section. A school
24 district may not increase the total annual amount of ad valorem tax

1 it imposes on the residence homestead of an individual 65 years of
2 age or older or on the residence homestead of an individual who is
3 disabled, as defined by Section 11.13, above the amount of the tax
4 it imposed in the first tax year in which the individual qualified
5 that residence homestead for the applicable exemption provided by
6 Section 11.13(c) for an individual who is 65 years of age or older
7 or is disabled. If the individual qualified that residence
8 homestead for the exemption after the beginning of that first year
9 and the residence homestead remains eligible for the same exemption
10 for the next year, and if the school district taxes imposed on the
11 residence homestead in the next year are less than the amount of
12 taxes imposed in that first year, a school district may not
13 subsequently increase the total annual amount of ad valorem taxes
14 it imposes on the residence homestead above the amount it imposed in
15 the year immediately following the first year for which the
16 individual qualified that residence homestead for the same
17 exemption, except as provided by Subsection (b). If the first tax
18 year the individual qualified the residence homestead for the
19 exemption provided by Section 11.13(c) for individuals 65 years of
20 age or older or disabled was a tax year before the 2006 [~~1997~~] tax
21 year, the amount of the limitation provided by this section is the
22 amount of tax the school district imposed for the 2005 [~~1996~~] tax
23 year less an amount equal to the amount determined by multiplying
24 \$30,000 [~~\$10,000~~] times the tax rate of the school district for the
25 2006 [~~1997~~] tax year, plus any 2006 [~~1997~~] tax attributable to
26 improvements made in 2005 [~~1996~~], other than improvements made to
27 comply with governmental regulations or repairs.

1 SECTION 3. Section 42.2511(a), Education Code, is amended
2 to read as follows:

3 (a) Notwithstanding any other provision of this chapter, a
4 school district is entitled to additional state aid to the extent
5 that state aid under this chapter based on the determination of the
6 school district's taxable value of property as provided under
7 Subchapter M, Chapter 403, Government Code, does not fully
8 compensate the district for ad valorem tax revenue lost due to:

9 (1) the increase in the homestead exemption under
10 Section 1-b(c), Article VIII, Texas Constitution, as proposed by
11 H.J.R. No. 4, 75th Legislature, Regular Session, 1997, or as
12 proposed by the joint resolution to amend that section adopted by
13 the 79th Legislature, Regular Session, 2005; and

14 (2) the additional limitation on tax increases under
15 Section 1-b(d), Article VIII, Texas Constitution, as proposed by
16 H.J.R. No. 4, 75th Legislature, Regular Session, 1997, or as
17 proposed by the joint resolution to amend that section adopted by
18 the 79th Legislature, Regular Session, 2005.

19 SECTION 4. Section 403.302(j), Government Code, is amended
20 to read as follows:

21 (j) For purposes of Section 42.2511, Education Code, the
22 comptroller shall certify to the commissioner of education:

23 (1) a final value for each school district computed on
24 a residence homestead exemption under Section 1-b(c), Article VIII,
25 Texas Constitution, of \$5,000; ~~and~~

26 (2) a final value for each school district computed
27 on:

1 (A) a residence homestead exemption under
2 Section 1-b(c), Article VIII, Texas Constitution, of \$15,000; and

3 (B) the effect of the additional limitation on
4 tax increases under Section 1-b(d), Article VIII, Texas
5 Constitution, as proposed by H.J.R. No. 4, 75th Legislature,
6 Regular Session, 1997; and

7 (3) a final value for each school district computed
8 on:

9 (A) a residence homestead exemption under
10 Section 1-b(c), Article VIII, Texas Constitution, of \$45,000; and

11 (B) the effect of the additional limitation on
12 tax increases under Section 1-b(d), Article VIII, Texas
13 Constitution, as proposed by the joint resolution to amend that
14 section adopted by the 79th Legislature, Regular Session, 2005.

15 SECTION 5. This Act takes effect January 1, 2006, but only
16 if the constitutional amendment proposed by the 79th Legislature,
17 Regular Session, 2005, increasing the amount of the residence
18 homestead exemption from ad valorem taxation for public school
19 purposes and providing for a corresponding adjustment of the
20 limitation on the amount of ad valorem taxes that may be imposed for
21 those purposes on the homesteads of certain persons is approved by
22 the voters. If that amendment is not approved by the voters, this
23 Act has no effect.