

By: Hochberg, Crabb

H.B. No. 438

Substitute the following for H.B. No. 438:

By: Elkins

C.S.H.B. No. 438

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the limitation on the maximum percentage increase in
3 the appraised value of a residence homestead for ad valorem
4 taxation.

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

6 SECTION 1. Sections 23.23(a) and (e), Tax Code, are amended
7 to read as follows:

8 (a) Notwithstanding the requirements of Section 25.18 and
9 regardless of whether the appraisal office has appraised the
10 property and determined the market value of the property for the tax
11 year, an appraisal office may increase the [The] appraised value of
12 a residence homestead for a tax year to an amount [may] not to
13 exceed the lesser of:

14 (1) the market value of the property for the most
15 recent tax year that the market value was determined by the
16 appraisal office; or

17 (2) the sum of:

18 (A) 10 percent of the appraised value of the
19 property for the preceding tax [last] year [in which the property
20 was appraised for taxation times the number of years since the
21 property was last appraised];

22 (B) the appraised value of the property for the
23 preceding tax [last] year [in which the property was appraised];

24 and

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

3 (e) In this section, "new improvement" means an improvement
4 to a residence homestead [~~that is~~] made after the most recent
5 appraisal of the property [~~for the preceding year and~~] that
6 increases the market value of the property and the value of which is
7 not included in the appraised value of the property for the
8 preceding tax year. The term does not include repairs to or
9 ordinary maintenance of an existing structure or the grounds or
10 another feature of the property.

11 SECTION 2. This Act applies only to the appraisal for ad
12 valorem taxation of a residence homestead for a tax year that begins
13 on or after the effective date of this Act, but only if the
14 constitutional amendment proposed by the 80th Legislature, Regular
15 Session, 2007, authorizing the legislature to provide that the
16 maximum appraised value of a residence homestead for ad valorem
17 taxation is limited to the lesser of the most recent market value of
18 the residence homestead as determined by the appraisal entity or
19 110 percent, or a greater percentage, of the appraised value of the
20 residence homestead for the preceding tax year is approved by the
21 voters. If that amendment is not approved by the voters, this Act
22 has no effect.

23 SECTION 3. This Act takes effect January 1, 2008.