

By: Hochberg

H.B. No. 438

A BILL TO BE ENTITLED

1 AN ACT

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

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

11 (2) the sum of:

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

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

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

20 (e) In this section, "new improvement" means an improvement
21 to a residence homestead that is made after the appraisal of the
22 property for the preceding year and that increases the market value
23 of the property. The term does not include repairs to or ordinary
24 maintenance of an existing structure or the grounds or another

1 feature of the property.

2 SECTION 2. This Act applies only to the appraisal for ad
3 valorem taxation of a residence homestead for a tax year that begins
4 on or after the effective date of this Act, but only if the
5 constitutional amendment proposed by the 80th Legislature, Regular
6 Session, 2007, providing that a limitation on the maximum
7 percentage increase in the appraised value of a residence homestead
8 for ad valorem taxation established by the legislature applies to a
9 residence homestead regardless of the number of years since the
10 most recent tax appraisal of the homestead is approved by the
11 voters. If that amendment is not approved by the voters, this Act
12 has no effect.

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