

By: Villarreal

H.B. No. 658

A BILL TO BE ENTITLED

1 AN ACT

2 relating to increasing the minimum amount of the local option
3 residence homestead exemption from ad valorem taxation by a taxing
4 unit from \$5,000 to \$15,000.

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

6 SECTION 1. Section 11.13, Tax Code, is amended by amending
7 Subsection (n) and adding Subsection (n-1) to read as follows:

8 (n) In addition to any other exemptions provided by this
9 section, an individual is entitled to an exemption from taxation by
10 a taxing unit of a percentage of the appraised value of the
11 individual's [~~his~~] residence homestead if the exemption is adopted
12 by the governing body of the taxing unit before July 1 in the manner
13 provided by law for official action by the body. If the percentage
14 set by the taxing unit produces an exemption in a tax year of less
15 than \$15,000 [~~\$5,000~~] when applied to a particular residence
16 homestead, the individual is entitled to an exemption of \$15,000
17 [~~\$5,000~~] of the appraised value. The percentage adopted by the
18 taxing unit may not exceed 20 percent.

19 (n-1) Notwithstanding Subsection (n), if the governing body
20 of a taxing unit adopted the exemption under that subsection before
21 January 1, 2008, until the exemption is subsequently changed by the
22 governing body, the exemption continues in effect at the greater
23 of:

24 (1) the percentage amount in effect for the 2007 tax

1 year; or

2 (2) the amount of \$5,000 of the appraised value.

3 SECTION 2. This Act takes effect January 1, 2008, and
4 applies only to ad valorem taxes imposed for a tax year beginning on
5 or after that date, but only if the constitutional amendment
6 proposed by the 80th Legislature, Regular Session, 2007, to
7 increase the minimum amount of the local option residence homestead
8 exemption from ad valorem taxation by a political subdivision from
9 \$5,000 to \$15,000 is approved by the voters. If that amendment is
10 not approved by the voters, this Act has no effect.