

By: Guillen

H.B. No. 3067

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a limitation on the total amount of ad valorem taxes  
3 that may be imposed by a taxing unit on the residence homestead of  
4 an eligible person who is a member of a reserve component of the  
5 United States armed forces and is ordered to active military duty.

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

7 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by  
8 adding Section 11.262 to read as follows:

9 Sec. 11.262. LIMITATION OF TAX ON HOMESTEADS OF CERTAIN  
10 ACTIVE-DUTY ARMED FORCES MEMBERS. (a) This section applies only to  
11 a taxing unit that has established a limitation under Section  
12 1-b(i), Article VIII, Texas Constitution, on the total amount of  
13 taxes that may be imposed by the taxing unit on the residence  
14 homestead of an eligible person who is a member of a reserve  
15 component of the armed forces of the United States, including the  
16 National Guard, and is ordered to active duty by a proper authority.  
17 A tax limitation under that subsection applies to the imposition of  
18 taxes by the political subdivision on residence homesteads  
19 beginning with the first tax year after the year in which the  
20 political subdivision establishes the limitation.

21 (b) To be eligible for a limitation on tax increases under  
22 this section for a tax year, an individual must:

23 (1) be deployed or stationed on active duty for any  
24 part of that tax year at a location that is at least 60 miles from

1 the individual's residence homestead; and

2 (2) have been continuously deployed or stationed on  
3 active duty for at least the preceding six months, disregarding  
4 temporary periods of leave or other absence, at one or more  
5 locations each of which is at least 60 miles from the individual's  
6 residence homestead.

7 (c) This section applies only to property that receives an  
8 exemption under Section 11.13 and is the residence homestead of an  
9 individual who is eligible for the limitation under Subsection (b).

10 (d) Except as provided by Subsection (e), a taxing unit may  
11 not increase the total annual amount of ad valorem taxes it imposes  
12 on the residence homestead of an individual who is eligible for a  
13 limitation on tax increases under this section above the amount of  
14 the taxes the unit imposed on the property in the preceding tax year  
15 if the property qualified as the individual's residence homestead  
16 in the preceding tax year. The tax officials shall appraise the  
17 homestead and calculate taxes as on other property, but if the tax  
18 so calculated exceeds the limitation provided by this section, the  
19 tax imposed is the amount of the tax as limited by this section,  
20 except as otherwise provided by this section.

21 (e) If improvements have been made to the individual's  
22 residence homestead, other than repairs and other than improvements  
23 made to comply with governmental requirements, since the most  
24 recent appraisal of the property, the taxing unit may increase the  
25 amount of taxes on the homestead in the first year the appraised  
26 value of the homestead is increased on the appraisal roll because of  
27 the enhancement of value by the improvements. The amount of the tax

1 increase is determined by applying the current tax rate to the  
2 difference between the appraised value of the homestead with the  
3 improvements and the appraised value the homestead would have had  
4 without the improvements.

5 (f) An individual is eligible for a limitation on tax  
6 increases under this section for a tax year if the individual  
7 qualifies the residence homestead for an exemption under Section  
8 11.13 for that tax year and meets the requirements of Subsections  
9 (b) and (c) at any time during that tax year and if the individual  
10 qualified the homestead for an exemption under Section 11.13 for  
11 the preceding tax year. To receive a limitation on tax increases  
12 under this section, an individual claiming the limitation must file  
13 an application for the limitation with the chief appraiser of the  
14 appraisal district. The chief appraiser shall accept and approve  
15 or deny the application. For property appraised by more than one  
16 appraisal district, a separate application must be filed in each  
17 appraisal district to receive a limitation in that district. A  
18 limitation under this section, once allowed, need not be claimed in  
19 subsequent years and applies to the property until the limitation  
20 expires as provided by this section or until the individual's  
21 qualification for the limitation ends. However, the chief  
22 appraiser may require an individual allowed a limitation in a prior  
23 year to file a new application to confirm the individual's current  
24 qualification for the limitation by delivering, not later than  
25 April 1, a written notice that a new application is required,  
26 accompanied by an appropriate application form, to the individual  
27 previously allowed the limitation.

1       (g) In this subsection, "driver's license" and "personal  
2 identification certificate" have the meanings assigned by Section  
3 11.43(f). The comptroller, in prescribing the contents of the  
4 application form for a limitation on tax increases under this  
5 section, shall ensure that the form requires an applicant to  
6 provide the information necessary to determine the validity of the  
7 limitation claim. The form must require an applicant to provide the  
8 applicant's name and driver's license number, personal  
9 identification certificate number, or social security number. The  
10 comptroller shall include on the form:

11           (1) a notice of the penalties prescribed by Section  
12 37.10, Penal Code, for making or filing an application containing a  
13 false statement; and

14           (2) a statement explaining that the application need  
15 not be made annually and that if the limitation is allowed, the  
16 applicant has a duty to notify the chief appraiser when the  
17 applicant's qualification for the limitation ends.

18       (h) An individual who is required to apply for a limitation  
19 on tax increases under this section to receive the limitation for a  
20 tax year must apply for the limitation not later than May 1 or the  
21 90th day after the date the individual has served on active duty at  
22 a location and for the minimum period required by Subsection (b) to  
23 qualify for the limitation, whichever is later. Except as provided  
24 by Subsection (i), if the individual fails to timely file a  
25 completed application, the individual may not receive the  
26 limitation for that year.

27       (i) The chief appraiser shall accept and approve or deny an

1 application for a limitation on tax increases under this section  
2 after the deadline for filing the application under Subsection (h)  
3 has passed if the application is filed not later than one year after  
4 the delinquency date for the taxes on the property for that tax  
5 year. If a late application is approved after approval of the  
6 appraisal records by the appraisal review board, the chief  
7 appraiser shall notify the collector for each taxing unit in which  
8 the property is located. If the tax has not been paid, the  
9 collector shall deduct from the individual's tax bill the  
10 difference between the taxes that would have been due had the  
11 property not qualified for the limitation and the taxes due after  
12 taking the limitation into account. If the tax has been paid, the  
13 collector shall immediately refund the difference.

14 (j) An individual who receives a limitation on tax increases  
15 under this section shall notify the appraisal office in writing  
16 before May 1 after the individual's qualification for the  
17 limitation ends.

18 (k) If the appraisal roll provides for taxation of appraised  
19 value for a prior year because a limitation on tax increases under  
20 this section was erroneously allowed, the tax assessor for each  
21 taxing unit shall add, as back taxes due as provided by Section  
22 26.09(d), the positive difference, if any, between the tax that  
23 should have been imposed for that year and the tax that was imposed  
24 because of this section.

25 (l) A limitation on tax increases under this section expires  
26 on January 1 of the first tax year that:

27 (1) none of the owners of the property who qualify for

1 an exemption provided by Section 11.13 and who owned the property  
2 when the limitation first took effect is using the property as a  
3 residence homestead;

4 (2) none of the owners of the property qualifies for an  
5 exemption provided by Section 11.13; or

6 (3) none of the owners of the property who met the  
7 requirements of Subsections (b) and (c) when the limitation first  
8 took effect meets the requirements of those subsections.

9 (m) For each school district in an appraisal district, the  
10 chief appraiser shall determine the portion of the appraised value  
11 of residence homesteads of individuals on which school district  
12 taxes are not imposed in a tax year because of the limitation on tax  
13 increases under this section. That portion is calculated by  
14 determining the taxable value that, if multiplied by the tax rate  
15 adopted by the school district for the tax year, would produce an  
16 amount equal to the amount of tax that would have been imposed by  
17 the school district on those homesteads if the limitation on tax  
18 increases under this section were not in effect, but that was not  
19 imposed because of that limitation. The chief appraiser shall  
20 determine that taxable value and certify it to the comptroller as  
21 soon as practicable for each tax year.

22 (n) A limitation on tax increases under this section does  
23 not expire because the owner of an interest in the property conveys  
24 the interest to a qualifying trust as defined by Section 11.13(j) if  
25 the owner or the owner's spouse is a trustor of the trust and is  
26 entitled to occupy the property.

27 (o) If an individual who receives a limitation on tax

1 increases by a taxing unit under this section on a residence  
2 homestead in the last year in which the individual resided in the  
3 property on January 1 qualifies a different residence homestead in  
4 the same taxing unit for an exemption under Section 11.13 during the  
5 same period of service on active duty, the taxing unit may not  
6 impose ad valorem taxes on the subsequently qualified homestead in  
7 the first year in which the individual qualified the new residence  
8 homestead for the exemption in an amount that exceeds the amount of  
9 taxes the taxing unit would have imposed on the subsequently  
10 qualified homestead in that first year had the limitation provided  
11 by this subsection not been in effect, multiplied by a fraction the  
12 numerator of which is the total amount of ad valorem taxes imposed  
13 by the taxing unit on the former homestead in the last year in which  
14 the individual received the limitation provided by Subsection (d)  
15 for the former homestead and the denominator of which is the total  
16 amount of ad valorem taxes that would have been imposed by the  
17 taxing unit on the former homestead in the last year in which the  
18 individual received the limitation for the former homestead had the  
19 limitation not been in effect.

20 (p) An individual who receives a limitation on tax increases  
21 by a taxing unit under this section and who subsequently applies for  
22 a limitation by the same taxing unit on a different residence  
23 homestead, or an agent of the individual, is entitled to receive  
24 from the chief appraiser of the appraisal district in which the  
25 former homestead was located a written certificate providing the  
26 information necessary to determine whether the individual may  
27 qualify for a limitation by the taxing unit on the subsequently

1 qualified homestead under Subsection (o) and to calculate the  
2 amount of taxes the taxing unit may impose on the subsequently  
3 qualified homestead.

4 SECTION 2. Sections 23.19(b) and (g), Tax Code, are amended  
5 to read as follows:

6 (b) If an appraisal district receives a written request for  
7 the appraisal of real property and improvements of a cooperative  
8 housing corporation according to the separate interests of the  
9 corporation's stockholders, the chief appraiser shall separately  
10 appraise the interests described by Subsection (d) if the  
11 conditions required by Subsections (e) and (f) have been met.  
12 Separate appraisal under this section is for the purposes of  
13 administration of tax exemptions, determination of applicable  
14 limitations of taxes under Section 11.26, ~~[or]~~ 11.261, or 11.262,  
15 and apportionment by a cooperative housing corporation of property  
16 taxes among its stockholders but is not the basis for determining  
17 value on which a tax is imposed under this title. A stockholder  
18 whose interest is separately appraised under this section may  
19 protest and appeal the appraised value in the manner provided by  
20 this title for protest and appeal of the appraised value of other  
21 property.

22 (g) A tax bill or a separate statement accompanying the tax  
23 bill to a cooperative housing corporation for which interests of  
24 stockholders are separately appraised under this section must  
25 state, in addition to the information required by Section 31.01,  
26 the appraised value and taxable value of each interest separately  
27 appraised. Each exemption claimed as provided by this title by a

1 person entitled to the exemption shall also be deducted from the  
2 total appraised value of the property of the corporation. The total  
3 tax imposed by a taxing unit [~~school district, county,~~  
4 ~~municipality, or junior college district~~] shall be reduced by any  
5 amount that represents an increase in taxes attributable to  
6 separately appraised interests of the real property and  
7 improvements that are subject to the limitation of taxes prescribed  
8 by Section 11.26, ~~[or]~~ 11.261, or 11.262. The corporation shall  
9 apportion among its stockholders liability for reimbursing the  
10 corporation for property taxes according to the relative taxable  
11 values of their interests.

12 SECTION 3. Sections 26.012(6), (13), and (14), Tax Code,  
13 are amended to read as follows:

14 (6) "Current total value" means the total taxable  
15 value of property listed on the appraisal roll for the current year,  
16 including all appraisal roll supplements and corrections as of the  
17 date of the calculation, less the taxable value of property  
18 exempted for the current tax year for the first time under Section  
19 11.31, except that:

20 (A) the current total value for a school district  
21 excludes:

22 (i) the total value of homesteads that  
23 qualify for a tax limitation as provided by Section 11.26; and

24 (ii) new property value of property that is  
25 subject to an agreement entered into under Chapter 313; ~~and~~

26 (B) the current total value for a county,  
27 municipality, or junior college district excludes the total value

1 of homesteads that qualify for a tax limitation provided by Section  
2 11.261 applicable to the taxing unit; and

3 (C) the current total value for a taxing unit  
4 excludes the total value of homesteads that qualify for a tax  
5 limitation provided by Section 11.262 applicable to the taxing  
6 unit.

7 (13) "Last year's levy" means the total of:

8 (A) the amount of taxes that would be generated  
9 by multiplying the total tax rate adopted by the governing body in  
10 the preceding year by the total taxable value of property on the  
11 appraisal roll for the preceding year, including:

12 (i) taxable value that was reduced in an  
13 appeal under Chapter 42; and

14 (ii) all appraisal roll supplements and  
15 corrections other than corrections made pursuant to Section  
16 25.25(d), as of the date of the calculation, except that last year's  
17 taxable value for a school district excludes the total value of  
18 homesteads that qualified for a tax limitation as provided by  
19 Section 11.26, ~~and~~ last year's taxable value for a county,  
20 municipality, or junior college district excludes the total value  
21 of homesteads that qualified for a tax limitation as provided by  
22 Section 11.261 applicable to the taxing unit, and last year's  
23 taxable value for a taxing unit excludes the total value of  
24 homesteads that qualified for a tax limitation as provided by  
25 Section 11.262 applicable to the taxing unit; and

26 (B) the amount of taxes refunded by the taxing  
27 unit in the preceding year for tax years before that year.

1           (14) "Last year's total value" means the total taxable  
2 value of property listed on the appraisal roll for the preceding  
3 year, including all appraisal roll supplements and corrections,  
4 other than corrections made pursuant to Section 25.25(d), as of the  
5 date of the calculation, except that:

6           (A) last year's taxable value for a school  
7 district excludes the total value of homesteads that qualified for  
8 a tax limitation as provided by Section 11.26; ~~and~~

9           (B) last year's taxable value for a county,  
10 municipality, or junior college district excludes the total value  
11 of homesteads that qualified for a tax limitation as provided by  
12 Section 11.261 applicable to the taxing unit; and

13           (C) last year's taxable value for a taxing unit  
14 excludes the total value of homesteads that qualified for a tax  
15 limitation as provided by Section 11.262 applicable to the taxing  
16 unit.

17           SECTION 4. Section 44.004, Education Code, is amended by  
18 adding Subsection (c-2) to read as follows:

19           (c-2) If the school district has established a limitation  
20 under Section 1-b(i), Article VIII, Texas Constitution, on the  
21 total amount of ad valorem taxes that may be imposed by the district  
22 on the residence homestead of an eligible person who is a member of  
23 a reserve component of the United States armed forces and is ordered  
24 to active duty, the notice required by Subsection (c) must also  
25 contain the following statement in bold print: "Under state law,  
26 the dollar amount of school taxes imposed on the residence  
27 homestead of an eligible person who is a member of a reserve

1 component of the United States armed forces and is ordered to active  
2 duty may not be increased above the amount of school taxes imposed  
3 on the property in the preceding year, regardless of changes in tax  
4 rate or property value."

5 SECTION 5. Section 403.302(d), Government Code, is amended  
6 to read as follows:

7 (d) For the purposes of this section, "taxable value" means  
8 the market value of all taxable property less:

9 (1) the total dollar amount of any residence homestead  
10 exemptions lawfully granted under Section 11.13(b) or (c), Tax  
11 Code, in the year that is the subject of the study for each school  
12 district;

13 (2) one-half of the total dollar amount of any  
14 residence homestead exemptions granted under Section 11.13(n), Tax  
15 Code, in the year that is the subject of the study for each school  
16 district;

17 (3) the total dollar amount of any exemptions granted  
18 before May 31, 1993, within a reinvestment zone under agreements  
19 authorized by Chapter 312, Tax Code;

20 (4) subject to Subsection (e), the total dollar amount  
21 of any captured appraised value of property that:

22 (A) is within a reinvestment zone created on or  
23 before May 31, 1999, or is proposed to be included within the  
24 boundaries of a reinvestment zone as the boundaries of the zone and  
25 the proposed portion of tax increment paid into the tax increment  
26 fund by a school district are described in a written notification  
27 provided by the municipality or the board of directors of the zone

1 to the governing bodies of the other taxing units in the manner  
2 provided by Section 311.003(e), Tax Code, before May 31, 1999, and  
3 within the boundaries of the zone as those boundaries existed on  
4 September 1, 1999, including subsequent improvements to the  
5 property regardless of when made;

6 (B) generates taxes paid into a tax increment  
7 fund created under Chapter 311, Tax Code, under a reinvestment zone  
8 financing plan approved under Section 311.011(d), Tax Code, on or  
9 before September 1, 1999; and

10 (C) is eligible for tax increment financing under  
11 Chapter 311, Tax Code;

12 (5) for a school district for which a deduction from  
13 taxable value is made under Subdivision (4), an amount equal to the  
14 taxable value required to generate revenue when taxed at the school  
15 district's current tax rate in an amount that, when added to the  
16 taxes of the district paid into a tax increment fund as described by  
17 Subdivision (4)(B), is equal to the total amount of taxes the  
18 district would have paid into the tax increment fund if the district  
19 levied taxes at the rate the district levied in 2005;

20 (6) the total dollar amount of any exemptions granted  
21 under Section 11.251, Tax Code;

22 (7) the difference between the comptroller's estimate  
23 of the market value and the productivity value of land that  
24 qualifies for appraisal on the basis of its productive capacity,  
25 except that the productivity value estimated by the comptroller may  
26 not exceed the fair market value of the land;

27 (8) the portion of the appraised value of residence

1 homesteads of individuals who receive a tax limitation under  
2 Section 11.26 or 11.262, Tax Code, on which school district taxes  
3 are not imposed in the year that is the subject of the study,  
4 calculated as if the residence homesteads were appraised at the  
5 full value required by law;

6 (9) a portion of the market value of property not  
7 otherwise fully taxable by the district at market value because of:

8 (A) action required by statute or the  
9 constitution of this state that, if the tax rate adopted by the  
10 district is applied to it, produces an amount equal to the  
11 difference between the tax that the district would have imposed on  
12 the property if the property were fully taxable at market value and  
13 the tax that the district is actually authorized to impose on the  
14 property, if this subsection does not otherwise require that  
15 portion to be deducted; or

16 (B) action taken by the district under Subchapter  
17 B or C, Chapter 313, Tax Code;

18 (10) the market value of all tangible personal  
19 property, other than manufactured homes, owned by a family or  
20 individual and not held or used for the production of income;

21 (11) the appraised value of property the collection of  
22 delinquent taxes on which is deferred under Section 33.06, Tax  
23 Code;

24 (12) the portion of the appraised value of property  
25 the collection of delinquent taxes on which is deferred under  
26 Section 33.065, Tax Code; and

27 (13) the amount by which the market value of a

1 residence homestead to which Section 23.23, Tax Code, applies  
2 exceeds the appraised value of that property as calculated under  
3 that section.

4 SECTION 6. This Act applies only to ad valorem taxes imposed  
5 for a tax year beginning on or after the effective date of this Act.

6 SECTION 7. This Act takes effect January 1, 2008, but only  
7 if the constitutional amendment to authorize a political  
8 subdivision to establish a limitation on the total amount of ad  
9 valorem taxes that may be imposed by the political subdivision on  
10 the residence homestead of an eligible person who is a member of a  
11 reserve component of the United States armed forces and is ordered  
12 to active military duty is approved by the voters. If that  
13 amendment is not approved by the voters, this Act has no effect.