

By: Bohac

H.B. No. 3149

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of the governing body of a taxing unit
3 that imposes ad valorem taxes on real property in Harris County,
4 other than a school district or junior college district, to
5 establish a limitation of not less than five percent on the maximum
6 average annual increase in the appraised value of residence
7 homesteads for ad valorem taxation by the taxing unit.

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

9 SECTION 1. Section 23.23, Tax Code, is amended by amending
10 Subsection (a) and adding Subsections (g) and (h) to read as
11 follows:

12 (a) Except as provided by Subsection (g), the ~~[The]~~
13 appraised value of a residence homestead for a tax year may not
14 exceed the lesser of:

15 (A) 10 percent of the appraised value of the
16 property for the last year in which the property was appraised for
17 taxation times the number of years since the property was last
18 appraised;

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

21 (C) the market value of all new improvements to
22 the property.

23 (g) The governing body of a taxing unit that imposes taxes
24 on real property in Harris County, other than a school district or

1 junior college district, by official action in the manner required
2 by law, may provide that a percentage limitation on increases in
3 appraised value determined in the manner provided by Subsection
4 (a)(2) using a percentage of not less than five percent in place of
5 the percentage specified by Subsection (a)(2)(A) will apply to the
6 taxation of residence homesteads by the taxing unit. If the
7 governing body of a taxing unit establishes a limitation under this
8 subsection, the limitation applies beginning with the tax year
9 following the year in which the limitation is established and
10 remains in effect until amended or repealed by the governing body.
11 A limitation established by the governing body of a taxing unit
12 under this subsection applies to the taxation of all residence
13 homesteads by the taxing unit, including residence homesteads
14 located outside of Harris County. This subsection does not affect
15 the appraised value of a residence homestead for taxation by a
16 taxing unit other than the taxing unit whose governing body
17 establishes a limitation on appraised value under this subsection.
18 If the governing body of a taxing unit amends or repeals a
19 limitation established under this subsection, the amendment or
20 repeal applies beginning with the tax year in which the amendment or
21 repeal is enacted.

22 (h) If in the tax year the limitation on increases in
23 appraised value provided by Subsection (a)(2) applies to residence
24 homesteads taxable by a taxing unit in Harris County and the
25 governing body of the taxing unit has provided for the application
26 in that tax year of a limitation on increases in appraised value
27 under Subsection (g), the lower limitation applies to the taxation

1 of residence homesteads by the taxing unit.

2 SECTION 2. Section 42.26(d), Tax Code, is amended to read as
3 follows:

4 (d) For purposes of this section, the value of the property
5 subject to the suit and the value of a comparable property or sample
6 property that is used for comparison must be the market value
7 determined by the appraisal district when the property is a
8 residence homestead subject to a [~~the~~] limitation on appraised
9 value imposed by or established under Section 23.23.

10 SECTION 3. This Act applies only to the appraisal of a
11 residence homestead for ad valorem tax purposes for a tax year that
12 begins on or after January 1, 2008.

13 SECTION 4. This Act takes effect January 1, 2008, but only
14 if the constitutional amendment proposed by the 80th Legislature,
15 Regular Session, 2007, authorizing the legislature to permit the
16 governing body of a political subdivision that imposes ad valorem
17 taxes on real property in Harris County to establish a limitation of
18 not less than three percent on the maximum average annual increase
19 in the appraised value of residence homesteads for ad valorem
20 taxation by the political subdivision is approved by the voters. If
21 that amendment is not approved by the voters, this Act has no
22 effect.