

By: Delisi

H.B. No. 3667

Substitute the following for H.B. No. 3667:

By: Pena

C.S.H.B. No. 3667

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the establishment of a limit on the amount of ad valorem  
3 taxes that may be imposed on the residence homestead of a disabled  
4 or elderly person that is constructed under the federal community  
5 development block grant program or a housing rehabilitation program  
6 of the Texas Department of Housing and Community Affairs and that  
7 replaces the person's former residence homestead.

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

9 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by  
10 adding Section 11.34 to read as follows:

11 Sec. 11.34. LIMITATION OF TAXES ON CERTAIN RESIDENCE  
12 HOMESTEADS OF THE DISABLED OR ELDERLY. (a) This section applies  
13 only to a residence homestead of a disabled person or a person who  
14 is 65 years of age or older that consists of a structure built on  
15 land that the person previously qualified as part of the person's  
16 former residence homestead and that was constructed under the  
17 federal community development block grant program using a  
18 nonentitlement grant or under a housing rehabilitation program of  
19 the Texas Department of Housing and Community Affairs or a  
20 successor program. A taxing unit may not impose taxes on a  
21 residence homestead to which this section applies in an amount that  
22 exceeds the amount of taxes imposed by the taxing unit on the former  
23 residence homestead in the last year in which the taxing unit  
24 imposed taxes on the homestead.

1       (b) The tax officials shall appraise the property to which  
2 the limitation applies and calculate taxes as on other property,  
3 but, if the tax so calculated exceeds the limitation established  
4 under this section, the tax imposed is the amount of the tax as  
5 limited by this section, except as provided by Subsection (c).

6       (c) If an individual makes improvements to the individual's  
7 residence homestead, other than improvements required to comply  
8 with governmental requirements or repairs, a taxing unit may  
9 increase the tax on the homestead in the first year the value of the  
10 homestead is increased on the appraisal roll because of the  
11 enhancement of value by the improvements. The amount of the tax  
12 increase is determined by applying the current tax rate of the  
13 taxing unit to the difference in the assessed value of the homestead  
14 with the improvements and the assessed value it would have had  
15 without the improvements. A limitation imposed by this section  
16 then applies to the increased amount of tax until more  
17 improvements, if any, are made.

18       (d) The limitation on tax increases required by this section  
19 expires if on January 1 none of the owners of the structure who  
20 qualify for the limitation and who owned the structure when the  
21 limitation first took effect is using the structure as the person's  
22 residence homestead.

23       (e) If the appraisal roll provides for taxation of appraised  
24 value for a prior year because a residence homestead exemption was  
25 erroneously allowed, the tax assessor shall add, as back taxes due  
26 as provided by Section 26.09(d), the positive difference if any  
27 between the tax that should have been imposed for that year and the

1 tax that was imposed because of the provisions of this section.

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

4 (b) If an appraisal district receives a written request for  
5 the appraisal of real property and improvements of a cooperative  
6 housing corporation according to the separate interests of the  
7 corporation's stockholders, the chief appraiser shall separately  
8 appraise the interests described by Subsection (d) if the  
9 conditions required by Subsections (e) and (f) have been met.  
10 Separate appraisal under this section is for the purposes of  
11 administration of tax exemptions, determination of applicable  
12 limitations of taxes under Section 11.26, ~~[ex]~~ 11.261, or 11.34,  
13 and apportionment by a cooperative housing corporation of property  
14 taxes among its stockholders but is not the basis for determining  
15 value on which a tax is imposed under this title. A stockholder  
16 whose interest is separately appraised under this section may  
17 protest and appeal the appraised value in the manner provided by  
18 this title for protest and appeal of the appraised value of other  
19 property.

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

1 tax imposed by a taxing unit [~~school district, county,~~  
2 ~~municipality, or junior college district~~] shall be reduced by any  
3 amount that represents an increase in taxes attributable to  
4 separately appraised interests of the real property and  
5 improvements that are subject to the limitation of taxes prescribed  
6 by Section 11.26, [~~or~~] 11.261, or 11.34. The corporation shall  
7 apportion among its stockholders liability for reimbursing the  
8 corporation for property taxes according to the relative taxable  
9 values of their interests.

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

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

18 (A) the current total value for a school district  
19 excludes:

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

22 (ii) new property value of property that is  
23 subject to an agreement entered into under Chapter 313; [~~and~~]

24 (B) the current total value for a county,  
25 municipality, or junior college district excludes the total value  
26 of homesteads that qualify for a tax limitation provided by Section  
27 11.261 applicable to the taxing unit; and

1           (C) the current total value for a taxing unit  
2 excludes the total value of homesteads that qualify for a tax  
3 limitation provided by Section 11.34 applicable to the taxing unit.

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

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

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

11           (ii) all appraisal roll supplements and  
12 corrections other than corrections made pursuant to Section  
13 25.25(d), as of the date of the calculation, except that last year's  
14 taxable value for a school district excludes the total value of  
15 homesteads that qualified for a tax limitation as provided by  
16 Section 11.26, ~~and~~ last year's taxable value for a county,  
17 municipality, or junior college district excludes the total value  
18 of homesteads that qualified for a tax limitation as provided by  
19 Section 11.261 applicable to the taxing unit, and last year's  
20 taxable value for a taxing unit excludes the total value of  
21 homesteads that qualified for a tax limitation as provided by  
22 Section 11.34 applicable to the taxing unit; and

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

25           (14) "Last year's total value" means the total taxable  
26 value of property listed on the appraisal roll for the preceding  
27 year, including all appraisal roll supplements and corrections,

1 other than corrections made pursuant to Section 25.25(d), as of the  
2 date of the calculation, except that:

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

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

10 (C) last year's taxable value for a taxing unit  
11 excludes the total value of homesteads that qualified for a tax  
12 limitation as provided by Section 11.34 applicable to the taxing  
13 unit.

14 SECTION 4. Section 403.302(d), Government Code, is amended  
15 to read as follows:

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

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

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

26 (3) the total dollar amount of any exemptions granted  
27 before May 31, 1993, within a reinvestment zone under agreements

1 authorized by Chapter 312, Tax Code;

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

4 (A) is within a reinvestment zone created on or  
5 before May 31, 1999, or is proposed to be included within the  
6 boundaries of a reinvestment zone as the boundaries of the zone and  
7 the proposed portion of tax increment paid into the tax increment  
8 fund by a school district are described in a written notification  
9 provided by the municipality or the board of directors of the zone  
10 to the governing bodies of the other taxing units in the manner  
11 provided by Section 311.003(e), Tax Code, before May 31, 1999, and  
12 within the boundaries of the zone as those boundaries existed on  
13 September 1, 1999, including subsequent improvements to the  
14 property regardless of when made;

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

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

21 (5) for a school district for which a deduction from  
22 taxable value is made under Subdivision (4), an amount equal to the  
23 taxable value required to generate revenue when taxed at the school  
24 district's current tax rate in an amount that, when added to the  
25 taxes of the district paid into a tax increment fund as described by  
26 Subdivision (4)(B), is equal to the total amount of taxes the  
27 district would have paid into the tax increment fund if the district

1 levied taxes at the rate the district levied in 2005;

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

4 (7) the difference between the comptroller's estimate  
5 of the market value and the productivity value of land that  
6 qualifies for appraisal on the basis of its productive capacity,  
7 except that the productivity value estimated by the comptroller may  
8 not exceed the fair market value of the land;

9 (8) the portion of the appraised value of residence  
10 homesteads of individuals who receive a tax limitation under  
11 Section 11.26 or 11.34, Tax Code, on which school district taxes are  
12 not imposed in the year that is the subject of the study, calculated  
13 as if the residence homesteads were appraised at the full value  
14 required by law;

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

17 (A) action required by statute or the  
18 constitution of this state that, if the tax rate adopted by the  
19 district is applied to it, produces an amount equal to the  
20 difference between the tax that the district would have imposed on  
21 the property if the property were fully taxable at market value and  
22 the tax that the district is actually authorized to impose on the  
23 property, if this subsection does not otherwise require that  
24 portion to be deducted; or

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

27 (10) the market value of all tangible personal



1 property, other than manufactured homes, owned by a family or  
2 individual and not held or used for the production of income;

3 (11) the appraised value of property the collection of  
4 delinquent taxes on which is deferred under Section 33.06, Tax  
5 Code;

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

9 (13) the amount by which the market value of a  
10 residence homestead to which Section 23.23, Tax Code, applies  
11 exceeds the appraised value of that property as calculated under  
12 that section.

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

15 SECTION 6. This Act takes effect January 1, 2008, but only  
16 if the constitutional amendment authorizing the legislature to  
17 establish a limit on the amount of ad valorem taxes that may be  
18 imposed on the residence homestead of a disabled or elderly person  
19 that is constructed under the federal community development block  
20 grant program or a housing rehabilitation program of the Texas  
21 Department of Housing and Community Affairs and that replaces the  
22 person's former residence homestead is approved by the voters. If  
23 that amendment is not approved by the voters, this Act has no  
24 effect.