

By: Delisi

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 a housing
5 rehabilitation program of the Texas Department of Housing and
6 Community Affairs and that replaces the person's former residence
7 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 a housing
17 rehabilitation program of the Texas Department of Housing and
18 Community Affairs or a successor program administered by that
19 agency. A taxing unit may not impose taxes on a residence homestead
20 to which this section applies in an amount that exceeds the amount
21 of taxes imposed by the taxing unit on the former residence
22 homestead in the last year in which the taxing unit imposed taxes on
23 the homestead.

24 (b) The tax officials shall appraise the property to which

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (C) the current total value for a taxing unit

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

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

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

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

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

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

24 (14) "Last year's total value" means the total taxable
25 value of property listed on the appraisal roll for the preceding
26 year, including all appraisal roll supplements and corrections,
27 other than corrections made pursuant to Section 25.25(d), as of the

1 date of the calculation, except that:

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

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

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

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

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

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

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

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

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

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

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

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

20 (5) for a school district for which a deduction from
21 taxable value is made under Subdivision (4), an amount equal to the
22 taxable value required to generate revenue when taxed at the school
23 district's current tax rate in an amount that, when added to the
24 taxes of the district paid into a tax increment fund as described by
25 Subdivision (4)(B), is equal to the total amount of taxes the
26 district would have paid into the tax increment fund if the district
27 levied taxes at the rate the district levied in 2005;

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

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

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

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

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

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

26 (10) the market value of all tangible personal
27 property, other than manufactured homes, owned by a family or

1 individual and not held or used for the production of income;

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

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

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

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

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