

By: Hegar

S.B. No. 391

A BILL TO BE ENTITLED

AN ACT

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relating to the limit on the maximum percentage increase in the appraised value of a residence homestead for ad valorem tax purposes.

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

SECTION 1. Sections 23.23(a) and (e), Tax Code, are amended to read as follows:

(a) The appraised value of a residence homestead for a tax year may not exceed the lesser of:

(1) the market value of the property; or

(2) the sum of:

(A) 10 percent of the appraised value of the property for the last year in which the property was appraised for taxation [~~times the number of years since the property was last appraised~~];

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

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

(e) In this section, "new improvement" means an improvement to a residence homestead that is made after the appraisal of the property for the preceding year and that increases the market value of the property. The term does not include repairs to or ordinary maintenance of an existing structure or the grounds or another

1 feature of the property.

2 SECTION 2. This Act applies only to the appraisal for ad
3 valorem tax purposes of a residence homestead for a tax year that
4 begins on or after the effective date of this Act, but only if the
5 constitutional amendment proposed by the 80th Legislature, Regular
6 Session, 2007, providing that a limit on the maximum percentage
7 increase in the appraised value of a residence homestead for ad
8 valorem tax purposes established by the legislature applies
9 regardless of the number of years since the most recent tax
10 appraisal is approved by the voters. If that amendment is not
11 approved by the voters, this Act has no effect.

12 SECTION 3. This Act takes effect January 1, 2008.