

By: Patrick, Dan

S.B. No. 1099

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a local option election in Harris County to set a
3 limitation of not less than three percent on the maximum average
4 annual increase in the appraised value of residence homesteads for
5 purposes of ad valorem taxation by each political subdivision in
6 the county.

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

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

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

14 (1) the market value of the property; or

15 (2) the sum of:

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

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

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

24 (g) The Commissioners Court of Harris County may call an

1 election in the county to permit the voters of the county to
2 determine whether a percentage limitation on increases in appraised
3 value determined in the manner provided by Subsection (a)(2) using
4 a percentage of not less than three percent in place of the
5 percentage specified by Subsection (a)(2)(A) will apply to the
6 taxation of residence homesteads by each taxing unit having
7 territory in the county. The election shall be held on the date of
8 the next general election for state and county officers. The ballot
9 proposition shall specify the proposed percentage limitation on
10 increases in appraised value. If a majority of the votes cast at
11 the election favor the establishment of the proposed limitation,
12 the limitation applies beginning with the tax year following the
13 year in which the election is held and remains in effect until
14 amended or repealed by the voters of the county at a subsequent
15 election called by the commissioners court of the county. An
16 election to amend or repeal a limitation shall be held on the date
17 of the next general election for state and county officers. If the
18 voters of the county amend or repeal a limitation, the amendment or
19 repeal applies beginning with the tax year after the year in which
20 the election is held. A limitation established under this
21 subsection applies to the taxation of all residence homesteads by
22 each taxing unit having territory in the county, including
23 residence homesteads located outside the county.

24 (h) If in any tax year the limitation on increases in
25 appraised value provided by Subsection (a)(2) applies to residence
26 homesteads taxable by a taxing unit having territory in Harris
27 County and the voters of the county have established for

1 application in that tax year a limitation on increases in appraised
2 value under Subsection (g), the lower limitation applies to the
3 taxation of residence homesteads by the taxing unit.

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

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

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

15 SECTION 4. This Act takes effect January 1, 2008, but only
16 if the constitutional amendment proposed by the 80th Legislature,
17 Regular Session, 2007, authorizing the legislature to provide for a
18 local option election in Harris County to set a limitation of not
19 less than three percent on the maximum average annual increase in
20 the appraised value of residence homesteads for purposes of ad
21 valorem taxation by each political subdivision in the county is
22 approved by the voters. If that amendment is not approved by the
23 voters, this Act has no effect.