

By: Riddle

H.B. No. 46

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a local option election in a county to set a limit on the
3 maximum appraised value of a residence homestead for ad valorem tax
4 purposes of less than 110 percent but not less than 103 percent of
5 the appraised value of the property for the preceding tax year.

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

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

9 (a) Except as provided by Subsection (g), notwithstanding
10 ~~[Notwithstanding]~~ the requirements of Section 25.18, and
11 regardless of whether the appraisal office has appraised the
12 property and determined the market value of the property for the tax
13 year, an appraisal office may increase the appraised value of a
14 residence homestead for a tax year to an amount not to exceed the
15 lesser of:

16 (1) the market value of the property for the most
17 recent tax year that the market value was determined by the
18 appraisal office; or

19 (2) the sum of:

20 (A) 10 percent of the appraised value of the
21 property for the preceding tax year;

22 (B) the appraised value of the property for the
23 preceding tax year; and

24 (C) the market value of all new improvements to

1 the property.

2 (g) The commissioners court of a county may call an election
3 in the county to permit the voters of the county to determine by
4 majority vote whether a lower percentage limitation on maximum
5 appraised value determined in the manner provided by Subsection
6 (a)(2) using a percentage of less than 10 percent but not less than
7 three percent in place of 10 percent in Subsection (a)(2)(A) will
8 apply to the taxation of residence homesteads in the county by each
9 taxing unit having territory in the county. The election must be
10 held on or before the date of the next general election for state
11 and county officers. The ballot proposition shall specify the
12 proposed percentage limitation on maximum appraised value. If a
13 majority of the votes cast at the election favor the establishment
14 of the proposed limitation, the limitation applies beginning with
15 the tax year following the year in which the election is held and
16 remains in effect until amended or repealed by the voters of the
17 county at a subsequent election called by the commissioners court
18 of the county. An election called to amend or repeal a limitation
19 must be held on or before the date of the next general election for
20 state and county officers. If the voters of a county amend or
21 repeal a limitation, the amendment or repeal applies beginning with
22 the tax year after the year in which the election is held. A
23 limitation adopted under this subsection applies to the taxation of
24 residence homesteads in the county by each taxing unit having
25 territory in the county, except that if a taxing unit has territory
26 in more than one county, the highest percentage limitation on
27 maximum appraised value otherwise applicable in any portion of the

1 territory of the taxing unit applies to the taxation of residence
2 homesteads by the taxing unit throughout that taxing unit's
3 territory.

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 the limitation on appraised value
11 imposed by or authorized 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, 2010.

15 SECTION 4. This Act takes effect January 1, 2010, but only
16 if the constitutional amendment proposed by the 81st Legislature,
17 Regular Session, 2009, authorizing the legislature to provide for a
18 local option election in a county to set a limit on the maximum
19 appraised value of a residence homestead for ad valorem tax
20 purposes of less than 110 percent but not less than 103 percent of
21 the appraised value of the property for the preceding tax year is
22 approved by the voters. If that amendment is not approved by the
23 voters, this Act has no effect.