

By: Guillen, Peña

H.B. No. 637

Substitute the following for H.B. No. 637:

By: Howard of Fort Bend

C.S.H.B. No. 637

A BILL TO BE ENTITLED

1

AN ACT

2 relating to the authority of the governing body of a taxing unit to
3 adopt a local option residence homestead exemption from ad valorem
4 taxation of not less than \$5,000 or more than \$30,000.

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

6 SECTION 1. Section 11.13(n), Tax Code, is amended to read as
7 follows:

8 (n) The ~~[In addition to any other exemptions provided by~~
9 ~~this section, an individual is entitled to an exemption from~~
10 ~~taxation by a taxing unit of a percentage of the appraised value of~~
11 ~~his residence homestead if the exemption is adopted by the]~~
12 governing body of a the taxing unit, ~~[before July 1]~~ in the manner
13 provided by law for official action by the body, may adopt an
14 exemption from taxation by the taxing unit of either a percentage of
15 the appraised value of an individual's residence homestead or a
16 portion of the appraised value of an individual's residence
17 homestead, but not both. The exemption must be adopted by the
18 governing body before July 1 of the tax year in which the exemption
19 applies. If the governing body adopts a percentage exemption and
20 the percentage set by the body ~~[taxing unit]~~ produces an exemption
21 in a tax year of less than \$5,000 when applied to a particular
22 residence homestead, the individual is entitled to an exemption of
23 \$5,000 of the appraised value. A ~~[The]~~ percentage exemption
24 adopted by the governing body ~~[taxing unit]~~ may not exceed 20

1 percent. If the governing body adopts an exemption of a portion of
2 the appraised value of a residence homestead, the amount of the
3 exemption in a tax year may not be less than \$5,000 or more than
4 \$30,000. An individual is entitled to an exemption adopted under
5 this subsection in addition to any other exemptions provided by
6 this section.

7 SECTION 2. Section 42.2516(f-1), Education Code, is amended
8 to read as follows:

9 (f-1) The commissioner shall, in accordance with rules
10 adopted by the commissioner, adjust the amount of a school
11 district's local revenue derived from maintenance and operations
12 tax collections, as calculated for purposes of determining the
13 amount of state revenue to which the district is entitled under this
14 section, if the district, for the 2007 tax year or a subsequent tax
15 year:

16 (1) adopts a percentage [~~an~~] exemption under Section
17 11.13(n), Tax Code, that was not in effect for the 2005 or 2006 tax
18 year, or eliminates an exemption under Section 11.13(n), Tax Code,
19 that was in effect for the 2005 or 2006 tax year;

20 (2) adopts a percentage [~~an~~] exemption under Section
21 11.13(n), Tax Code, at a greater or lesser percentage than the
22 percentage in effect for the district for the 2005 or 2006 tax year;

23 (3) grants an exemption under an agreement authorized
24 by Chapter 312, Tax Code, that was not in effect for the 2005 or 2006
25 tax year, or ceases to grant an exemption authorized by that chapter
26 that was in effect for the 2005 or 2006 tax year; or

27 (4) agrees to deposit taxes into a tax increment fund

1 created under Chapter 311, Tax Code, under a reinvestment zone
2 financing plan that was not in effect for the 2005 or 2006 tax year,
3 or ceases depositing taxes into a tax increment fund created under
4 that chapter under a reinvestment zone financing plan that was in
5 effect for the 2005 or 2006 tax year.

6 SECTION 3. Section 403.302(d), Government Code, is amended
7 to read as follows:

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

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

14 (2) one-half of the total dollar amount of any
15 residence homestead percentage exemptions granted under Section
16 11.13(n), Tax Code, in the year that is the subject of the study for
17 each school district;

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

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

23 (A) is within a reinvestment zone created on or
24 before May 31, 1999, or is proposed to be included within the
25 boundaries of a reinvestment zone as the boundaries of the zone and
26 the proposed portion of tax increment paid into the tax increment
27 fund by a school district are described in a written notification

1 provided by the municipality or the board of directors of the zone
2 to the governing bodies of the other taxing units in the manner
3 provided by Section 311.003(e), Tax Code, before May 31, 1999, and
4 within the boundaries of the zone as those boundaries existed on
5 September 1, 1999, including subsequent improvements to the
6 property regardless of when made;

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

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

13 (5) for a school district for which a deduction from
14 taxable value is made under Subdivision (4), an amount equal to the
15 taxable value required to generate revenue when taxed at the school
16 district's current tax rate in an amount that, when added to the
17 taxes of the district paid into a tax increment fund as described by
18 Subdivision (4)(B), is equal to the total amount of taxes the
19 district would have paid into the tax increment fund if the district
20 levied taxes at the rate the district levied in 2005;

21 (6) the total dollar amount of any captured appraised
22 value of property that:

23 (A) is within a reinvestment zone:

24 (i) created on or before December 31, 2008,
25 by a municipality with a population of less than 18,000; and

26 (ii) the project plan for which includes
27 the alteration, remodeling, repair, or reconstruction of a

1 structure that is included on the National Register of Historic
2 Places and requires that a portion of the tax increment of the zone
3 be used for the improvement or construction of related facilities
4 or for affordable housing;

5 (B) generates school district taxes that are paid
6 into a tax increment fund created under Chapter 311, Tax Code; and

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

9 (7) the total dollar amount of any exemptions granted
10 under Section 11.251 or 11.253, Tax Code;

11 (8) the difference between the comptroller's estimate
12 of the market value and the productivity value of land that
13 qualifies for appraisal on the basis of its productive capacity,
14 except that the productivity value estimated by the comptroller may
15 not exceed the fair market value of the land;

16 (9) the portion of the appraised value of residence
17 homesteads of individuals who receive a tax limitation under
18 Section 11.26, Tax Code, on which school district taxes are not
19 imposed in the year that is the subject of the study, calculated as
20 if the residence homesteads were appraised at the full value
21 required by law;

22 (10) a portion of the market value of property not
23 otherwise fully taxable by the district at market value because of:

24 (A) action required by statute or the
25 constitution of this state that, if the tax rate adopted by the
26 district is applied to it, produces an amount equal to the
27 difference between the tax that the district would have imposed on

1 the property if the property were fully taxable at market value and
2 the tax that the district is actually authorized to impose on the
3 property, if this subsection does not otherwise require that
4 portion to be deducted; or

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

7 (11) the market value of all tangible personal
8 property, other than manufactured homes, owned by a family or
9 individual and not held or used for the production of income;

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

13 (13) the portion of the appraised value of property
14 the collection of delinquent taxes on which is deferred under
15 Section 33.065, Tax Code; and

16 (14) the amount by which the market value of a
17 residence homestead to which Section 23.23, Tax Code, applies
18 exceeds the appraised value of that property as calculated under
19 that section.

20 SECTION 4. This Act applies only to ad valorem taxes imposed
21 for a tax year that begins on or after the effective date of this
22 Act.

23 SECTION 5. This Act takes effect January 1, 2010, but only
24 if the constitutional amendment proposed by the 81st Legislature,
25 Regular Session, 2009, authorizing the governing body of a
26 political subdivision to adopt a local option residence homestead
27 exemption from ad valorem taxation of not less than \$5,000 or more

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1 than \$30,000 is approved by the voters. If that amendment is not
2 approved by the voters, this Act has no effect.