

By: Guillen

H.B. No. 637

A BILL TO BE ENTITLED

AN ACT

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

20 (2) adopts an exemption under Section 11.13(n), Tax
21 Code, at a greater or lesser percentage than the percentage in
22 effect for the district for the 2005 or 2006 tax year or in a dollar
23 amount that is greater or less than the dollar amount that would be
24 generated if the percentage exemption under that section in effect
25 for the district for the 2005 or 2006 tax year were applied to the
26 average appraised value of a residence homestead in the district;

27 (3) grants an exemption under an agreement authorized

1 by Chapter 312, Tax Code, that was not in effect for the 2005 or 2006
2 tax year, or ceases to grant an exemption authorized by that chapter
3 that was in effect for the 2005 or 2006 tax year; or

4 (4) agrees to deposit taxes into a tax increment fund
5 created under Chapter 311, Tax Code, under a reinvestment zone
6 financing plan that was not in effect for the 2005 or 2006 tax year,
7 or ceases depositing taxes into a tax increment fund created under
8 that chapter under a reinvestment zone financing plan that was in
9 effect for the 2005 or 2006 tax year.

10 SECTION 3. This Act applies only to ad valorem taxes imposed
11 for a tax year that begins on or after the effective date of this
12 Act.

13 SECTION 4. This Act takes effect January 1, 2010, but only
14 if the constitutional amendment proposed by the 81st Legislature,
15 Regular Session, 2009, authorizing the governing body of a
16 political subdivision to adopt a local option residence homestead
17 exemption from ad valorem taxation of not less than \$5,000 or more
18 than \$30,000 is approved by the voters. If that amendment is not
19 approved by the voters, this Act has no effect.