

By: Creighton

H.B. No. 1546

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the authorization for a local option election in
3 Montgomery County to limit the maximum appraised value of a
4 residence homestead to 103 percent or more of the appraised value of
5 the property for the preceding tax year for purposes of ad valorem
6 taxation by each political subdivision all of the territory of
7 which is located in the county.

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

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

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

19 (1) the market value of the property for the most
20 recent tax year that the market value was determined by the
21 appraisal office; or

22 (2) the sum of:

23 (A) 10 percent of the appraised value of the
24 property for the preceding tax year;

1 (B) the appraised value of the property for the
2 preceding tax year; and

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

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19 remains in effect until amended or repealed by the voters of the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

1 located in the county.

2 (h) If in any tax year the limitation on maximum appraised
3 value provided by Subsection (a)(2) applies to a residence
4 homestead taxable by a taxing unit all of the territory of which is
5 located in Montgomery County and the voters of the county have
6 established for application in that tax year a limitation on
7 maximum appraised value under Subsection (g), the lower limitation
8 applies to the taxation of the residence homestead by the taxing
9 unit.

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

12 (d) For purposes of this section, the value of the property
13 subject to the suit and the value of a comparable property or sample
14 property that is used for comparison must be the market value
15 determined by the appraisal district when the property is a
16 residence homestead subject to a a ~~the~~ limitation on appraised
17 value imposed by or established under Section 23.23.

18 SECTION 3. This Act applies only to the appraisal of a
19 residence homestead for ad valorem tax purposes for a tax year that
20 begins on or after January 1, 2010.

21 SECTION 4. This Act takes effect January 1, 2010, but only
22 if the constitutional amendment proposed by the 81st Legislature,
23 Regular Session, 2009, to authorize the legislature to provide for
24 a local option election in Montgomery County to limit the maximum
25 appraised value of a residence homestead to 103 percent or more of
26 the appraised value of the property for the preceding tax year for
27 purposes of ad valorem taxation by each political subdivision all

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1 of the territory of which is located in the county is approved by
2 the voters. If that amendment is not approved by the voters, this
3 Act has no effect.