

By: Martinez

H.B. No. 56

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to increasing the amount of the residence homestead  
3 exemption from ad valorem taxation by a school district from  
4 \$15,000 to \$45,000, providing for a reduction of the limitation on  
5 the total amount of ad valorem taxes that may be imposed by a school  
6 district on the homestead of an elderly or disabled person to  
7 reflect the increased exemption amount, and protecting school  
8 districts against the resulting loss in local revenue.

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

10 SECTION 1. Section 11.13(b), Tax Code, is amended to read as  
11 follows:

12 (b) An adult is entitled to exemption from taxation by a  
13 school district of \$45,000 [~~\$15,000~~] of the appraised value of the  
14 adult's residence homestead, except that only \$5,000 [~~\$10,000~~] of  
15 the exemption applies [~~does not apply~~] to an entity operating under  
16 former Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those  
17 chapters existed on May 1, 1995, as permitted by Section 11.301,  
18 Education Code.

19 SECTION 2. Section 11.26(a), Tax Code, is amended to read as  
20 follows:

21 (a) The tax officials shall appraise the property to which  
22 this section applies and calculate taxes as on other property, but  
23 if the tax so calculated exceeds the limitation imposed by this  
24 section, the tax imposed is the amount of the tax as limited by this

1 section, except as otherwise provided by this section. A school  
2 district may not increase the total annual amount of ad valorem tax  
3 it imposes on the residence homestead of an individual 65 years of  
4 age or older or on the residence homestead of an individual who is  
5 disabled, as defined by Section 11.13, above the amount of the tax  
6 it imposed in the first tax year in which the individual qualified  
7 that residence homestead for the applicable exemption provided by  
8 Section 11.13(c) for an individual who is 65 years of age or older  
9 or is disabled. If the individual qualified that residence  
10 homestead for the exemption after the beginning of that first year  
11 and the residence homestead remains eligible for the same exemption  
12 for the next year, and if the school district taxes imposed on the  
13 residence homestead in the next year are less than the amount of  
14 taxes imposed in that first year, a school district may not  
15 subsequently increase the total annual amount of ad valorem taxes  
16 it imposes on the residence homestead above the amount it imposed in  
17 the year immediately following the first year for which the  
18 individual qualified that residence homestead for the same  
19 exemption, except as provided by Subsection (b). If the first tax  
20 year the individual qualified the residence homestead for the  
21 exemption provided by Section 11.13(c) for individuals 65 years of  
22 age or older or disabled was a tax year before the 2012 [~~1997~~] tax  
23 year, the amount of the limitation provided by this section is the  
24 amount of tax the school district imposed for the 2011 [~~1996~~] tax  
25 year less an amount equal to the amount determined by multiplying  
26 \$30,000 [~~\$10,000~~] times the tax rate of the school district for the  
27 2012 [~~1997~~] tax year, plus any 2012 [~~1997~~] tax attributable to

1 improvements made in 2011 [~~1996~~], other than improvements made to  
2 comply with governmental regulations or repairs.

3 SECTION 3. Subchapter E, Chapter 42, Education Code, is  
4 amended by adding Section 42.2511 to read as follows:

5 Sec. 42.2511. COMPUTATION OF STATE AID FOR 2012-2013 SCHOOL  
6 YEAR; ADDITIONAL STATE AID FOR HOMESTEAD EXEMPTION. (a)

7 Notwithstanding any other provision of this chapter, in computing  
8 state aid for the 2012-2013 school year, a school district's  
9 taxable value of property under Subchapter M, Chapter 403,  
10 Government Code, is determined as if the increase in the homestead  
11 exemption under Section 1-b(c), Article VIII, Texas Constitution,  
12 as proposed by the joint resolution to amend that section adopted by  
13 the 82nd Legislature, Regular Session, 2011, and the additional  
14 limitation on tax increases under Section 1-b(d), Article VIII,  
15 Texas Constitution, as proposed by the joint resolution to amend  
16 that section adopted by the 82nd Legislature, Regular Session,  
17 2011, had been in effect for the 2011 tax year. This subsection  
18 expires September 1, 2014.

19 (b) Notwithstanding Section 42.2516 or any other provision  
20 of this chapter, a school district is entitled to additional state  
21 aid to the extent that state aid under this chapter based on the  
22 determination of the school district's taxable value of property as  
23 provided under Subchapter M, Chapter 403, Government Code, does not  
24 fully compensate the district for ad valorem tax revenue lost due to  
25 the increase in the homestead exemption under Section 1-b(c),  
26 Article VIII, Texas Constitution, as proposed by the joint  
27 resolution to amend that section adopted by the 82nd Legislature,

1 Regular Session, 2011, and the additional limitation on tax  
2 increases under Section 1-b(d), Article VIII, Texas Constitution,  
3 as proposed by the joint resolution to amend that section adopted by  
4 the 82nd Legislature, Regular Session, 2011.

5 (c) The commissioner, using information provided by the  
6 comptroller, shall compute the amount of additional state aid to  
7 which a district is entitled under Subsection (b). A determination  
8 by the commissioner under this section is final and may not be  
9 appealed.

10 SECTION 4. Effective September 1, 2014, the heading to  
11 Section 42.2511, Education Code, as added by this Act, is amended to  
12 read as follows:

13 Sec. 42.2511. ADDITIONAL STATE AID FOR HOMESTEAD EXEMPTION.

14 SECTION 5. Section 403.302(j), Government Code, is amended  
15 to read as follows:

16 (j) For purposes of Chapter 42, Education Code, the  
17 comptroller shall certify to the commissioner of education:

18 (1) a final value for each school district computed on  
19 a residence homestead exemption under Section 1-b(c), Article VIII,  
20 Texas Constitution, of \$5,000;

21 (2) a final value for each school district computed  
22 on:

23 (A) a residence homestead exemption under  
24 Section 1-b(c), Article VIII, Texas Constitution, of \$15,000; and

25 (B) the effect of the additional limitation on  
26 tax increases under Section 1-b(d), Article VIII, Texas  
27 Constitution, as proposed by H.J.R. No. 4, 75th Legislature,

1 Regular Session, 1997; [~~and~~]

2 (3) a final value for each school district computed on  
3 the effect of the reduction of the limitation on tax increases to  
4 reflect any reduction in the school district tax rate as provided by  
5 Section 11.26(a-1), (a-2), or (a-3), Tax Code, as applicable; and

6 (4) a final value for each school district computed  
7 on:

8 (A) a residence homestead exemption under  
9 Section 1-b(c), Article VIII, Texas Constitution, of \$45,000; and

10 (B) the effect of the additional limitation on  
11 tax increases under Section 1-b(d), Article VIII, Texas  
12 Constitution, as proposed by the joint resolution to amend that  
13 section adopted by the 82nd Legislature, Regular Session, 2011.

14 SECTION 6. The changes in law made by this Act to Sections  
15 11.13 and 11.26, Tax Code, apply only to an ad valorem tax year that  
16 begins on or after January 1, 2012.

17 SECTION 7. Except as otherwise provided by this Act, this  
18 Act takes effect January 1, 2012, but only if the constitutional  
19 amendment proposed by the 82nd Legislature, Regular Session, 2011,  
20 increasing the amount of the residence homestead exemption from ad  
21 valorem taxation for public school purposes from \$15,000 to \$45,000  
22 and providing for a reduction of the limitation on the total amount  
23 of ad valorem taxes that may be imposed for those purposes on the  
24 homestead of an elderly or disabled person to reflect the increased  
25 exemption amount is approved by the voters. If that constitutional  
26 amendment is not approved by the voters, this Act has no effect.