

By: Garza

H.B. No. 1884

A BILL TO BE ENTITLED

AN ACT

relating to the determination of the market value of a residence homestead for ad valorem taxation.

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

SECTION 1. Section 25.18, Tax Code, is amended by amending Subsection (b) and adding Subsections (b-1), (b-2), and (b-3) to read as follows:

(b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years, except as provided by Subsections (b-1), (b-2), and (b-3):

(1) identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;

(2) identifying and updating relevant characteristics of each property in the appraisal records;

(3) defining market areas in the district;

(4) identifying property characteristics that affect property value in each market area, including:

(A) the location and market area of property;

(B) physical attributes of property, such as size, age, and condition;

(C) legal and economic attributes; and

1 (D) easements, covenants, leases, reservations,  
2 contracts, declarations, special assessments, ordinances, or legal  
3 restrictions;

4 (5) developing an appraisal model that reflects the  
5 relationship among the property characteristics affecting value in  
6 each market area and determines the contribution of individual  
7 property characteristics;

8 (6) applying the conclusions reflected in the model to  
9 the characteristics of the properties being appraised; and

10 (7) reviewing the appraisal results to determine  
11 value.

12 (b-1) The plan shall provide for the reappraisal of a  
13 residence homestead not more often than once every three years. The  
14 market value of a residence homestead may not be increased for a tax  
15 year in which the property is not appraised. The plan may not  
16 prevent the chief appraiser from reappraising a residence homestead  
17 in a year in which the housing market is down.

18 (b-2) Subsection (b-1) does not apply to the appraisal of a  
19 residence homestead in the tax year in which a limitation on  
20 appraised value under Section 23.23(a) expires.

21 (b-3) Notwithstanding Subsection (b-1), at any time during  
22 a tax year before the date the chief appraiser submits the completed  
23 appraisal records to the appraisal review board under Section  
24 25.22, an owner of a residence homestead is entitled to a  
25 reappraisal of the owner's residence homestead for that year on  
26 written request delivered to the chief appraiser.

27 SECTION 2. Section 403.302(d), Government Code, as amended

1 by Chapters 1186 (H.B. 3676) and 1328 (H.B. 3646), Acts of the 81st  
2 Legislature, Regular Session, 2009, is reenacted and amended to  
3 read as follows:

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

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

10 (2) one-half of the total dollar amount of any  
11 residence homestead exemptions granted under Section 11.13(n), Tax  
12 Code, in the year that is the subject of the study for each school  
13 district;

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

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

19 (A) is within a reinvestment zone created on or  
20 before May 31, 1999, or is proposed to be included within the  
21 boundaries of a reinvestment zone as the boundaries of the zone and  
22 the proposed portion of tax increment paid into the tax increment  
23 fund by a school district are described in a written notification  
24 provided by the municipality or the board of directors of the zone  
25 to the governing bodies of the other taxing units in the manner  
26 provided by Section 311.003(e), Tax Code, before May 31, 1999, and  
27 within the boundaries of the zone as those boundaries existed on

1 September 1, 1999, including subsequent improvements to the  
2 property regardless of when made;

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

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

9 (5) the total dollar amount of any captured appraised  
10 value of property that:

11 (A) is within a reinvestment zone:

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

14 (ii) the project plan for which includes  
15 the alteration, remodeling, repair, or reconstruction of a  
16 structure that is included on the National Register of Historic  
17 Places and requires that a portion of the tax increment of the zone  
18 be used for the improvement or construction of related facilities  
19 or for affordable housing;

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

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

24 (6) the total dollar amount of any exemptions granted  
25 under Section 11.251 or 11.253, Tax Code;

26 (7) the difference between the comptroller's estimate  
27 of the market value and the productivity value of land that

1 qualifies for appraisal on the basis of its productive capacity,  
2 except that the productivity value estimated by the comptroller may  
3 not exceed the fair market value of the land;

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

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

12 (A) action required by statute or the  
13 constitution of this state that, if the tax rate adopted by the  
14 district is applied to it, produces an amount equal to the  
15 difference between the tax that the district would have imposed on  
16 the property if the property were fully taxable at market value and  
17 the tax that the district is actually authorized to impose on the  
18 property, if this subsection does not otherwise require that  
19 portion to be deducted; or

20 (B) action taken by the district under Subchapter  
21 B or C, Chapter 313, Tax Code, before the expiration of the  
22 subchapter;

23 (10) the market value of all tangible personal  
24 property, other than manufactured homes, owned by a family or  
25 individual and not held or used for the production of income;

26 (11) the appraised value of property the collection of  
27 delinquent taxes on which is deferred under Section 33.06, Tax

1 Code;

2 (12) the portion of the appraised value of property  
3 the collection of delinquent taxes on which is deferred under  
4 Section 33.065, Tax Code; ~~and~~

5 (13) the amount by which the market value of a  
6 residence homestead to which Section 23.23, Tax Code, applies  
7 exceeds the appraised value of that property as calculated under  
8 that section; and

9 (14) the amount by which the market value of a  
10 residence homestead to which Section 25.18(b-1), Tax Code, applies  
11 exceeds the appraised value of that property because of the  
12 application of Section 25.18(b-1).

13 SECTION 3. Section 403.302(m), Government Code, as added by  
14 Chapter 1186 (H.B. 3676), Acts of the 81st Legislature, Regular  
15 Session, 2009, is amended to conform to Section 80, Chapter 1328  
16 (H.B. 3646), Acts of the 81st Legislature, Regular Session, 2009,  
17 to read as follows:

18 (m) Subsection (d)(9) [~~(d)(10)~~] does not apply to property  
19 that was the subject of an application under Subchapter B or C,  
20 Chapter 313, Tax Code, made after May 1, 2009, that the comptroller  
21 recommended should be disapproved.

22 SECTION 4. To the extent of any conflict, this Act prevails  
23 over another Act of the 82nd Legislature, Regular Session, 2011,  
24 relating to nonsubstantive additions to and corrections in enacted  
25 codes.

26 SECTION 5. This Act applies only to the determination of the  
27 appraised value of a residence homestead for ad valorem taxation

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1 for a tax year that begins on or after the effective date of this  
2 Act.

3 SECTION 6. This Act takes effect January 1, 2012.