

By: Bonnen

H.B. No. 2347

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the eligibility of property to continue to receive a  
3 residence homestead exemption from ad valorem taxation for not more  
4 than three years after the property ceases to be the owner's  
5 principal residence if the property is being offered for sale.

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

7 SECTION 1. Section 11.13, Tax Code, is amended by adding  
8 Subsections (s) and (t) to read as follows:

9 (s) Notwithstanding the other provisions of this section,  
10 an owner may continue to receive an exemption under this section for  
11 a qualified residential structure and the land and improvements  
12 used in the residential occupancy of the structure for not more than  
13 the three tax years following the tax year in which the owner ceases  
14 to occupy the structure as the owner's residence homestead  
15 regardless of whether the owner establishes a different principal  
16 residence for which the owner receives an exemption under this  
17 section if the structure:

18 (1) is not occupied by or leased to any person;  
19 (2) is being actively offered for sale; and  
20 (3) is not used for any business or commercial  
21 purpose.

22 (t) To continue to receive an exemption under this section  
23 as provided by Subsection (s), a person must apply for the  
24 continuation of the exemption in the manner provided by Section

1 11.43 for an initial exemption under this section. Section 11.431  
2 applies to an application for the continuation of an exemption  
3 under Subsection (s) in the same manner as Section 11.431 applies to  
4 an application for an exemption under another provision of this  
5 section.

6 SECTION 2. Section 11.26, Tax Code, is amended by amending  
7 Subsection (n) and adding Subsection (p) to read as follows:

8 (n) Notwithstanding Subsection (c), the limitation on tax  
9 increases required by this section does not expire if the owner of  
10 the structure qualifies for an exemption under Section 11.13 under  
11 the circumstances described by Section 11.13(s) or 11.135(a).

12 (p) An individual who receives a limitation on tax increases  
13 required by this section and who qualifies the property for the  
14 continuation of an exemption under Section 11.13 as provided by  
15 Section 11.13(s) may continue to receive the limitation with  
16 respect to the property in each tax year in which the property  
17 continues to receive the exemption regardless of whether the  
18 individual qualifies under Subsection (g) for a limitation on ad  
19 valorem taxes on a subsequently qualified residence homestead.

20 SECTION 3. Section 11.261, Tax Code, is amended by amending  
21 Subsection (l) and adding Subsection (n) to read as follows:

22 (l) Notwithstanding Subsection (d), a limitation on county,  
23 municipal, or junior college district tax increases provided by  
24 this section does not expire if the owner of the structure qualifies  
25 for an exemption under Section 11.13 under the circumstances  
26 described by Section 11.13(s) or 11.135(a).

27 (n) An individual who receives a limitation on tax increases

1 provided by this section and who qualifies the property for the  
2 continuation of an exemption under Section 11.13 as provided by  
3 Section 11.13(s) may continue to receive the limitation with  
4 respect to the property in each tax year in which the property  
5 continues to receive the exemption regardless of whether the  
6 individual qualifies under Subsection (g) for a limitation on ad  
7 valorem taxes on a subsequently qualified residence homestead.

8         SECTION 4. This Act takes effect on the date on which the  
9 constitutional amendment proposed by the 82nd Legislature, Regular  
10 Session, 2011, relating to the eligibility of property to continue  
11 to receive a residence homestead exemption from ad valorem taxation  
12 for not more than three years after the property ceases to be the  
13 owner's principal residence if the property is being offered for  
14 sale takes effect. If that amendment is not approved by the voters,  
15 this Act has no effect.