

By: Bohac

H.B. No. 2774

A BILL TO BE ENTITLED

AN ACT

relating to the limitation on increases in the appraised value of a residence homestead for ad valorem taxation by certain taxing units in Harris County.

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

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

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

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

(2) the sum of:

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

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

(C) the market value of all new improvements to

1 the property.

2 (g) The governing body of a taxing unit other than a school
3 district but including a junior college district, a majority of the
4 territory of which is located in Harris County, in the manner
5 required by law for official action, may at any time provide that
6 for purposes of taxation by the taxing unit in the following and
7 each subsequent tax year a lower percentage limitation on maximum
8 appraised value determined in the manner provided by Subsection
9 (a)(2) using five percent in place of 10 percent in Subsection
10 (a)(2)(A) will apply to the taxation of residence homesteads by the
11 taxing unit.

12 (h) Subsection (g) does not affect the appraised value of a
13 residence homestead for taxation by a taxing unit other than the
14 taxing unit whose governing body provides for the application of a
15 five percent limitation on maximum appraised value under that
16 subsection. If the governing body of the taxing unit sets the tax
17 rate for more than one taxing unit, an action by the governing body
18 under Subsection (g) does not apply to a taxing unit other than the
19 taxing unit whose governing body takes that action.

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

22 (d) For purposes of this section, the value of the property
23 subject to the suit and the value of a comparable property or sample
24 property that is used for comparison must be the market value
25 determined by the appraisal district when the property is a
26 residence homestead subject to a ~~the~~ limitation on appraised
27 value imposed by or established under Section 23.23.

1 SECTION 3. This Act applies only to the appraisal of a
2 residence homestead for ad valorem tax purposes for a tax year that
3 begins on or after January 1, 2012.

4 SECTION 4. This Act takes effect January 1, 2012, but only
5 if the constitutional amendment proposed by the 82nd Legislature,
6 Regular Session, 2011, authorizing the legislature to permit
7 certain political subdivisions in Harris County to establish a
8 limit on the maximum appraised value of residence homesteads for ad
9 valorem taxation by those political subdivisions of 105 percent of
10 the appraised value of the property for the preceding tax year is
11 approved by the voters. If that amendment is not approved by the
12 voters, this Act has no effect.