

By: Schwertner

H.B. No. 3315

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to an adjustment of the limitations on school district,  
3 county, municipal, and junior college district ad valorem taxes on  
4 residential homesteads of elderly and disabled persons and their  
5 surviving spouses.

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

7 SECTION 1. Sections 11.26(a), (a-1), (a-2), (c), (g), (h),  
8 (i), and (j), Tax Code, are amended to read as follows:

9 (a) The tax officials shall appraise the property to which  
10 this section applies and calculate taxes as on other property, but  
11 if the tax so calculated exceeds the limitation imposed by this  
12 section, the tax imposed is the amount of the tax as limited by this  
13 section, except as otherwise provided by this section. A school  
14 district may not increase the total annual amount of ad valorem tax  
15 it imposes on the residence homestead of an individual 65 years of  
16 age or older or on the residence homestead of an individual who is  
17 disabled, as defined by Section 11.13, above the amount of the tax  
18 it imposed in the first tax year in which the individual qualified  
19 that residence homestead for the applicable exemption provided by  
20 Section 11.13(c) for an individual who is 65 years of age or older  
21 or is disabled and for an exemption provided by Section 11.13(b) or  
22 (n). [~~If the individual qualified that residence homestead for the~~  
23 ~~exemption after the beginning of that first year and the residence~~  
24 ~~homestead remains eligible for the same exemption for the next~~

1 ~~year, and if the school district taxes imposed on the residence~~  
2 ~~homestead in the next year are less than the amount of taxes imposed~~  
3 ~~in that first year, a school district may not subsequently increase~~  
4 ~~the total annual amount of ad valorem taxes it imposes on the~~  
5 ~~residence homestead above the amount it imposed in the year~~  
6 ~~immediately following the first year for which the individual~~  
7 ~~qualified that residence homestead for the same exemption, except~~  
8 ~~as provided by Subsection (b).]~~ If the first tax year the  
9 individual qualified the residence homestead for the exemption  
10 provided by Section 11.13(c) for individuals 65 years of age or  
11 older was a tax year before the 1997 tax year and the individual  
12 qualified the residence homestead for a limitation provided by this  
13 section as the limitation existed at that time, the amount of the  
14 limitation [~~provided by this section~~] is the amount of tax the  
15 school district imposed for the 1996 tax year less an amount equal  
16 to the amount determined by multiplying \$10,000 times the tax rate  
17 of the school district for the 1997 tax year, plus any 1997 tax  
18 attributable to improvements made in 1996, other than improvements  
19 made to comply with governmental regulations or repairs.

20 (a-1) Notwithstanding the other provisions of this section,  
21 if in the 2007 tax year an individual qualifies for a limitation on  
22 tax increases provided by this section, as the limitation existed  
23 at that time, on the individual's residence homestead and the first  
24 tax year the individual or the individual's spouse qualified for an  
25 exemption under Section 11.13(c) for the same homestead was the  
26 2006 tax year, the amount of the limitation provided by this section  
27 on the homestead in the 2007 tax year is equal to the amount

1 computed by:

2 (1) multiplying the amount of tax the school district  
3 imposed on the homestead in the 2006 tax year by a fraction the  
4 numerator of which is the tax rate of the district for the 2007 tax  
5 year and the denominator of which is the tax rate of the district  
6 for the 2006 tax year; and

7 (2) adding any tax imposed in the 2007 tax year  
8 attributable to improvements made in the 2006 tax year as provided  
9 by Subsection (b) to the lesser of the amount computed under  
10 Subdivision (1) or the amount of tax the district imposed on the  
11 homestead in the 2006 tax year.

12 (a-2) Notwithstanding the other provisions of this section,  
13 if in the 2007 tax year an individual qualifies for a limitation on  
14 tax increases provided by this section, as the limitation existed  
15 at that time, on the individual's residence homestead and the first  
16 tax year the individual or the individual's spouse qualified for an  
17 exemption under Section 11.13(c) for the same homestead was a tax  
18 year before the 2006 tax year, the amount of the limitation provided  
19 by this section on the homestead in the 2007 tax year is equal to the  
20 amount computed by:

21 (1) multiplying the amount of tax the school district  
22 imposed on the homestead in the 2005 tax year by a fraction the  
23 numerator of which is the tax rate of the district for the 2006 tax  
24 year and the denominator of which is the tax rate of the district  
25 for the 2005 tax year;

26 (2) adding any tax imposed in the 2006 tax year  
27 attributable to improvements made in the 2005 tax year as provided

1 by Subsection (b) to the lesser of the amount computed under  
2 Subdivision (1) or the amount of tax the district imposed on the  
3 homestead in the 2005 tax year;

4 (3) multiplying the amount computed under Subdivision  
5 (2) by a fraction the numerator of which is the tax rate of the  
6 district for the 2007 tax year and the denominator of which is the  
7 tax rate of the district for the 2006 tax year; and

8 (4) adding to the lesser of the amount computed under  
9 Subdivision (2) or (3) any tax imposed in the 2007 tax year  
10 attributable to improvements made in the 2006 tax year, as provided  
11 by Subsection (b).

12 (c) The limitation on tax increases required by this section  
13 expires if on January 1:

14 (1) none of the owners of the structure who qualify for  
15 the exemptions necessary to receive a limitation provided by this  
16 section [~~exemption~~] and who owned the structure when the limitation  
17 first took effect is using the structure as a residence homestead;  
18 or

19 (2) none of the owners of the structure qualifies for  
20 the exemptions necessary to receive a limitation provided by this  
21 section [~~exemption~~].

22 (g) Except as provided by Subsection (b), if an individual  
23 who receives a limitation on tax increases imposed by this section,  
24 including a surviving spouse who receives a limitation under  
25 Subsection (i) or (j), subsequently qualifies a different residence  
26 homestead for the same exemption under Section 11.13(c) and an  
27 exemption provided by Section 11.13(b) or (n) [~~11.13~~], a school

1 district may not impose ad valorem taxes on the subsequently  
2 qualified homestead in a year in an amount that exceeds the amount  
3 of taxes the school district would have imposed on the subsequently  
4 qualified homestead in the first year in which the individual  
5 receives that same exemption under Section 11.13(c) and an  
6 exemption provided by Section 11.13(b) or (n) for the subsequently  
7 qualified homestead had the limitation on tax increases imposed by  
8 this section not been in effect, multiplied by a fraction the  
9 numerator of which is the total amount of school district taxes  
10 imposed on the former homestead in the last year in which the  
11 individual received that same exemption under Section 11.13(c) and  
12 an exemption provided by Section 11.13(b) or (n) for the former  
13 homestead and the denominator of which is the total amount of school  
14 district taxes that would have been imposed on the former homestead  
15 in the last year in which the individual received that same  
16 exemption under Section 11.13(c) and an exemption provided by  
17 Section 11.13(b) or (n) for the former homestead had the limitation  
18 on tax increases imposed by this section not been in effect.

19 (h) An individual who receives a limitation on tax increases  
20 under this section, including a surviving spouse who receives a  
21 limitation under Subsection (i) or (j), and who subsequently  
22 qualifies a different residence homestead for an exemption under  
23 Section 11.13, or an agent of the individual, is entitled to receive  
24 from the chief appraiser of the appraisal district in which the  
25 former homestead was located a written certificate providing the  
26 information necessary to determine whether the individual may  
27 qualify for that same limitation on the subsequently qualified

1 homestead under Subsection (g) and to calculate the amount of taxes  
2 the school district may impose on the subsequently qualified  
3 homestead.

4 (i) If an individual who qualifies for the exemption  
5 provided by Section 11.13(c) for an individual 65 years of age or  
6 older and who qualifies for an exemption provided by Section  
7 11.13(b) or (n) dies, the surviving spouse of the individual is  
8 entitled to the limitation applicable to the residence homestead of  
9 the individual if:

10 (1) the surviving spouse is 55 years of age or older  
11 when the individual dies; and

12 (2) the residence homestead of the individual:

13 (A) is the residence homestead of the surviving  
14 spouse on the date that the individual dies; and

15 (B) remains the residence homestead of the  
16 surviving spouse.

17 (j) If an individual who qualifies for an exemption provided  
18 by Section 11.13(c) for an individual 65 years of age or older dies  
19 in the first year in which the individual qualified for the  
20 exemption and the individual first qualified for the exemption  
21 after the beginning of that year, the surviving spouse of the  
22 individual is entitled to a limitation under this section on the  
23 residence homestead as if the individual had lived for the entire  
24 subsequent tax year and had qualified for a limitation provided by  
25 this section in that subsequent tax year, if the surviving spouse  
26 otherwise satisfies the conditions provided by Subsection (i)  
27 ~~[except as provided by Subsection (k), the amount to which the~~

1 ~~surviving spouse's school district taxes are limited under~~  
2 ~~Subsection (i) is the amount of school district taxes imposed on the~~  
3 ~~residence homestead in that year determined as if the individual~~  
4 ~~qualifying for the exemption had lived for the entire year].~~

5 SECTION 2. Sections 11.261(b), (d), (g), and (j), Tax Code,  
6 are amended to read as follows:

7 (b) The tax officials shall appraise the property to which  
8 the limitation applies and calculate taxes as on other property,  
9 but if the tax so calculated exceeds the limitation provided by this  
10 section, the tax imposed is the amount of the tax as limited by this  
11 section, except as otherwise provided by this section. The county,  
12 municipality, or junior college district may not increase the total  
13 annual amount of ad valorem taxes the county, municipality, or  
14 junior college district imposes on the residence homestead of a  
15 disabled individual or an individual 65 years of age or older above  
16 the amount of the taxes the county, municipality, or junior college  
17 district imposed on the residence homestead in the first tax year,  
18 other than a tax year preceding the tax year in which the county,  
19 municipality, or junior college district established the  
20 limitation described by Subsection (a), in which the individual  
21 both qualified that residence homestead for an ~~the~~ exemption  
22 provided by Section 11.13(c) or (d) for a disabled individual or an  
23 individual 65 years of age or older and qualified that residence  
24 homestead for an exemption provided by Section 11.13(a) or (n). ~~[If~~  
25 ~~the individual qualified that residence homestead for the exemption~~  
26 ~~after the beginning of that first year and the residence homestead~~  
27 ~~remains eligible for the exemption for the next year, and if the~~

1 ~~county, municipal, or junior college district taxes imposed on the~~  
2 ~~residence homestead in the next year are less than the amount of~~  
3 ~~taxes imposed in that first year, a county, municipality, or junior~~  
4 ~~college district may not subsequently increase the total annual~~  
5 ~~amount of ad valorem taxes it imposes on the residence homestead~~  
6 ~~above the amount it imposed on the residence homestead in the year~~  
7 ~~immediately following the first year, other than a tax year~~  
8 ~~preceding the tax year in which the county, municipality, or junior~~  
9 ~~college district established the limitation described by~~  
10 ~~Subsection (a), for which the individual qualified that residence~~  
11 ~~homestead for the exemption.]~~

12 (d) A limitation on county, municipal, or junior college  
13 district tax increases provided by this section expires if on  
14 January 1:

15 (1) none of the owners of the structure who qualify for  
16 an [the] exemption provided by Section 11.13(c) or (d) for a  
17 disabled individual or an individual 65 years of age or older, who  
18 qualify for an exemption provided by Section 11.13(a) or (n), and  
19 who owned the structure when the limitation provided by this  
20 section first took effect is using the structure as a residence  
21 homestead; or

22 (2) none of the owners of the structure qualifies for  
23 both an [the] exemption provided by Section 11.13(c) or (d) for a  
24 disabled individual or an individual 65 years of age or older and  
25 for an exemption provided by Section 11.13(a) or (n).

26 (g) Except as provided by Subsection (c), if an individual  
27 who receives a limitation on county, municipal, or junior college



1 district tax increases provided by this section subsequently  
2 qualifies a different residence homestead in the same county,  
3 municipality, or junior college district for both an exemption  
4 provided by Section 11.13(c) or (d) and an exemption provided by  
5 Section 11.13(a) or (n) [an exemption under Section 11.13], the  
6 county, municipality, or junior college district may not impose ad  
7 valorem taxes on the subsequently qualified homestead in a year in  
8 an amount that exceeds the amount of taxes the county,  
9 municipality, or junior college district would have imposed on the  
10 subsequently qualified homestead in the first year in which the  
11 individual receives both an exemption provided by Section 11.13(c)  
12 or (d) and an exemption provided by Section 11.13(a) or (n) [that  
13 ~~exemption]~~ for the subsequently qualified homestead had the  
14 limitation on tax increases provided by this section not been in  
15 effect, multiplied by a fraction the numerator of which is the total  
16 amount of taxes the county, municipality, or junior college  
17 district imposed on the former homestead in the last year in which  
18 the individual received both an exemption provided by Section  
19 11.13(c) or (d) and an exemption provided by Section 11.13(a) or (n)  
20 ~~[that exemption]~~ for the former homestead and the denominator of  
21 which is the total amount of taxes the county, municipality, or  
22 junior college district would have imposed on the former homestead  
23 in the last year in which the individual received both an exemption  
24 provided by Section 11.13(c) or (d) and an exemption provided by  
25 Section 11.13(a) or (n) [that exemption] for the former homestead  
26 had the limitation on tax increases provided by this section not  
27 been in effect.

1           (j) If an individual who qualifies for an exemption provided  
2 by Section 11.13(c) or (d) [~~is 65 years of age or older and~~  
3 ~~qualifies for a limitation on county, municipal, or junior college~~  
4 ~~district tax increases for the elderly under this section~~] dies in  
5 the first year in which the individual qualified for the exemption  
6 [~~limitation~~] and the individual first qualified for the exemption  
7 [~~limitation~~] after the beginning of that year, the surviving spouse  
8 of the individual is entitled to a limitation under this section on  
9 the residence homestead as if the individual had lived for the  
10 entire subsequent tax year and had qualified for a limitation  
11 provided by this section in that subsequent tax year, if the  
12 surviving spouse otherwise satisfies the conditions provided by  
13 Subsection (i) [~~except as provided by Subsection (k), the amount to~~  
14 ~~which the surviving spouse's county, municipal, or junior college~~  
15 ~~district taxes are limited under Subsection (i) is the amount of~~  
16 ~~taxes imposed by the county, municipality, or junior college~~  
17 ~~district, as applicable, on the residence homestead in that year~~  
18 ~~determined as if the individual qualifying for the exemption had~~  
19 ~~lived for the entire year)].~~

20           SECTION 3. Sections 11.26(k) and 11.261(k), Tax Code, are  
21 repealed.

22           SECTION 4. This Act applies only to an ad valorem tax year  
23 that begins on or after the effective date of this Act.

24           SECTION 5. Except as otherwise provided by this Act, this  
25 Act takes effect January 1, 2012, but only if the constitutional  
26 amendment proposed by the 82nd Legislature, Regular Session, 2011,  
27 to revise the ad valorem tax limitations on residence homesteads of

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1 elderly and disabled persons and their surviving spouses to take  
2 into account certain residence homestead exemptions is approved by  
3 the voters. If that constitutional amendment is not approved by the  
4 voters, this Act has no effect.