

By: Laubenberg

H.B. No. 2675

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the eligibility of the former spouse of a person who is  
3 elderly or disabled to receive a limitation on the amount of ad  
4 valorem taxes imposed on the spouse's residence homestead by  
5 certain taxing units.

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

7 SECTION 1. Section 11.26, Tax Code, is amended by amending  
8 Subsections (g), (h), (j), and (k) and adding Subsection (i-1) to  
9 read as follows:

10 (g) Except as provided by Subsection (b), if an individual  
11 who receives a limitation on tax increases imposed by this section,  
12 including a surviving spouse who receives a limitation under  
13 Subsection (i) or a former spouse who receives a limitation under  
14 Subsection (i-1), subsequently qualifies a different residence  
15 homestead for the same exemption under Section 11.13, a school  
16 district may not impose ad valorem taxes on the subsequently  
17 qualified homestead in a year in an amount that exceeds the amount  
18 of taxes the school district would have imposed on the subsequently  
19 qualified homestead in the first year in which the individual  
20 receives that same exemption for the subsequently qualified  
21 homestead had the limitation on tax increases imposed by this  
22 section not been in effect, multiplied by a fraction the numerator  
23 of which is the total amount of school district taxes imposed on the  
24 former homestead in the last year in which the individual received

1 that same exemption for the former homestead and the denominator of  
2 which is the total amount of school district taxes that would have  
3 been imposed on the former homestead in the last year in which the  
4 individual received that same exemption for the former homestead  
5 had the limitation on tax increases imposed by this section not been  
6 in effect.

7 (h) An individual who receives a limitation on tax increases  
8 under this section, including a surviving spouse who receives a  
9 limitation under Subsection (i) or a former spouse who receives a  
10 limitation under Subsection (i-1), and who subsequently qualifies a  
11 different residence homestead for an exemption under Section 11.13,  
12 or an agent of the individual, is entitled to receive from the chief  
13 appraiser of the appraisal district in which the former homestead  
14 was located a written certificate providing the information  
15 necessary to determine whether the individual may qualify for that  
16 same limitation on the subsequently qualified homestead under  
17 Subsection (g) and to calculate the amount of taxes the school  
18 district may impose on the subsequently qualified homestead.

19 (i-1) If the marriage of an individual who qualifies for the  
20 exemption provided by Section 11.13(c) for an individual 65 years  
21 of age or older is dissolved by divorce or annulment, the former  
22 spouse of the individual is entitled to the limitation applicable  
23 to the residence homestead of the individual if:

24 (1) the former spouse is 55 years of age or older when  
25 the decree of divorce or annulment is signed or becomes final after  
26 appeal; and

27 (2) the residence homestead of the individual:

1           (A) is the residence homestead of the former  
2 spouse on the date the decree of divorce or annulment is signed or  
3 becomes final after appeal; and

4           (B) remains the residence homestead of the former  
5 spouse.

6           (j) If an individual who qualifies for an exemption provided  
7 by Section 11.13(c) for an individual 65 years of age or older dies  
8 or the marriage of such an individual is dissolved by divorce or  
9 annulment in the first year in which the individual qualified for  
10 the exemption and the individual first qualified for the exemption  
11 after the beginning of that year, except as provided by Subsection  
12 (k), the amount to which the surviving spouse's or former spouse's  
13 school district taxes are limited under Subsection (i) or (i-1),  
14 respectively, is the amount of school district taxes imposed on the  
15 residence homestead in that year determined as if the individual  
16 qualifying for the exemption had lived or remained married for the  
17 entire year.

18           (k) If in the first tax year after the year in which an  
19 individual dies or the marriage of an individual is dissolved by  
20 divorce or annulment in the circumstances described by Subsection  
21 (j) the amount of school district taxes imposed on the residence  
22 homestead of the surviving spouse or former spouse is less than the  
23 amount of school district taxes imposed in the preceding year as  
24 limited by Subsection (j), in a subsequent tax year the surviving  
25 spouse's or former spouse's school district taxes on that residence  
26 homestead are limited to the amount of taxes imposed by the district  
27 in that first tax year after the year in which the individual dies

1 or the marriage of the individual is dissolved by divorce or  
2 annulment.

3 SECTION 2. Section 11.261, Tax Code, is amended by adding  
4 Subsection (i-1) and amending Subsections (j) and (k) to read as  
5 follows:

6 (i-1) If the marriage of an individual who qualifies for a  
7 limitation on county, municipal, or junior college district tax  
8 increases under this section is dissolved by divorce or annulment,  
9 the former spouse of the individual is entitled to the limitation on  
10 taxes imposed by the county, municipality, or junior college  
11 district on the residence homestead of the individual if:

12 (1) the former spouse is disabled or is 55 years of age  
13 or older when the decree of divorce or annulment is signed or  
14 becomes final after appeal; and

15 (2) the residence homestead of the individual:

16 (A) is the residence homestead of the former  
17 spouse on the date the decree of divorce or annulment is signed or  
18 becomes final after appeal; and

19 (B) remains the residence homestead of the former  
20 spouse.

21 (j) If an individual who is 65 years of age or older and  
22 qualifies for a limitation on county, municipal, or junior college  
23 district tax increases for the elderly under this section dies or  
24 the marriage of such an individual is dissolved by divorce or  
25 annulment in the first year in which the individual qualified for  
26 the limitation and the individual first qualified for the  
27 limitation after the beginning of that year, except as provided by

1 Subsection (k), the amount to which the surviving spouse's or  
2 former spouse's county, municipal, or junior college district taxes  
3 are limited under Subsection (i) or (i-1), respectively, is the  
4 amount of taxes imposed by the county, municipality, or junior  
5 college district, as applicable, on the residence homestead in that  
6 year determined as if the individual qualifying for the exemption  
7 had lived or remained married for the entire year.

8 (k) If in the first tax year after the year in which an  
9 individual who is 65 years of age or older dies or the marriage of  
10 such an individual is dissolved by divorce or annulment under the  
11 circumstances described by Subsection (j) the amount of taxes  
12 imposed by a county, municipality, or junior college district on  
13 the residence homestead of the surviving spouse or former spouse is  
14 less than the amount of taxes imposed by the county, municipality,  
15 or junior college district in the preceding year as limited by  
16 Subsection (j), in a subsequent tax year the surviving spouse's or  
17 former spouse's taxes imposed by the county, municipality, or  
18 junior college district on that residence homestead are limited to  
19 the amount of taxes imposed by the county, municipality, or junior  
20 college district in that first tax year after the year in which the  
21 individual dies or the marriage of the individual is dissolved by  
22 divorce or annulment.

23 SECTION 3. Section 44.004(c), Education Code, is amended to  
24 read as follows:

25 (c) The notice of public meeting to discuss and adopt the  
26 budget and the proposed tax rate may not be smaller than one-quarter  
27 page of a standard-size or a tabloid-size newspaper, and the

1 headline on the notice must be in 18-point or larger type. Subject  
2 to Subsection (d), the notice must:

3 (1) contain a statement in the following form:

4 "NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

5 "The (name of school district) will hold a public meeting at  
6 (time, date, year) in (name of room, building, physical location,  
7 city, state). The purpose of this meeting is to discuss the school  
8 district's budget that will determine the tax rate that will be  
9 adopted. Public participation in the discussion is invited." The  
10 statement of the purpose of the meeting must be in bold type. In  
11 reduced type, the notice must state: "The tax rate that is  
12 ultimately adopted at this meeting or at a separate meeting at a  
13 later date may not exceed the proposed rate shown below unless the  
14 district publishes a revised notice containing the same information  
15 and comparisons set out below and holds another public meeting to  
16 discuss the revised notice.";

17 (2) contain a section entitled "Comparison of Proposed  
18 Budget with Last Year's Budget," which must show the difference,  
19 expressed as a percent increase or decrease, as applicable, in the  
20 amounts budgeted for the preceding fiscal year and the amount  
21 budgeted for the fiscal year that begins in the current tax year for  
22 each of the following:

23 (A) maintenance and operations;

24 (B) debt service; and

25 (C) total expenditures;

26 (3) contain a section entitled "Total Appraised Value  
27 and Total Taxable Value," which must show the total appraised value

1 and the total taxable value of all property and the total appraised  
2 value and the total taxable value of new property taxable by the  
3 district in the preceding tax year and the current tax year as  
4 calculated under Section 26.04, Tax Code;

5 (4) contain a statement of the total amount of the  
6 outstanding and unpaid bonded indebtedness of the school district;

7 (5) contain a section entitled "Comparison of Proposed  
8 Rates with Last Year's Rates," which must:

9 (A) show in rows the tax rates described by  
10 Subparagraphs (i)-(iii), expressed as amounts per \$100 valuation of  
11 property, for columns entitled "Maintenance & Operations,"  
12 "Interest & Sinking Fund," and "Total," which is the sum of  
13 "Maintenance & Operations" and "Interest & Sinking Fund":

14 (i) the school district's "Last Year's  
15 Rate";

16 (ii) the "Rate to Maintain Same Level of  
17 Maintenance & Operations Revenue & Pay Debt Service," which:

18 (a) in the case of "Maintenance &  
19 Operations," is the tax rate that, when applied to the current  
20 taxable value for the district, as certified by the chief appraiser  
21 under Section 26.01, Tax Code, and as adjusted to reflect changes  
22 made by the chief appraiser as of the time the notice is prepared,  
23 would impose taxes in an amount that, when added to state funds to  
24 be distributed to the district under Chapter 42, would provide the  
25 same amount of maintenance and operations taxes and state funds  
26 distributed under Chapter 42 per student in average daily  
27 attendance for the applicable school year that was available to the

1 district in the preceding school year; and

2 (b) in the case of "Interest & Sinking  
3 Fund," is the tax rate that, when applied to the current taxable  
4 value for the district, as certified by the chief appraiser under  
5 Section 26.01, Tax Code, and as adjusted to reflect changes made by  
6 the chief appraiser as of the time the notice is prepared, and when  
7 multiplied by the district's anticipated collection rate, would  
8 impose taxes in an amount that, when added to state funds to be  
9 distributed to the district under Chapter 46 and any excess taxes  
10 collected to service the district's debt during the preceding tax  
11 year but not used for that purpose during that year, would provide  
12 the amount required to service the district's debt; and

13 (iii) the "Proposed Rate";

14 (B) contain fourth and fifth columns aligned with  
15 the columns required by Paragraph (A) that show, for each row  
16 required by Paragraph (A):

17 (i) the "Local Revenue per Student," which  
18 is computed by multiplying the district's total taxable value of  
19 property, as certified by the chief appraiser for the applicable  
20 school year under Section 26.01, Tax Code, and as adjusted to  
21 reflect changes made by the chief appraiser as of the time the  
22 notice is prepared, by the total tax rate, and dividing the product  
23 by the number of students in average daily attendance in the  
24 district for the applicable school year; and

25 (ii) the "State Revenue per Student," which  
26 is computed by determining the amount of state aid received or to be  
27 received by the district under Chapters 42, 43, and 46 and dividing



1 that amount by the number of students in average daily attendance in  
2 the district for the applicable school year; and

3 (C) contain an asterisk after each calculation  
4 for "Interest & Sinking Fund" and a footnote to the section that, in  
5 reduced type, states "The Interest & Sinking Fund tax revenue is  
6 used to pay for bonded indebtedness on construction, equipment, or  
7 both. The bonds, and the tax rate necessary to pay those bonds,  
8 were approved by the voters of this district.";

9 (6) contain a section entitled "Comparison of Proposed  
10 Levy with Last Year's Levy on Average Residence," which must:

11 (A) show in rows the information described by  
12 Subparagraphs (i)-(iv), rounded to the nearest dollar, for columns  
13 entitled "Last Year" and "This Year":

14 (i) "Average Market Value of Residences,"  
15 determined using the same group of residences for each year;

16 (ii) "Average Taxable Value of Residences,"  
17 determined after taking into account the limitation on the  
18 appraised value of residences under Section 23.23, Tax Code, and  
19 after subtracting all homestead exemptions applicable in each year,  
20 other than exemptions available only to ~~disabled~~ persons who are  
21 disabled or persons 65 years of age or older or their surviving  
22 spouses, and using the same group of residences for each year;

23 (iii) "Last Year's Rate Versus Proposed  
24 Rate per \$100 Value"; and

25 (iv) "Taxes Due on Average Residence,"  
26 determined using the same group of residences for each year; and

27 (B) contain the following

1 information: "Increase (Decrease) in Taxes" expressed in dollars  
2 and cents, which is computed by subtracting the "Taxes Due on  
3 Average Residence" for the preceding tax year from the "Taxes Due on  
4 Average Residence" for the current tax year;

5 (7) contain the following statement in bold  
6 print: "Under state law, the dollar amount of school taxes imposed  
7 on the residence of a person 65 years of age or older or of the  
8 surviving spouse or former spouse of such a person, if the surviving  
9 spouse or former spouse was 55 years of age or older when the person  
10 died or the marriage of the person was dissolved by divorce or  
11 annulment, may not be increased above the amount paid in the first  
12 year after the person turned 65, regardless of changes in tax rate  
13 or property value.";

14 (8) contain the following statement in bold  
15 print: "Notice of Rollback Rate: The highest tax rate the  
16 district can adopt before requiring voter approval at an election  
17 is (the school district rollback rate determined under Section  
18 26.08, Tax Code). This election will be automatically held if the  
19 district adopts a rate in excess of the rollback rate of (the school  
20 district rollback rate)."; and

21 (9) contain a section entitled "Fund Balances," which  
22 must include the estimated amount of interest and sinking fund  
23 balances and the estimated amount of maintenance and operation or  
24 general fund balances remaining at the end of the current fiscal  
25 year that are not encumbered with or by corresponding debt  
26 obligation, less estimated funds necessary for the operation of the  
27 district before the receipt of the first payment under Chapter 42 in

1 the succeeding school year.

2 SECTION 4. This Act applies only to ad valorem taxes imposed  
3 for a tax year beginning on or after the effective date of this Act.

4 SECTION 5. This Act takes effect January 1, 2014, but only  
5 if the constitutional amendment relating to the eligibility of the  
6 former spouse of a person who is elderly or disabled to receive a  
7 limitation on the amount of ad valorem taxes imposed on the spouse's  
8 residence homestead by certain political subdivisions is approved  
9 by the voters. If that amendment is not approved by the voters,  
10 this Act has no effect.