

By: Rodriguez of Travis

H.B. No. 3348

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of the governing body of a taxing unit to  
3 adopt a local option residence homestead exemption from ad valorem  
4 taxation of a portion, expressed as a dollar amount, of the  
5 appraised value of an individual's residence homestead.

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

7 SECTION 1. Section 11.13(n), Tax Code, is amended to read as  
8 follows:

9 (n) The ~~[In addition to any other exemptions provided by~~  
10 ~~this section, an individual is entitled to an exemption from~~  
11 ~~taxation by a taxing unit of a percentage of the appraised value of~~  
12 ~~his residence homestead if the exemption is adopted by the]~~  
13 governing body of a the taxing unit, ~~[before July 1]~~ in the manner  
14 provided by law for official action by the body, may adopt an  
15 exemption from taxation by the taxing unit of either a percentage of  
16 the appraised value of an individual's residence homestead or a  
17 portion, expressed as a dollar amount, of the appraised value of an  
18 individual's residence homestead, but not both. The exemption must  
19 be adopted by the governing body before July 1 of the tax year in  
20 which the exemption applies. If the governing body adopts a  
21 percentage exemption and the percentage set by the body ~~[taxing~~  
22 ~~unit]~~ produces an exemption in a tax year of less than \$5,000 when  
23 applied to a particular residence homestead, the individual is  
24 entitled to an exemption of \$5,000 of the appraised value. A ~~[The]~~

1 percentage exemption adopted by the governing body [~~taxing unit~~]  
2 may not exceed 20 percent. If the governing body adopts an  
3 exemption of a portion, expressed as a dollar amount, of the  
4 appraised value of a residence homestead, the amount of the  
5 exemption in a tax year may not be less than \$5,000. An individual  
6 is entitled to an exemption adopted under this subsection in  
7 addition to any other exemptions provided by this section.

8 SECTION 2. Section 42.2516(f-1), Education Code, is amended  
9 to read as follows:

10 (f-1) The commissioner shall, in accordance with rules  
11 adopted by the commissioner, adjust the amount of a school  
12 district's local revenue derived from maintenance and operations  
13 tax collections, as calculated for purposes of determining the  
14 amount of state revenue to which the district is entitled under this  
15 section, if the district, for the 2010 tax year or a subsequent tax  
16 year:

17 (1) adopts a percentage [~~an~~] exemption under Section  
18 11.13(n), Tax Code, that was not in effect for the 2009 tax year, or  
19 eliminates an exemption under Section 11.13(n), Tax Code, that was  
20 in effect for the 2009 tax year;

21 (2) adopts a percentage [~~an~~] exemption under Section  
22 11.13(n), Tax Code, at a greater or lesser percentage than the  
23 percentage in effect for the district for the 2009 tax year;

24 (3) grants an exemption under an agreement authorized  
25 by Chapter 312, Tax Code, that was not in effect for the 2009 tax  
26 year, or ceases to grant an exemption authorized by that chapter  
27 that was in effect for the 2009 tax year; or

1           (4) agrees to deposit taxes into a tax increment fund  
2 created under Chapter 311, Tax Code, under a reinvestment zone  
3 financing plan that was not in effect for the 2009 tax year, or  
4 ceases depositing taxes into a tax increment fund created under  
5 that chapter under a reinvestment zone financing plan that was in  
6 effect for the 2009 tax year.

7           SECTION 3. Section 403.302(d), Government Code, is amended  
8 to read as follows:

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

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

15           (2) one-half of the total dollar amount of any  
16 residence homestead percentage exemptions granted under Section  
17 11.13(n), Tax Code, in the year that is the subject of the study for  
18 each school district;

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

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

24           (A) is within a reinvestment zone created on or  
25 before May 31, 1999, or is proposed to be included within the  
26 boundaries of a reinvestment zone as the boundaries of the zone and  
27 the proposed portion of tax increment paid into the tax increment

1 fund by a school district are described in a written notification  
2 provided by the municipality or the board of directors of the zone  
3 to the governing bodies of the other taxing units in the manner  
4 provided by former Section 311.003(e), Tax Code, before May 31,  
5 1999, and within the boundaries of the zone as those boundaries  
6 existed on September 1, 1999, including subsequent improvements to  
7 the property regardless of when made;

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

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

14 (5) the total dollar amount of any captured appraised  
15 value of property that:

16 (A) is within a reinvestment zone:

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

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

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

27 (C) is eligible for tax increment financing under

1 Chapter 311, Tax Code;

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

4 (7) the difference between the comptroller's estimate  
5 of the market value and the productivity value of land that  
6 qualifies for appraisal on the basis of its productive capacity,  
7 except that the productivity value estimated by the comptroller may  
8 not exceed the fair market value of the land;

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

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

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

25 (B) action taken by the district under Subchapter  
26 B or C, Chapter 313, Tax Code, before the expiration of the  
27 subchapter;

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

4           (11) the appraised value of property the collection of  
5 delinquent taxes on which is deferred under Section 33.06, Tax  
6 Code;

7           (12) the portion of the appraised value of property  
8 the collection of delinquent taxes on which is deferred under  
9 Section 33.065, Tax Code; and

10           (13) the amount by which the market value of a  
11 residence homestead to which Section 23.23, Tax Code, applies  
12 exceeds the appraised value of that property as calculated under  
13 that section.

14           SECTION 4. This Act applies only to ad valorem taxes imposed  
15 for a tax year that begins on or after the effective date of this  
16 Act.

17           SECTION 5. This Act takes effect January 1, 2014, but only  
18 if the constitutional amendment proposed by the 83rd Legislature,  
19 Regular Session, 2013, authorizing the governing body of a  
20 political subdivision to adopt a local option residence homestead  
21 exemption from ad valorem taxation of a portion, expressed as a  
22 dollar amount, of the market value of an individual's residence  
23 homestead is approved by the voters. If that amendment is not  
24 approved by the voters, this Act has no effect.