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FLOOR AMENDMENT NO. _____

1 Amend C.S.S.B. No. 1 (house committee printing) by adding the
2 following appropriately numbered SECTION to read as follows and
3 renumbering subsequent SECTIONS accordingly:

4 SECTION _____. (a) Section 1.12(d), Tax Code, is amended to
5 read as follows:

6 (d) For purposes of this section, the appraisal ratio of
7 real property [~~a homestead~~] to which Section 23.23 applies is the
8 ratio of the property's market value as determined by the appraisal
9 district or appraisal review board, as applicable, to the market
10 value of the property according to law. The appraisal ratio is not
11 calculated according to the appraised value of the property as
12 limited by Section 23.23.

13 (b) The heading to Section 23.23, Tax Code, is amended to
14 read as follows:

15 Sec. 23.23. LIMITATION ON APPRAISED VALUE OF REAL PROPERTY
16 [~~RESIDENCE HOMESTEAD~~].

17 (c) Section 23.23, Tax Code, is amended by amending
18 Subsections (a), (b), (c), and (e) and adding Subsections (c-1),
19 (c-2), and (c-3) to read as follows:

20 (a) Notwithstanding the requirements of Section 25.18 and
21 regardless of whether the appraisal office has appraised the
22 property and determined the market value of the property for the tax
23 year, an appraisal office may increase the appraised value of real
24 property [~~a residence homestead~~] for a tax year to an amount not to
25 exceed the lesser of:

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

29 (2) the sum of:

1 (A) five ~~[10]~~ percent of the appraised value of
2 the property for the preceding tax year;

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

5 (C) the market value of all new improvements to
6 the property.

7 (b) When appraising real property ~~[a residence homestead]~~,
8 the chief appraiser shall:

9 (1) appraise the property at its market value; and

10 (2) include in the appraisal records both the market
11 value of the property and the amount computed under Subsection
12 (a)(2).

13 (c) The limitation provided by Subsection (a) takes effect
14 on January 1 of the tax year following the first tax year in which
15 the owner owns the property on January 1, or, if the property
16 qualifies as the [to a] residence homestead of the owner under
17 Section 11.13 in the tax year in which the owner acquires the
18 property, the limitation takes effect on January 1 of the tax year
19 following that [the first] tax year [the owner qualifies the
20 property for an exemption under Section 11.13]. Except as provided
21 by Subsection (c-1) or (c-2), the [The] limitation expires on
22 January 1 of the first tax year following the year in which [that
23 neither] the owner of the property ceases to own the property.

24 (c-1) If property subject to a limitation under this section
25 qualifies for an exemption under Section 11.13 when the ownership
26 of the property is transferred to the owner's spouse or surviving
27 spouse, the limitation expires on January 1 of the first tax year
28 following the year in which [when the limitation took effect nor]
29 the owner's spouse or surviving spouse ceases to own the property,
30 unless the limitation is further continued under this subsection on
31 the subsequent transfer to a spouse or surviving spouse [qualifies

1 ~~for an exemption under Section 11.13]~~.

2 (c-2) If property subject to a limitation under Subsection
3 (a), other than a residence homestead, is owned by two or more
4 persons, the limitation expires on January 1 of the first tax year
5 following the year in which the ownership of at least a 50 percent
6 interest in the property is sold or otherwise transferred.

7 (c-3) For purposes of applying the limitation provided by
8 this section in the first tax year after the 2015 tax year in which
9 the property is appraised for taxation:

10 (1) the property is considered to have been appraised
11 for taxation in the 2015 tax year at a market value equal to the
12 appraised value of the property for that tax year;

13 (2) a person who acquired real property in a tax year
14 before the 2015 tax year is considered to have acquired the property
15 on January 1, 2015; and

16 (3) a person who qualified the property for an
17 exemption under Section 11.13 as the person's residence homestead
18 for any portion of the 2015 tax year is considered to have acquired
19 the property in the 2015 tax year.

20 (e) In this section, "new improvement" means an improvement
21 to real property [~~a residence homestead~~] made after the most recent
22 appraisal of the property that increases the market value of the
23 property and the value of which is not included in the appraised
24 value of the property for the preceding tax year. The term does not
25 include repairs to or ordinary maintenance of an existing structure
26 or the grounds or another feature of the property.

27 (d) Sections 42.26(d), Tax Code, is amended to read as
28 follows:

29 (d) For purposes of this section, the value of the property
30 subject to the suit and the value of a comparable property or sample
31 property that is used for comparison must be the market value

1 determined by the appraisal district when the property is [~~a~~
2 ~~residence homestead~~] subject to the limitation on appraised value
3 imposed by Section 23.23.

4 (e) Sections 403.302(d) and (i), Government Code, are
5 amended to read as follows:

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

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

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

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

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

21 (A) is within a reinvestment zone created on or
22 before May 31, 1999, or is proposed to be included within the
23 boundaries of a reinvestment zone as the boundaries of the zone and
24 the proposed portion of tax increment paid into the tax increment
25 fund by a school district are described in a written notification
26 provided by the municipality or the board of directors of the zone
27 to the governing bodies of the other taxing units in the manner
28 provided by former Section 311.003(e), Tax Code, before May 31,
29 1999, and within the boundaries of the zone as those boundaries
30 existed on September 1, 1999, including subsequent improvements to
31 the property regardless of when made;

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

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

7 (5) the total dollar amount of any captured appraised
8 value of property that:

9 (A) is within a reinvestment zone:

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

12 (ii) the project plan for which includes
13 the alteration, remodeling, repair, or reconstruction of a
14 structure that is included on the National Register of Historic
15 Places and requires that a portion of the tax increment of the zone
16 be used for the improvement or construction of related facilities
17 or for affordable housing;

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

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

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

24 (7) the difference between the comptroller's estimate
25 of the market value and the productivity value of land that
26 qualifies for appraisal on the basis of its productive capacity,
27 except that the productivity value estimated by the comptroller may
28 not exceed the fair market value of the land;

29 (8) the portion of the appraised value of residence
30 homesteads of individuals who receive a tax limitation under
31 Section 11.26, Tax Code, on which school district taxes are not

1 imposed in the year that is the subject of the study, calculated as
2 if the residence homesteads were appraised at the full value
3 required by law;

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

6 (A) action required by statute or the
7 constitution of this state, other than Section 11.311, Tax Code,
8 that, if the tax rate adopted by the district is applied to it,
9 produces an amount equal to the difference between the tax that the
10 district would have imposed on the property if the property were
11 fully taxable at market value and the tax that the district is
12 actually authorized to impose on the property, if this subsection
13 does not otherwise require that portion to be deducted; or

14 (B) action taken by the district under Subchapter
15 B or C, Chapter 313, Tax Code, before the expiration of the
16 subchapter;

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

20 (11) the appraised value of property the collection of
21 delinquent taxes on which is deferred under Section 33.06, Tax
22 Code;

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

26 (13) the amount by which the market value of real
27 property [~~a residence homestead~~] to which Section 23.23, Tax Code,
28 applies exceeds the appraised value of that property as calculated
29 under that section.

30 (i) If the comptroller determines in the study that the
31 market value of property in a school district as determined by the

1 appraisal district that appraises property for the school district,
2 less the total of the amounts and values listed in Subsection (d) as
3 determined by that appraisal district, is valid, the comptroller,
4 in determining the taxable value of property in the school district
5 under Subsection (d), shall for purposes of Subsection (d)(13)
6 subtract from the market value as determined by the appraisal
7 district of properties [~~residence homesteads~~] to which Section
8 23.23, Tax Code, applies the amount by which that amount exceeds the
9 appraised value of those properties as calculated by the appraisal
10 district under Section 23.23, Tax Code. If the comptroller
11 determines in the study that the market value of property in a
12 school district as determined by the appraisal district that
13 appraises property for the school district, less the total of the
14 amounts and values listed in Subsection (d) as determined by that
15 appraisal district, is not valid, the comptroller, in determining
16 the taxable value of property in the school district under
17 Subsection (d), shall for purposes of Subsection (d)(13) subtract
18 from the market value as estimated by the comptroller of properties
19 [~~residence homesteads~~] to which Section 23.23, Tax Code, applies
20 the amount by which that amount exceeds the appraised value of those
21 properties as calculated by the appraisal district under Section
22 23.23, Tax Code.

23 (f) Notwithstanding any other provision of this Act, this
24 section applies only to the appraisal for ad valorem tax purposes of
25 real property for a tax year that begins on or after the effective
26 date of this section.

27 (g) This section takes effect January 1, 2016, but only if
28 the constitutional amendment proposed by S.J.R. 1, 84th
29 Legislature, Regular Session, 2015, is approved by the voters. If
30 that amendment is not approved by the voters, this section has no
31 effect.