

By: Martinez

H.B. No. 52

A BILL TO BE ENTITLED

AN ACT

1
2 relating to increasing the amount of the residence homestead
3 exemption from ad valorem taxation by a school district from
4 \$15,000 to \$45,000, providing for a reduction of the limitation on
5 the total amount of ad valorem taxes that may be imposed by a school
6 district on the homestead of an elderly or disabled person to
7 reflect the increased exemption amount, and protecting school
8 districts against the resulting loss in local revenue.

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

10 SECTION 1. Section 11.13(b), Tax Code, is amended to read as
11 follows:

12 (b) An adult is entitled to exemption from taxation by a
13 school district of \$45,000 [~~\$15,000~~] of the appraised value of the
14 adult's residence homestead, except that only \$5,000 [~~\$10,000~~] of
15 the exemption applies [~~does not apply~~] to an entity operating under
16 former Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those
17 chapters existed on May 1, 1995, as permitted by Section 11.301,
18 Education Code.

19 SECTION 2. Section 11.26(a), Tax Code, is amended to read as
20 follows:

21 (a) The tax officials shall appraise the property to which
22 this section applies and calculate taxes as on other property, but
23 if the tax so calculated exceeds the limitation imposed by this
24 section, the tax imposed is the amount of the tax as limited by this

1 section, except as otherwise provided by this section. A school
2 district may not increase the total annual amount of ad valorem tax
3 it imposes on the residence homestead of an individual 65 years of
4 age or older or on the residence homestead of an individual who is
5 disabled, as defined by Section 11.13, above the amount of the tax
6 it imposed in the first tax year in which the individual qualified
7 that residence homestead for the applicable exemption provided by
8 Section 11.13(c) for an individual who is 65 years of age or older
9 or is disabled. If the individual qualified that residence
10 homestead for the exemption after the beginning of that first year
11 and the residence homestead remains eligible for the same exemption
12 for the next year, and if the school district taxes imposed on the
13 residence homestead in the next year are less than the amount of
14 taxes imposed in that first year, a school district may not
15 subsequently increase the total annual amount of ad valorem taxes
16 it imposes on the residence homestead above the amount it imposed in
17 the year immediately following the first year for which the
18 individual qualified that residence homestead for the same
19 exemption, except as provided by Subsection (b). If the first tax
20 year the individual qualified the residence homestead for the
21 exemption provided by Section 11.13(c) for individuals 65 years of
22 age or older or disabled was a tax year before the 2016 [~~1997~~] tax
23 year, the amount of the limitation provided by this section is the
24 amount of tax the school district imposed for the 2015 [~~1996~~] tax
25 year less an amount equal to the amount determined by multiplying
26 \$30,000 [~~\$10,000~~] times the tax rate of the school district for the
27 2016 [~~1997~~] tax year, plus any 2016 [~~1997~~] tax attributable to

1 improvements made in 2015 [~~1996~~], other than improvements made to
2 comply with governmental regulations or repairs.

3 SECTION 3. Subchapter E, Chapter 42, Education Code, is
4 amended by adding Section 42.2512 to read as follows:

5 Sec. 42.2512. ADDITIONAL STATE AID FOR HOMESTEAD EXEMPTION.

6 (a) Notwithstanding Section 42.2516 or any other provision of this
7 chapter, a school district is entitled to additional state aid to
8 the extent that state aid under this chapter based on the
9 determination of the school district's taxable value of property as
10 provided under Subchapter M, Chapter 403, Government Code, does not
11 fully compensate the district for ad valorem tax revenue lost due to
12 the increase in the homestead exemption under Section 1-b(c),
13 Article VIII, Texas Constitution, as proposed by the joint
14 resolution to amend that section adopted by the 84th Legislature,
15 Regular Session, 2015, and the additional limitation on tax
16 increases under Section 1-b(d), Article VIII, Texas Constitution,
17 as proposed by the joint resolution to amend that section adopted by
18 the 84th Legislature, Regular Session, 2015.

19 (b) The commissioner, using information provided by the
20 comptroller, shall compute the amount of additional state aid to
21 which a district is entitled under Subsection (a). A determination
22 by the commissioner under this section is final and may not be
23 appealed.

24 (c) Notwithstanding any other provision of this chapter, in
25 computing state aid for the 2016-2017 school year, a school
26 district's taxable value of property under Subchapter M, Chapter
27 403, Government Code, is determined as if the increase in the

1 homestead exemption under Section 1-b(c), Article VIII, Texas
2 Constitution, as proposed by the joint resolution to amend that
3 section adopted by the 84th Legislature, Regular Session, 2015, and
4 the additional limitation on tax increases under Section 1-b(d),
5 Article VIII, Texas Constitution, as proposed by the joint
6 resolution to amend that section adopted by the 84th Legislature,
7 Regular Session, 2015, had been in effect for the 2015 tax year.
8 This subsection expires September 1, 2018.

9 SECTION 4. Section 403.302(j), Government Code, is amended
10 to read as follows:

11 (j) For purposes of Chapter 42, Education Code, the
12 comptroller shall certify to the commissioner of education:

13 (1) a final value for each school district computed on
14 a residence homestead exemption under Section 1-b(c), Article VIII,
15 Texas Constitution, of \$5,000;

16 (2) a final value for each school district computed
17 on:

18 (A) a residence homestead exemption under
19 Section 1-b(c), Article VIII, Texas Constitution, of \$15,000; and

20 (B) the effect of the additional limitation on
21 tax increases under Section 1-b(d), Article VIII, Texas
22 Constitution, as proposed by H.J.R. No. 4, 75th Legislature,
23 Regular Session, 1997; ~~and~~

24 (3) a final value for each school district computed on
25 the effect of the reduction of the limitation on tax increases to
26 reflect any reduction in the school district tax rate as provided by
27 Section 11.26(a-1), (a-2), or (a-3), Tax Code, as applicable; and

1 (4) a final value for each school district computed
2 on:

3 (A) a residence homestead exemption under
4 Section 1-b(c), Article VIII, Texas Constitution, of \$45,000; and

5 (B) the effect of the additional limitation on
6 tax increases under Section 1-b(d), Article VIII, Texas
7 Constitution, as proposed by the joint resolution to amend that
8 section adopted by the 84th Legislature, Regular Session, 2015.

9 SECTION 5. The changes in law made by this Act to Sections
10 11.13 and 11.26, Tax Code, apply only to an ad valorem tax year that
11 begins on or after January 1, 2016.

12 SECTION 6. This Act takes effect January 1, 2016, but only
13 if the constitutional amendment proposed by the 84th Legislature,
14 Regular Session, 2015, increasing the amount of the residence
15 homestead exemption from ad valorem taxation for public school
16 purposes from \$15,000 to \$45,000 and providing for a reduction of
17 the limitation on the total amount of ad valorem taxes that may be
18 imposed for those purposes on the homestead of an elderly or
19 disabled person to reflect the increased exemption amount is
20 approved by the voters. If that constitutional amendment is not
21 approved by the voters, this Act has no effect.