

By: Rodriguez of Travis

H.B. No. 490

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of the governing body of a taxing unit  
3 that adopts an exemption from ad valorem taxation of a percentage of  
4 the appraised value of an individual's residence homestead to set a  
5 limit on the dollar amount of the exemption to which an individual  
6 is entitled in a tax year.

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

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

10 (n) In addition to any other exemptions provided by this  
11 section, an individual is entitled to an exemption from taxation by  
12 a taxing unit of a percentage of the appraised value of the  
13 individual's ~~[his]~~ residence homestead if the exemption is adopted  
14 by the governing body of the taxing unit before July 1 in the manner  
15 provided by law for official action by the body. The percentage  
16 adopted by the governing body may not exceed 20 percent. If the  
17 percentage set by the governing body ~~[taxing unit]~~ produces an  
18 exemption in a tax year of less than \$5,000 when applied to a  
19 particular residence homestead, the individual is entitled to an  
20 exemption of \$5,000 of the appraised value. A governing body that  
21 adopts an exemption under this subsection may by official action  
22 taken before July 1 provide that if the percentage set by the  
23 governing body produces an exemption in a tax year of more than a  
24 dollar amount specified by the governing body when applied to a

1 particular residence homestead, the owner of the homestead is  
2 entitled to an exemption of the dollar amount of the appraised value  
3 specified by the governing body [~~The percentage adopted by the~~  
4 ~~taxing unit may not exceed 20 percent~~].

5 SECTION 2. This Act applies only to ad valorem taxes imposed  
6 for a tax year that begins on or after the effective date of this  
7 Act.

8 SECTION 3. This Act takes effect January 1, 2016, but only  
9 if the constitutional amendment proposed by the 84th Legislature,  
10 Regular Session, 2015, authorizing the governing body of a  
11 political subdivision that adopts an exemption from ad valorem  
12 taxation of a percentage of the market value of an individual's  
13 residence homestead to set a limit on the dollar amount of the  
14 exemption to which an individual is entitled in a tax year is  
15 approved by the voters. If that amendment is not approved by the  
16 voters, this Act has no effect.