

By: Turner of Harris

H.B. No. 1518

A BILL TO BE ENTITLED

1 AN ACT

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 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~~[, other than Section 11.311, Tax Code,]~~
19 that, if the tax rate adopted by the district is applied to it,
20 produces an amount equal to the difference between the tax that the
21 district would have imposed on the property if the property were
22 fully taxable at market value and the tax that the district is
23 actually authorized to impose on the property, if this subsection
24 does not otherwise require that 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, 2016, but only
18 if the constitutional amendment proposed by the 84th Legislature,
19 Regular Session, 2015, 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.