By: Nichols   S.B. No. 156

A BILL TO BE ENTITLED

1   AN ACT

2   relating to the limitation on increases in the appraised value of a

3   residence homestead for ad valorem taxation.

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

5   SECTION 1.   Section 23.23, Tax Code, is amended by amending

6   Subsection (a) and adding Subsection (h) to read as follows:

7   (a) Except as provided by Subsection (h), notwithstanding

8   [Notwithstanding] the requirements of Section 25.18, and

9   regardless of whether the appraisal office has appraised the

10   property and determined the market value of the property for the tax

11   year, an appraisal office may increase the appraised value of a

12   residence homestead for a tax year to an amount not to exceed the

13   lesser of:

14   (1) the market value of the property for the most

15   recent tax year that the market value was determined by the

16   appraisal office; or

17   (2) the sum of:

18   (A) five [10] percent of the appraised value of

19   the property for the preceding tax year;

20   (B) the appraised value of the property for the

21   preceding tax year; and

22   (C) the market value of all new improvements to

23   the property.

24   (h) The commissioners court of a county may call an election

1 in the county to permit the voters of the county to determine

2 whether a percentage limitation on maximum appraised value

3 determined in the manner provided by Subsection (a)(2) using a

4 percentage that is greater than the percentage specified by

5 Subsection (a)(2)(A) but not more than 10 percent will apply to the

6 taxation of a residence homestead in the county by each taxing unit

7 having territory in the county. The election shall be held on the

8 date of the next general election for state and county officers.

9 The ballot proposition shall specify the proposed percentage

10 limitation on maximum appraised value. If a majority of the votes

11 cast at the election do not favor the establishment of the proposed

12 limitation, a subsequent election under this subsection may not be

13 held before the 10th year after the year in which the election is

14 held. If a majority of the votes cast at the election favor the

15 establishment of the proposed limitation, the limitation applies

16 beginning with the tax year following the year in which the election

17 is held and remains in effect until amended or repealed by the

18 voters of the county at a subsequent election called by the

19 commissioners court. An election to amend or repeal the limitation

20 may not be held before the 10th year after the year in which the

21 proposition establishing the limitation was approved by the voters.

22 If the voters of a county amend or repeal a limitation, the

23 amendment or repeal applies beginning with the tax year after the

24 year in which the election is held.

25 SECTION 2. Section 42.26(d), Tax Code, is amended to read as

26 follows:

27 (d) For purposes of this section, the value of the property

1 subject to the suit and the value of a comparable property or sample
2 property that is used for comparison must be the market value
3 determined by the appraisal district when the property is a
4 residence homestead subject to a [the] limitation on appraised
5 value imposed by or established under Section 23.23.

6   SECTION 3. This Act applies only to the appraisal of a
7 residence homestead for ad valorem tax purposes for a tax year that
8 begins on or after January 1, 2016.

9   SECTION 4. This Act takes effect January 1, 2016, but only
10 if the constitutional amendment proposed by the 84th Legislature,
11 Regular Session, 2015, to authorize the legislature to limit the
12 maximum appraised value of a residence homestead for ad valorem tax
13 purposes to 105 percent or less of the appraised value of the
14 property for the preceding tax year and to permit the voters of a
15 county to establish a higher limitation not to exceed 110 percent on
16 the maximum appraised value of a residence homestead in the county
17 is approved by the voters. If that amendment is not approved by the
18 voters, this Act has no effect.