

By: Schofield

H.B. No. 55

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to an exemption from ad valorem taxation by a school  
3 district of a dollar amount or a percentage, whichever is greater,  
4 of the appraised value of a residence homestead and a reduction of  
5 the limitation on the total amount of ad valorem taxes that may be  
6 imposed by a school district on the homestead of an elderly or  
7 disabled person to reflect any increase in the exemption amount.

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

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

11 (b) An adult is entitled to exemption from taxation by a  
12 school district of \$25,000 of the appraised value of the adult's  
13 residence homestead or 13 percent of the appraised value of the  
14 adult's residence homestead, whichever is greater, except that only  
15 \$5,000 of the exemption applies to an entity operating under former  
16 Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those chapters  
17 existed on May 1, 1995, as permitted by Section 11.301, Education  
18 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 2015 tax year, the  
23 amount of the limitation provided by this section is the amount of  
24 tax the school district imposed for the 2014 tax year less an amount  
25 equal to the amount determined by multiplying \$10,000 times the tax  
26 rate of the school district for the 2015 tax year, plus any 2015 tax  
27 attributable to improvements made in 2014, other than improvements

1 made to comply with governmental regulations or repairs. If the  
2 first tax year the individual qualified the residence homestead for  
3 the exemption provided by Section 11.13(c) for individuals 65 years  
4 of age or older or disabled was a tax year before the 2018 tax year  
5 and the appraised value of the homestead for the 2018 tax year is  
6 more than \$192,308, the amount of the limitation provided by this  
7 section is the amount of tax the school district imposed for the  
8 2017 tax year, less an amount equal to the amount computed by  
9 subtracting \$25,000 from an amount equal to 13 percent of the  
10 appraised value of the homestead for the 2018 tax year and  
11 multiplying that amount by the tax rate of the school district for  
12 the 2018 tax year, plus any 2018 tax attributable to improvements  
13 made in 2017, other than improvements made to comply with  
14 governmental regulations or repairs. Except as provided by  
15 Subsection (b), a limitation on tax increases provided by this  
16 section on a residence homestead computed under this subsection  
17 continues to apply to the homestead in subsequent tax years until  
18 the limitation expires.

19 SECTION 3. Section 403.302(d), Government Code, is amended  
20 to read as follows:

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

23 (1) the total dollar amount of any residence homestead  
24 exemptions lawfully granted under Section 11.13(b) [~~or (c)~~], Tax  
25 Code, in the year that is the subject of the study for each school  
26 district, computed on the basis of an exemption of \$25,000 of the  
27 appraised value of each residence homestead;

1           (1-a) the total dollar amount of any residence  
2 homestead exemptions lawfully granted under Section 11.13(c), Tax  
3 Code, in the year that is the subject of the study for each school  
4 district;

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

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

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

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

25           (B) generates taxes paid into a tax increment  
26 fund created under Chapter 311, Tax Code, under a reinvestment zone  
27 financing plan approved under Section 311.011(d), Tax Code, on or

1 before September 1, 1999; and

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

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

6 (A) is within a reinvestment zone:

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

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

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

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

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

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

26 (8) the portion of the appraised value of residence  
27 homesteads of individuals who receive a tax limitation under

1 Section 11.26, Tax Code, on which school district taxes are not  
2 imposed in the year that is the subject of the study, calculated as  
3 if the residence homesteads were appraised at the full value  
4 required by law;

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

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

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

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

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

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

27 (13) the amount by which the market value of a

1 residence homestead to which Section 23.23, Tax Code, applies  
2 exceeds the appraised value of that property as calculated under  
3 that section.

4 SECTION 4. The changes in law made by this Act to Sections  
5 11.13 and 11.26, Tax Code, apply only to an ad valorem tax year that  
6 begins on or after January 1, 2018.

7 SECTION 5. This Act takes effect January 1, 2018, but only  
8 if the constitutional amendment proposed by the 85th Legislature,  
9 1st Called Session, 2017, providing for an exemption from ad  
10 valorem taxation for public school purposes of \$25,000 or 13  
11 percent, whichever is greater, of the market value of a residence  
12 homestead and providing for a reduction of the limitation on the  
13 total amount of ad valorem taxes that may be imposed for those  
14 purposes on the homestead of an elderly or disabled person to  
15 reflect any increase in the exemption amount is approved by the  
16 voters. If that constitutional amendment is not approved by the  
17 voters, this Act has no effect.