

By: Metcalf

H.B. No. 84

A BILL TO BE ENTITLED

AN ACT

relating to the limitation on increases in the appraised value of a residence homestead for ad valorem tax purposes.

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

SECTION 1. Section 23.23(a), Tax Code, is amended to read as follows:

(a) Notwithstanding the requirements of Section 25.18 and regardless of whether the appraisal office has appraised the property and determined the market value of the property for the tax year, an appraisal office may increase the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of:

(1) the market value of the property for the most recent tax year that the market value was determined by the appraisal office; or

(2) the sum of:

(A) five [~~10~~] percent of the appraised value of the property for the preceding tax year;

(B) the appraised value of the property for the preceding tax year; and

(C) the market value of all new improvements to the property.

SECTION 2. This Act applies only to the appraisal for ad valorem taxation of residence homesteads for a tax year that begins

1 on or after the effective date of this Act.

2 SECTION 3. This Act takes effect January 1, 2018, but only
3 if the constitutional amendment proposed by the 85th Legislature,
4 1st Called Session, 2017, to authorize the legislature to limit the
5 maximum appraised value of a residence homestead for ad valorem tax
6 purposes to 105 percent or more of the appraised value of the
7 property for the preceding tax year is approved by the voters. If
8 that amendment is not approved by the voters, this Act has no
9 effect.