

By: Swanson

H.B. No. 95

A BILL TO BE ENTITLED

1 AN ACT
2 relating to an exemption from ad valorem taxation of the total
3 appraised value of the residence homesteads of certain elderly
4 persons and their surviving spouses.

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

6 SECTION 1. Section 11.13, Tax Code, is amended by amending
7 Subsection (i) and adding Subsections (s) and (t) to read as
8 follows:

9 (i) The assessor and collector for a taxing unit may
10 disregard the exemptions authorized by Subsection (b), (c), (d),
11 ~~[or] (n), (s), or (t) [of this section]~~ and assess and collect a tax
12 pledged for payment of debt without deducting the amount of the
13 exemption if:

14 (1) prior to adoption of the exemption, the unit
15 pledged the taxes for the payment of a debt; and

16 (2) granting the exemption would impair the obligation
17 of the contract creating the debt.

18 (s) In addition to any other exemptions provided by this
19 section, an individual is entitled to an exemption from taxation of
20 the total appraised value of the individual's residence homestead
21 if the individual is 75 years of age or older.

22 (t) The surviving spouse of an individual who qualified for
23 an exemption under Subsection (s) is entitled to an exemption from
24 taxation of the total appraised value of the same property to which

1 the deceased spouse's exemption applied if:

2 (1) the deceased spouse died in a year in which the
3 deceased spouse qualified for the exemption;

4 (2) the surviving spouse was 55 years of age or older
5 when the deceased spouse died; and

6 (3) the property was the residence homestead of the
7 surviving spouse when the deceased spouse died and remains the
8 residence homestead of the surviving spouse.

9 SECTION 2. (a) If S.B. 15, Acts of the 85th Legislature,
10 Regular Session, 2017, does not become law, Section 11.42(c), Tax
11 Code, is amended to read as follows:

12 (c) An exemption authorized by Section 11.13(c), ~~or~~ (d),
13 or (s), 11.132, or 11.133 is effective as of January 1 of the tax
14 year in which the person qualifies for the exemption and applies to
15 the entire tax year.

16 (b) If S.B. 15, Acts of the 85th Legislature, Regular
17 Session, 2017, becomes law, Section 11.42(c), Tax Code, as
18 effective January 1, 2018, is amended to read as follows:

19 (c) An exemption authorized by Section 11.13(c), ~~or~~ (d),
20 or (s), 11.132, 11.133, or 11.134 is effective as of January 1 of
21 the tax year in which the person qualifies for the exemption and
22 applies to the entire tax year.

23 SECTION 3. Sections 11.43(k), (l), (m), (o), and (q), Tax
24 Code, are amended to read as follows:

25 (k) A person who qualifies for an exemption authorized by
26 Section 11.13(c), ~~or~~ (d), or (s) or 11.132 must apply for the
27 exemption no later than the first anniversary of the date the person

1 qualified for the exemption.

2 (1) The form for an application under Section 11.13 must
3 include a space for the applicant to state the applicant's date of
4 birth. Failure to provide the date of birth does not affect the
5 applicant's eligibility for an exemption under that section, other
6 than an exemption under Section 11.13(c) or (d) for an individual 65
7 years of age or older or an exemption under Section 11.13(s) for an
8 individual 75 years of age or older.

9 (m) Notwithstanding Subsections (a) and (k), a person who
10 receives an exemption under Section 11.13, other than an exemption
11 under Section 11.13(c) or (d) for an individual 65 years of age or
12 older or an exemption under Section 11.13(s) for an individual 75
13 years of age or older, in a tax year is entitled to receive an
14 exemption under Section 11.13(c) or (d) for an individual 65 years
15 of age or older or an exemption under Section 11.13(s) for an
16 individual 75 years of age or older in the next tax year on the same
17 property without applying for the exemption if the person becomes
18 65 or 75 years of age, as applicable, in that next year as shown by:

19 (1) information in the records of the appraisal
20 district that was provided to the appraisal district by the
21 individual in an application for an exemption under Section 11.13
22 on the property or in correspondence relating to the property; or

23 (2) the information provided by the Texas Department
24 of Public Safety to the appraisal district under Section 521.049,
25 Transportation Code.

26 (o) The application form for an exemption authorized by
27 Section 11.13 must require an applicant for an exemption under

1 Subsection (c), ~~or~~ (d), or (s) of that section who is not
2 specifically identified on a deed or other appropriate instrument
3 recorded in the applicable real property records as an owner of the
4 residence homestead to provide an affidavit or other compelling
5 evidence establishing the applicant's ownership of an interest in
6 the homestead.

7 (q) A chief appraiser may not cancel an exemption under
8 Section 11.13 that is received by an individual who is 65 years of
9 age or older without first providing written notice of the
10 cancellation to the individual receiving the exemption. The
11 notice must include a form on which the individual may indicate
12 whether the individual is qualified to receive the exemption and a
13 self-addressed postage prepaid envelope with instructions for
14 returning the form to the chief appraiser. The chief appraiser
15 shall consider the individual's response on the form in determining
16 whether to continue to allow the exemption. If the chief appraiser
17 does not receive a response on or before the 60th day after the date
18 the notice is mailed, the chief appraiser may cancel the exemption
19 on or after the 30th day after the expiration of the 60-day period,
20 but only after making a reasonable effort to locate the individual
21 and determine whether the individual is qualified to receive the
22 exemption. For purposes of this subsection, sending an additional
23 notice of cancellation that includes, in bold font equal to or
24 greater in size than the surrounding text, the date on which the
25 chief appraiser is authorized to cancel the exemption to the
26 individual receiving the exemption immediately after the
27 expiration of the 60-day period by first class mail in an envelope

1 on which is written, in all capital letters, "RETURN SERVICE
2 REQUESTED," or another appropriate statement directing the United
3 States Postal Service to return the notice if it is not deliverable
4 as addressed, or providing the additional notice in another manner
5 that the chief appraiser determines is appropriate, constitutes a
6 reasonable effort on the part of the chief appraiser. This
7 subsection does not apply to an exemption under Section 11.13(c) or
8 (d) for an individual 65 years of age or older or an exemption under
9 Section 11.13(s) for an individual 75 years of age or older that is
10 canceled because the chief appraiser determines that the individual
11 receiving the exemption no longer owns the property subject to the
12 exemption.

13 SECTION 4. (a) If S.B. 15, Acts of the 85th Legislature,
14 Regular Session, 2017, does not become law, Section 26.10(b), Tax
15 Code, is amended to read as follows:

16 (b) If the appraisal roll shows that a residence homestead
17 exemption under Section 11.13(c), ~~(d)~~, or (s), 11.132, or
18 11.133 applicable to a property on January 1 of a year terminated
19 during the year and if the owner of the property qualifies a
20 different property for one of those residence homestead exemptions
21 during the same year, the tax due against the former residence
22 homestead is calculated by:

23 (1) subtracting:

24 (A) the amount of the taxes that otherwise would
25 be imposed on the former residence homestead for the entire year had
26 the owner qualified for the residence homestead exemption for the
27 entire year; from

1 (B) the amount of the taxes that otherwise would
2 be imposed on the former residence homestead for the entire year had
3 the owner not qualified for the residence homestead exemption
4 during the year;

5 (2) multiplying the remainder determined under
6 Subdivision (1) by a fraction, the denominator of which is 365 and
7 the numerator of which is the number of days that elapsed after the
8 date the exemption terminated; and

9 (3) adding the product determined under Subdivision
10 (2) and the amount described by Subdivision (1)(A).

11 (b) If S.B. 15, Acts of the 85th Legislature, Regular
12 Session, 2017, becomes law, Section 26.10(b), Tax Code, as
13 effective January 1, 2018, is amended to read as follows:

14 (b) If the appraisal roll shows that a residence homestead
15 exemption under Section 11.13(c), ~~[or]~~ (d), or (s), 11.132, 11.133,
16 or 11.134 applicable to a property on January 1 of a year terminated
17 during the year and if the owner of the property qualifies a
18 different property for one of those residence homestead exemptions
19 during the same year, the tax due against the former residence
20 homestead is calculated by:

21 (1) subtracting:

22 (A) the amount of the taxes that otherwise would
23 be imposed on the former residence homestead for the entire year had
24 the owner qualified for the residence homestead exemption for the
25 entire year; from

26 (B) the amount of the taxes that otherwise would
27 be imposed on the former residence homestead for the entire year had

1 the owner not qualified for the residence homestead exemption
2 during the year;

3 (2) multiplying the remainder determined under
4 Subdivision (1) by a fraction, the denominator of which is 365 and
5 the numerator of which is the number of days that elapsed after the
6 date the exemption terminated; and

7 (3) adding the product determined under Subdivision
8 (2) and the amount described by Subdivision (1)(A).

9 SECTION 5. (a) If S.B. 15, Acts of the 85th Legislature,
10 Regular Session, 2017, does not become law, Section 26.112, Tax
11 Code, is amended to read as follows:

12 Sec. 26.112. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF
13 CERTAIN PERSONS. (a) Except as provided by Section 26.10(b), if
14 at any time during a tax year property is owned by an individual who
15 qualifies for an exemption under Section 11.13(c), ~~[or]~~ (d), or (s)
16 or 11.133, the amount of the tax due on the property for the tax year
17 is calculated as if the individual qualified for the exemption on
18 January 1 and continued to qualify for the exemption for the
19 remainder of the tax year.

20 (b) If an individual qualifies for an exemption under
21 Section 11.13(c), ~~[or]~~ (d), or (s) or 11.133 with respect to the
22 property after the amount of the tax due on the property is
23 calculated and the effect of the qualification is to reduce the
24 amount of the tax due on the property, the assessor for each taxing
25 unit shall recalculate the amount of the tax due on the property and
26 correct the tax roll. If the tax bill has been mailed and the tax
27 on the property has not been paid, the assessor shall mail a

1 corrected tax bill to the person in whose name the property is
2 listed on the tax roll or to the person's authorized agent. If the
3 tax on the property has been paid, the tax collector for the taxing
4 unit shall refund to the person who paid the tax the amount by which
5 the payment exceeded the tax due.

6 (b) If S.B. 15, Acts of the 85th Legislature, Regular
7 Session, 2017, becomes law, Section 26.112, Tax Code, as effective
8 January 1, 2018, is amended to read as follows:

9 Sec. 26.112. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF
10 CERTAIN PERSONS. (a) Except as provided by Section 26.10(b), if
11 at any time during a tax year property is owned by an individual who
12 qualifies for an exemption under Section 11.13(c), ~~(d)~~, or
13 (s), 11.133, or 11.134, the amount of the tax due on the property
14 for the tax year is calculated as if the individual qualified for
15 the exemption on January 1 and continued to qualify for the
16 exemption for the remainder of the tax year.

17 (b) If an individual qualifies for an exemption under
18 Section 11.13(c), ~~(d)~~, (s), 11.133, or 11.134 with respect
19 to the property after the amount of the tax due on the property is
20 calculated and the effect of the qualification is to reduce the
21 amount of the tax due on the property, the assessor for each taxing
22 unit shall recalculate the amount of the tax due on the property and
23 correct the tax roll. If the tax bill has been mailed and the tax
24 on the property has not been paid, the assessor shall mail a
25 corrected tax bill to the person in whose name the property is
26 listed on the tax roll or to the person's authorized agent. If the
27 tax on the property has been paid, the tax collector for the taxing

1 unit shall refund to the person who paid the tax the amount by which
2 the payment exceeded the tax due.

3 SECTION 6. Section 33.01(d), Tax Code, is amended to read as
4 follows:

5 (d) In lieu of the penalty imposed under Subsection (a), a
6 delinquent tax incurs a penalty of 50 percent of the amount of the
7 tax without regard to the number of months the tax has been
8 delinquent if the tax is delinquent because the property owner
9 received an exemption under:

10 (1) Section 11.13 and the chief appraiser subsequently
11 cancels the exemption because the residence was not the principal
12 residence of the property owner and the property owner received an
13 exemption for two or more additional residence homesteads for the
14 tax year in which the tax was imposed;

15 (2) Section 11.13(c) or (d) for a person who is 65
16 years of age or older and the chief appraiser subsequently cancels
17 the exemption because the property owner was younger than 65 years
18 of age; ~~or~~

19 (3) Section 11.13(s) for a person who is 75 years of
20 age or older and the chief appraiser subsequently cancels the
21 exemption because the property owner was younger than 75 years of
22 age; or

23 (4) Section 11.13(q) or (t) and the chief appraiser
24 subsequently cancels the exemption because the property owner was
25 younger than 55 years of age when the property owner's spouse died.

26 SECTION 7. Subchapter A, Chapter 41, Education Code, is
27 amended by adding Section 41.0012 to read as follows:

1 Sec. 41.0012. COMPUTATION OF WEALTH PER STUDENT FOR
2 2018-2019 SCHOOL YEAR. Notwithstanding any other provision of this
3 chapter, in computing a school district's wealth per student for
4 the 2018-2019 school year, a school district's taxable value of
5 property under Subchapter M, Chapter 403, Government Code, is
6 determined as if the residence homestead exemption for a person 75
7 years of age or older or the person's surviving spouse under Section
8 1-b(q), Article VIII, Texas Constitution, as proposed by the 85th
9 Legislature, 1st Called Session, 2017, had been in effect for the
10 2017 tax year. This section expires September 1, 2019.

11 SECTION 8. Section 42.2518, Education Code, as effective
12 September 1, 2017, is amended by adding Subsection (a-2) and
13 amending Subsection (b) to read as follows:

14 (a-2) Beginning with the 2018-2019 school year, in addition
15 to state aid a school district is entitled to under Subsection (a),
16 a school district is also entitled to additional state aid to the
17 extent that state and local revenue under this chapter and Chapter
18 41 is less than the state and local revenue that would have been
19 available to the district under Chapter 41 and this chapter as those
20 chapters existed on September 1, 2017, if the residence homestead
21 exemption for a person 75 years of age or older or the person's
22 surviving spouse under Section 1-b(q), Article VIII, Texas
23 Constitution, as proposed by the joint resolution to add that
24 subsection adopted by the 85th Legislature, 1st Called Session,
25 2017, had not been adopted.

26 (b) The lesser of the school district's currently adopted
27 maintenance and operations tax rate or the adopted maintenance and

1 operations tax rate for:

2 (1) the 2014 tax year is used for the purpose of
3 determining additional state aid under Subsection (a); and

4 (2) the 2017 tax year is used for the purpose of
5 determining additional state aid under Subsection (a-2) [~~this~~
6 section].

7 SECTION 9. Section 42.252, Education Code, is amended by
8 adding Subsection (f) to read as follows:

9 (f) Notwithstanding any other provision of this chapter, in
10 computing each school district's local share of program cost under
11 this section for the 2018-2019 school year, a school district's
12 taxable value of property under Subchapter M, Chapter 403,
13 Government Code, is determined as if the residence homestead
14 exemption for a person 75 years of age or older or the person's
15 surviving spouse under Section 1-b(q), Article VIII, Texas
16 Constitution, as proposed by the 85th Legislature, 1st Called
17 Session, 2017, had been in effect for the 2017 tax year. This
18 subsection expires September 1, 2019.

19 SECTION 10. Section 42.302, Education Code, is amended by
20 adding Subsection (h) to read as follows:

21 (h) Notwithstanding any other provision of this chapter, in
22 computing a school district's enrichment tax rate ("DTR") and local
23 revenue ("LR") for the 2018-2019 school year, a school district's
24 taxable value of property under Subchapter M, Chapter 403,
25 Government Code, is determined as if the residence homestead
26 exemption for a person 75 years of age or older or the person's
27 surviving spouse under Section 1-b(q), Article VIII, Texas

1 Constitution, as proposed by the 85th Legislature, 1st Called
2 Session, 2017, had been in effect for the 2017 tax year. This
3 subsection expires September 1, 2019.

4 SECTION 11. Section 44.004(c), Education Code, is amended
5 to read as follows:

6 (c) The notice of public meeting to discuss and adopt the
7 budget and the proposed tax rate may not be smaller than one-quarter
8 page of a standard-size or a tabloid-size newspaper, and the
9 headline on the notice must be in 18-point or larger type. Subject
10 to Subsection (d), the notice must:

11 (1) contain a statement in the following form:

12 "NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE
13 "The (name of school district) will hold a public meeting at
14 (time, date, year) in (name of room, building, physical location,
15 city, state). The purpose of this meeting is to discuss the school
16 district's budget that will determine the tax rate that will be
17 adopted. Public participation in the discussion is invited." The
18 statement of the purpose of the meeting must be in bold type. In
19 reduced type, the notice must state: "The tax rate that is
20 ultimately adopted at this meeting or at a separate meeting at a
21 later date may not exceed the proposed rate shown below unless the
22 district publishes a revised notice containing the same information
23 and comparisons set out below and holds another public meeting to
24 discuss the revised notice.";

25 (2) contain a section entitled "Comparison of Proposed
26 Budget with Last Year's Budget," which must show the difference,
27 expressed as a percent increase or decrease, as applicable, in the

1 amounts budgeted for the preceding fiscal year and the amount
2 budgeted for the fiscal year that begins in the current tax year for
3 each of the following:

4 (A) maintenance and operations;

5 (B) debt service; and

6 (C) total expenditures;

7 (3) contain a section entitled "Total Appraised Value
8 and Total Taxable Value," which must show the total appraised value
9 and the total taxable value of all property and the total appraised
10 value and the total taxable value of new property taxable by the
11 district in the preceding tax year and the current tax year as
12 calculated under Section 26.04, Tax Code;

13 (4) contain a statement of the total amount of the
14 outstanding and unpaid bonded indebtedness of the school district;

15 (5) contain a section entitled "Comparison of Proposed
16 Rates with Last Year's Rates," which must:

17 (A) show in rows the tax rates described by
18 Subparagraphs (i)-(iii), expressed as amounts per \$100 valuation of
19 property, for columns entitled "Maintenance & Operations,"
20 "Interest & Sinking Fund," and "Total," which is the sum of
21 "Maintenance & Operations" and "Interest & Sinking Fund":

22 (i) the school district's "Last Year's
23 Rate";

24 (ii) the "Rate to Maintain Same Level of
25 Maintenance & Operations Revenue & Pay Debt Service," which:

26 (a) in the case of "Maintenance &
27 Operations," is the tax rate that, when applied to the current

1 taxable value for the district, as certified by the chief appraiser
2 under Section 26.01, Tax Code, and as adjusted to reflect changes
3 made by the chief appraiser as of the time the notice is prepared,
4 would impose taxes in an amount that, when added to state funds to
5 be distributed to the district under Chapter 42, would provide the
6 same amount of maintenance and operations taxes and state funds
7 distributed under Chapter 42 per student in average daily
8 attendance for the applicable school year that was available to the
9 district in the preceding school year; and

10 (b) in the case of "Interest & Sinking
11 Fund," is the tax rate that, when applied to the current taxable
12 value for the district, as certified by the chief appraiser under
13 Section 26.01, Tax Code, and as adjusted to reflect changes made by
14 the chief appraiser as of the time the notice is prepared, and when
15 multiplied by the district's anticipated collection rate, would
16 impose taxes in an amount that, when added to state funds to be
17 distributed to the district under Chapter 46 and any excess taxes
18 collected to service the district's debt during the preceding tax
19 year but not used for that purpose during that year, would provide
20 the amount required to service the district's debt; and

21 (iii) the "Proposed Rate";

22 (B) contain fourth and fifth columns aligned with
23 the columns required by Paragraph (A) that show, for each row
24 required by Paragraph (A):

25 (i) the "Local Revenue per Student," which
26 is computed by multiplying the district's total taxable value of
27 property, as certified by the chief appraiser for the applicable

1 school year under Section 26.01, Tax Code, and as adjusted to
2 reflect changes made by the chief appraiser as of the time the
3 notice is prepared, by the total tax rate, and dividing the product
4 by the number of students in average daily attendance in the
5 district for the applicable school year; and

6 (ii) the "State Revenue per Student," which
7 is computed by determining the amount of state aid received or to be
8 received by the district under Chapters 42, 43, and 46 and dividing
9 that amount by the number of students in average daily attendance in
10 the district for the applicable school year; and

11 (C) contain an asterisk after each calculation
12 for "Interest & Sinking Fund" and a footnote to the section that, in
13 reduced type, states "The Interest & Sinking Fund tax revenue is
14 used to pay for bonded indebtedness on construction, equipment, or
15 both. The bonds, and the tax rate necessary to pay those bonds, were
16 approved by the voters of this district.";

17 (6) contain a section entitled "Comparison of Proposed
18 Levy with Last Year's Levy on Average Residence," which must:

19 (A) show in rows the information described by
20 Subparagraphs (i)-(iv), rounded to the nearest dollar, for columns
21 entitled "Last Year" and "This Year":

22 (i) "Average Market Value of Residences,"
23 determined using the same group of residences for each year;

24 (ii) "Average Taxable Value of Residences,"
25 determined after taking into account the limitation on the
26 appraised value of residences under Section 23.23, Tax Code, and
27 after subtracting all homestead exemptions applicable in each year,

1 other than exemptions available only to disabled persons, ~~[or]~~
2 persons 65 years of age or older or their surviving spouses, or
3 persons 75 years of age or older or their surviving spouses, and
4 using the same group of residences for each year;

5 (iii) "Last Year's Rate Versus Proposed
6 Rate per \$100 Value"; and

7 (iv) "Taxes Due on Average Residence,"
8 determined using the same group of residences for each year; and

9 (B) contain the following
10 information: "Increase (Decrease) in Taxes" expressed in dollars
11 and cents, which is computed by subtracting the "Taxes Due on
12 Average Residence" for the preceding tax year from the "Taxes Due on
13 Average Residence" for the current tax year;

14 (7) contain the following statement in bold
15 print: "Under state law, the dollar amount of school taxes imposed
16 on the residence of a person 65 years of age or older or of the
17 surviving spouse of such a person, if the surviving spouse was 55
18 years of age or older when the person died, may not be increased
19 above the amount paid in the first year after the person turned 65,
20 regardless of changes in tax rate or property value.";

21 (8) contain the following statement in bold
22 print: "Notice of Rollback Rate: The highest tax rate the
23 district can adopt before requiring voter approval at an election
24 is (the school district rollback rate determined under Section
25 [26.08](#), Tax Code). This election will be automatically held if the
26 district adopts a rate in excess of the rollback rate of (the school
27 district rollback rate)."; ~~[and]~~

1 (9) contain a section entitled "Fund Balances," which
2 must include the estimated amount of interest and sinking fund
3 balances and the estimated amount of maintenance and operation or
4 general fund balances remaining at the end of the current fiscal
5 year that are not encumbered with or by corresponding debt
6 obligation, less estimated funds necessary for the operation of the
7 district before the receipt of the first payment under Chapter 42 in
8 the succeeding school year; and

9 (10) contain the following statement in bold
10 print: "Under state law, the residence of a person 75 years of age
11 or older or of the surviving spouse of such a person, if the
12 surviving spouse was 55 years of age or older when the person died,
13 is exempt from taxes."

14 SECTION 12. Section 46.003, Education Code, is amended by
15 adding Subsection (j) to read as follows:

16 (j) Notwithstanding any other provision of this chapter, in
17 computing a district's bond tax rate ("BTR") and taxable value of
18 property ("DPV") for the 2018-2019 school year, a school district's
19 taxable value of property under Subchapter M, Chapter 403,
20 Government Code, is determined as if the residence homestead
21 exemption for a person 75 years of age or older or the person's
22 surviving spouse under Section 1-b(q), Article VIII, Texas
23 Constitution, as proposed by the 85th Legislature, 1st Called
24 Session, 2017, had been in effect for the 2017 tax year. This
25 subsection expires September 1, 2019.

26 SECTION 13. Section 46.032, Education Code, is amended by
27 adding Subsection (e) to read as follows:

1 (e) Notwithstanding any other provision of this chapter, in
2 computing a district's existing debt tax rate ("EDTR") and taxable
3 value of property ("DPV") for the 2018-2019 school year, a school
4 district's taxable value of property under Subchapter M, Chapter
5 403, Government Code, is determined as if the residence homestead
6 exemption for a person 75 years of age or older or the person's
7 surviving spouse under Section 1-b(q), Article VIII, Texas
8 Constitution, as proposed by the 85th Legislature, 1st Called
9 Session, 2017, had been in effect for the 2017 tax year. This
10 subsection expires September 1, 2019.

11 SECTION 14. Section 46.071, Education Code, is amended by
12 adding Subsection (a-2) and amending Subsections (b) and (c) to
13 read as follows:

14 (a-2) Beginning with the 2018-2019 school year, in addition
15 to state aid a school district is entitled to under Subsection (a),
16 a school district is also entitled to additional state aid under
17 this subchapter to the extent that state and local revenue used to
18 service debt eligible under this chapter is less than the state and
19 local revenue that would have been available to the district under
20 this chapter as it existed on September 1, 2017, if the residence
21 homestead exemption for a person 75 years of age or older or the
22 person's surviving spouse under Section 1-b(q), Article VIII, Texas
23 Constitution, as proposed by the 85th Legislature, 1st Called
24 Session, 2017, had not been adopted.

25 (b) Subject to Subsections (c)-(e), additional state aid
26 under this section is equal to the amount by which the loss of local
27 interest and sinking revenue for debt service attributable to the

1 increase in the residence homestead exemption under Section 1-b(c),
2 Article VIII, Texas Constitution, and the additional limitation on
3 tax increases under Section 1-b(d) of that article as proposed by
4 S.J.R. 1, 84th Legislature, Regular Session, 2015, and the
5 residence homestead exemption under Section 1-b(g), Article VIII,
6 Texas Constitution, as proposed by the 85th Legislature, 1st Called
7 Session, 2017, is not offset by a gain in state aid under this
8 chapter.

9 (c) For the purpose of determining state aid under
10 Subsection (a) or (a-2) [~~this section~~], local interest and sinking
11 revenue for debt service is limited to revenue required to service
12 debt eligible under this chapter as of September 1, 2015, or as of
13 September 1, 2017, respectively, including refunding of the
14 applicable [~~that~~] debt, subject to Section 46.061. The limitation
15 imposed by Section 46.034(a) does not apply for the purpose of
16 determining state aid under Subsection (a) or (a-2) [~~this section~~].

17 SECTION 15. (a) If S.B. 15, Acts of the 85th Legislature,
18 Regular Session, 2017, does not become law, Section 403.302(d-1),
19 Government Code, is amended to read as follows:

20 (d-1) For purposes of Subsection (d), a residence homestead
21 that receives an exemption under Section 11.13(s) or (t), 11.131,
22 or 11.133, Tax Code, in the year that is the subject of the study is
23 not considered to be taxable property.

24 (b) If S.B. 15, Acts of the 85th Legislature, Regular
25 Session, 2017, becomes law, Section 403.302(d-1), Government Code,
26 as effective January 1, 2018, is amended to read as follows:

27 (d-1) For purposes of Subsection (d), a residence homestead

1 that receives an exemption under Section 11.13(s) or (t), 11.131,
2 11.133, or 11.134, Tax Code, in the year that is the subject of the
3 study is not considered to be taxable property.

4 SECTION 16. The exemptions from ad valorem taxation of a
5 residence homestead authorized by Sections 11.13(s) and (t), Tax
6 Code, as added by this Act, apply only to taxes imposed beginning
7 with the 2018 tax year.

8 SECTION 17. This Act takes effect January 1, 2018, but only
9 if the constitutional amendment proposed by the 85th Legislature,
10 1st Called Session, 2017, to exempt from ad valorem taxation the
11 total market value of the residence homesteads of certain elderly
12 persons and their surviving spouses is approved by the voters. If
13 that constitutional amendment is not approved by the voters, this
14 Act has no effect.