

By: Shine

H.B. No. 119

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the authority of the governing body of a taxing unit
3 other than a school district to adopt an 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 and the
6 authority of the governing body of certain taxing units that have
7 adopted such an exemption to reduce the amount of or repeal certain
8 other exemptions.

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

10 SECTION 1. Section 11.13, Tax Code, is amended by amending
11 Subsection (i) and adding Subsections (n-2), (s), and (t) to read as
12 follows:

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

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

20 (2) granting the exemption would impair the obligation
21 of the contract creating the debt.

22 (n-2) Notwithstanding Subsection (n-1), the governing body
23 of a municipality or county that adopted an exemption under
24 Subsection (n) for the 2014 tax year may repeal the exemption if the

1 governing body adopts an exemption under Subsection (s) in an
2 amount greater than \$5,000. This subsection expires December 31,
3 2019.

4 (s) In addition to any other exemptions provided by this
5 section, an individual is entitled to an exemption from taxation by
6 a taxing unit other than a school district of a portion of the
7 appraised value of the individual's residence homestead if the
8 exemption is adopted by the governing body of the taxing unit before
9 July 1 in the manner provided by law for official action by the
10 body. The amount of the exemption is \$5,000 of the appraised value
11 of the residence homestead, except that if the average market value
12 of residence homesteads in the taxing unit in the tax year in which
13 the exemption is adopted exceeds \$25,000, as calculated based on
14 the appraisal records prepared by the chief appraiser of each
15 appraisal district in which the taxing unit participates, the
16 governing body may authorize an exemption in a larger dollar amount
17 not to exceed an amount equal to 20 percent of the average market
18 value of residence homesteads in the taxing unit in the tax year in
19 which the exemption is adopted.

20 (t) This subsection applies only to a taxing unit the
21 governing body of which has ceased granting an exemption under
22 Subsection (n) and has adopted an exemption under Subsection (s).
23 An individual who would have been entitled to an exemption from
24 taxation by the taxing unit under Subsection (n) had the governing
25 body not ceased granting an exemption under that subsection is
26 entitled to continue to receive an exemption under that subsection
27 in lieu of the exemption under Subsection (s) if the individual

1 otherwise qualifies for the exemption under Subsection (n) and the
2 amount of the exemption under that subsection exceeds the amount of
3 the exemption under Subsection (s). The exemption applies only to
4 property for which the individual received an exemption under
5 Subsection (n) in the last year in which the governing body granted
6 an exemption under that subsection. The exemption expires in the
7 event of a change in ownership of the property or, if the property
8 is owned by a qualifying trust and the trustor of the trust or a
9 beneficiary of the trust has the right to use and occupy the
10 property as the trustor's or beneficiary's principal residential
11 property, there is a change in the trustor or beneficiary of the
12 trust, respectively.

13 SECTION 2. Section 25.23(a), Tax Code, is amended to read as
14 follows:

15 (a) After submission of appraisal records, the chief
16 appraiser shall prepare supplemental appraisal records listing:

17 (1) each taxable property the chief appraiser
18 discovers that is not included in the records already submitted,
19 including property that was omitted from an appraisal roll in a
20 prior tax year;

21 (2) property on which the appraisal review board has
22 not determined a protest at the time of its approval of the
23 appraisal records; and

24 (3) property that qualifies for an exemption under
25 Section 11.13(n) or (s) that was adopted by the governing body of a
26 taxing unit after the date the appraisal records were submitted.

27 SECTION 3. This Act applies only to ad valorem taxes imposed

1 for a tax year that begins on or after the effective date of this
2 Act.

3 SECTION 4. This Act takes effect January 1, 2018, but only
4 if the constitutional amendment proposed by the 85th Legislature,
5 1st Called Session, 2017, authorizing the governing body of a
6 political subdivision other than a school district to adopt an
7 exemption from ad valorem taxation of a portion, expressed as a
8 dollar amount, of the market value of an individual's residence
9 homestead and authorizing the legislature to prohibit the governing
10 body of a political subdivision that adopts such an exemption from
11 reducing the amount of or repealing the exemption is approved by the
12 voters. If that amendment is not approved by the voters, this Act
13 has no effect.