

By: Thierry

H.B. No. 2887

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from ad valorem taxation of a portion of the appraised value of the residence homestead of a veteran of the United States armed services who served in the armed services for a certain period.

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

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

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

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

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

(s) In addition to any other exemptions provided by this section, a veteran of the United States armed services who served in the armed services for at least three years is entitled to an exemption from taxation of \$5,000 of the appraised value of the veteran's residence homestead.

SECTION 2. Section 403.302(d), Government Code, is amended to read as follows:

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

(1) the total dollar amount of any residence homestead exemptions lawfully granted under Section 11.13(b), ~~or~~ (c), or (s), Tax Code, in the year that is the subject of the study for each school district;

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

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

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

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

(B) generates taxes paid into a tax increment

1 fund created under Chapter 311, Tax Code, under a reinvestment zone
2 financing plan approved under Section 311.011(d), Tax Code, on or
3 before September 1, 1999; and

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

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

8 (A) is within a reinvestment zone:

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

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

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

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

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

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

1 (8) the portion of the appraised value of residence
2 homesteads of individuals who receive a tax limitation under
3 Section 11.26, Tax Code, on which school district taxes are not
4 imposed in the year that is the subject of the study, calculated as
5 if the residence homesteads were appraised at the full value
6 required by law;

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

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

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

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

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

26 (12) the portion of the appraised value of property
27 the collection of delinquent taxes on which is deferred under

1 Section 33.065, Tax Code; and

2 (13) the amount by which the market value of a
3 residence homestead to which Section 23.23, Tax Code, applies
4 exceeds the appraised value of that property as calculated under
5 that section.

6 SECTION 3. Section 11.13(s), Tax Code, as added by this Act,
7 applies only to ad valorem taxes imposed for a tax year beginning on
8 or after January 1, 2018.

9 SECTION 4. This Act takes effect January 1, 2018, but only
10 if the constitutional amendment proposed by the 85th Legislature,
11 Regular Session, 2017, authorizing the legislature to exempt from
12 ad valorem taxation a portion of the assessed value of the residence
13 homestead of a veteran of the United States armed services who
14 served in the armed services for a certain period is approved by the
15 voters. If that constitutional amendment is not approved by the
16 voters, this Act has no effect.