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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. \_\_\_\_\_

BY: Capriglione

1 Amend C.S.H.B. No. 2 (house committee report) by adding the  
2 following appropriately numbered SECTION to the bill and  
3 renumbering SECTIONS of the bill accordingly:

4 SECTION \_\_\_\_\_. (a) Section 11.13(n), Tax Code, is amended to  
5 read as follows:

6 (n) In addition to any other exemptions provided by this  
7 section, an individual is entitled to an exemption from taxation by  
8 a taxing unit of a percentage of the appraised value of the  
9 individual's [his] residence homestead if the exemption is adopted  
10 by the governing body of the taxing unit before July 1 in the manner  
11 provided by law for official action by the body. If the percentage  
12 set by the taxing unit produces an exemption in a tax year of less  
13 than \$5,000, or of a greater dollar amount not to exceed \$25,000  
14 adopted by the governing body before July 1 of that tax year in the  
15 manner provided by law for official action by the body, when applied  
16 to a particular residence homestead, the individual is entitled to  
17 an exemption of \$5,000 or, if applicable, of the greater dollar  
18 amount adopted by the governing body, of the appraised value. The  
19 percentage adopted by the taxing unit may not exceed 30 [20]  
20 percent.

21 (b) Chapter 26, Tax Code, is amended by adding Section  
22 26.0442 to read as follows:

23 Sec. 26.0442. TAX RATE ADJUSTMENT FOR LOCAL OPTION  
24 RESIDENCE HOMESTEAD EXEMPTION EXPENDITURES. (a) In this section,  
25 "local option residence homestead exemption expenditures" means  
26 the amount of tax revenue that the taxing unit lost for the  
27 preceding tax year as the result of the granting of local option  
28 residence homestead exemptions under Section 11.13(n), calculated  
29 by multiplying the adopted tax rate of the taxing unit for the

1 preceding tax year by the difference between the total appraised  
2 value and the total taxable value for the preceding tax year of all  
3 property located in the taxing unit that qualified for a residence  
4 homestead exemption under Section 11.13(n) for that tax year.

5 (b) If a taxing unit's local option residence homestead  
6 exemption expenditures exceed the amount of those expenditures for  
7 the preceding tax year, the no-new-revenue maintenance and  
8 operations rate for the taxing unit is increased by the rate  
9 computed according to the following formula:

10 (Current Tax Year's Local Option Residence Homestead  
11 Exemption Expenditures - Preceding Tax Year's Local  
12 Option Residence Homestead Exemption Expenditures) /  
13 (Current Total Value - New Property Value)

14 (c) The taxing unit shall include a notice of the increase  
15 in the no-new-revenue maintenance and operations rate provided by  
16 this section, including a description and the amount of the local  
17 option residence homestead exemption expenditures, in the  
18 information published under Section 26.04(e) and, as applicable, in  
19 the notice prescribed by Section 26.06 or 26.061.

20 (c) Section 11.13(n), Tax Code, as amended by this section,  
21 applies only to ad valorem taxes imposed for a tax year that begins  
22 on or after the effective date of this section.

23 (d) This section takes effect January 1, 2020, but only if  
24 the constitutional amendment proposed by the 86th Legislature,  
25 Regular Session, 2019, to increase the maximum amount of the local  
26 option residence homestead exemption from ad valorem taxation by a  
27 political subdivision from 20 percent to 30 percent and to  
28 authorize the governing body of a political subdivision that adopts  
29 the exemption to set the minimum dollar amount of the exemption to  
30 which an individual is entitled in a tax year is approved by the  
31 voters. If that amendment is not approved by the voters, this

1 section has no effect.