

By: Stephenson

H.B. No. 3829

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the adjustment of the limitation on the amount of ad  
3 valorem taxes imposed by a school district on the residence  
4 homestead of an elderly or disabled person if the school district  
5 adopts, changes the amount of, or rescinds a local option residence  
6 homestead exemption.

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

8 SECTION 1. Section 11.26, Tax Code, is amended by adding  
9 Subsections (a-4), (a-5), (a-6), and (a-7) to read as follows:

10 (a-4) Notwithstanding the other provisions of this section,  
11 if in the 2020 tax year or a subsequent tax year a school district  
12 adopts an exemption under Section 11.13(n) for the first time, the  
13 amount of the limitation on tax increases provided by this section  
14 on the residence homestead of an individual who qualifies for the  
15 limitation and who qualified for an exemption under Section  
16 11.13(c) for that homestead for the preceding tax year is, for the  
17 tax year in which the exemption is adopted, equal to the amount  
18 computed by:

19 (1) multiplying the dollar amount of the appraised  
20 value of the homestead exempted under Section 11.13(n) by the tax  
21 rate of the district for the current tax year;

22 (2) subtracting the amount computed under Subdivision  
23 (1) from the amount of tax the district imposed on the homestead in  
24 the preceding tax year; and

1           (3) adding to the amount computed under Subdivision  
2 (2) any tax imposed by the district on the homestead in the current  
3 tax year attributable to improvements made in the preceding tax  
4 year, as provided by Subsection (b).

5           (a-5) Except as provided by Subsections (a-6) and (b), a  
6 limitation on tax increases provided by this section on a residence  
7 homestead computed under Subsection (a-4) continues to apply to the  
8 homestead in subsequent tax years until the limitation expires.

9           (a-6) Notwithstanding the other provisions of this section,  
10 if a school district increases, decreases, or rescinds an exemption  
11 under Section 11.13(n) that the district adopted for the first time  
12 in the 2020 tax year or a subsequent tax year, the amount of the  
13 limitation on tax increases provided by this section on the  
14 residence homestead of an individual who qualifies for the  
15 limitation and who qualified for an exemption under Section  
16 11.13(c) for that homestead for the preceding tax year is, for the  
17 tax year in which the exemption is increased, decreased, or  
18 rescinded, equal to the amount computed by:

19           (1) multiplying the change, expressed as a positive  
20 amount, in the dollar amount of the appraised value of the homestead  
21 exempted under Section 11.13(n) as a result of the increase,  
22 decrease, or rescission of that exemption by the tax rate of the  
23 district for the current tax year;

24           (2) subtracting the amount computed under Subdivision  
25 (1) from, or adding the amount computed under that subdivision to,  
26 as applicable, the amount of tax the district imposed on the  
27 homestead in the preceding tax year; and

1           (3) adding to the amount computed under Subdivision  
2 (2) any tax imposed by the district on the homestead in the current  
3 tax year attributable to improvements made in the preceding tax  
4 year, as provided by Subsection (b).

5           (a-7) Except as provided by Subsection (b), a limitation on  
6 tax increases provided by this section on a residence homestead  
7 computed under Subsection (a-6) continues to apply to the homestead  
8 in subsequent tax years until the limitation expires.

9           SECTION 2. The changes in law made by this Act apply only to  
10 an ad valorem tax year that begins on or after January 1, 2020.

11           SECTION 3. This Act takes effect January 1, 2020, but only  
12 if the constitutional amendment proposed by the 86th Legislature,  
13 Regular Session, 2019, authorizing the legislature to provide for  
14 the adjustment of the limitation on the amount of ad valorem taxes  
15 imposed by a school district on the residence homestead of an  
16 elderly or disabled person if the school district adopts, changes  
17 the amount of, or rescinds a local option residence homestead  
18 exemption is approved by the voters. If that constitutional  
19 amendment is not approved by the voters, this Act has no effect.