87S20016 TJB/MEW-D

By:  Bettencourt S.B. No. 8

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a person who acquires a residence homestead to receive an ad valorem tax exemption for the homestead in the year in which the property is acquired and to the protection of school districts against the resulting loss in revenue.

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

SECTION 1.  Section 11.42, Tax Code, is amended by adding Subsection (f) to read as follows:

(f)  A person who acquires property after January 1 of a tax year may receive an exemption authorized by Section 11.13, other than an exemption authorized by Section 11.13(c) or (d), for the applicable portion of that tax year immediately on qualification for the exemption if the preceding owner did not receive the same exemption for that tax year.

SECTION 2.  Section 11.43(d), Tax Code, is amended to read as follows:

(d)  To receive an exemption the eligibility for which is determined by the claimant's qualifications on January 1 of the tax year, a person required to claim an exemption must file a completed exemption application form before May 1 and must furnish the information required by the form. A person who after January 1 of a tax year acquires property that qualifies for an exemption covered by Section 11.42(d) or (f) must apply for the exemption for the applicable portion of that tax year before the first anniversary of the date the person acquires the property. For good cause shown the chief appraiser may extend the deadline for filing an exemption application by written order for a single period not to exceed 60 days.

SECTION 3.  Section 23.23, Tax Code, is amended by adding Subsection (c-1) to read as follows:

(c-1)  For purposes of Subsection (c), an owner who receives an exemption as provided by Section 11.42(f) is considered to have qualified the property for the exemption as of January 1 of the tax year following the tax year in which the owner acquired the property.

SECTION 4.  Chapter 26, Tax Code, is amended by adding Section 26.1115 to read as follows:

Sec. 26.1115.  CALCULATION OF TAXES ON RESIDENCE HOMESTEAD GENERALLY. (a) If an individual receives one or more exemptions under Section 11.13 for a portion of a tax year as provided by Section 11.42(f), except as provided by Subsection (b) of this section, the amount of tax due on the property for that year is calculated by:

(1)  subtracting:

(A)  the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual qualified for the exemptions for the entire year; from

(B)  the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual not qualified for the exemptions during the year;

(2)  multiplying the remainder determined under Subdivision (1) by a fraction, the denominator of which is 365 and the numerator of which is the number of days in that year that elapsed before the date the individual first qualified the property for the exemptions; and

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

(b)  If an individual receives one or more exemptions to which Subsection (a) of this section applies for a portion of a tax year as provided by Section 11.42(f) and the exemptions terminate during the year in which the individual acquired the property, the amount of tax due on the property for that year is calculated by:

(1)  subtracting:

(A)  the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual qualified for the exemptions for the entire year; from

(B)  the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual not qualified for the exemptions during the year;

(2)  multiplying the remainder determined under Subdivision (1) by a fraction, the denominator of which is 365 and the numerator of which is the sum of:

(A)  the number of days in that year that elapsed before the date the individual first qualified the property for the exemptions; and

(B)  the number of days in that year that elapsed after the date the exemptions terminated; and

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

(c)  If an individual qualifies to receive an exemption as described by Subsection (a) with respect to a property after the amount of tax due on the property is calculated and if the effect of the qualification is to reduce the amount of tax due on the property, the assessor for each taxing unit shall recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall mail a corrected tax bill to the individual in whose name the property is listed on the tax roll or to the individual's authorized agent. If the tax on the property has been paid, the collector for the taxing unit shall refund to the individual who paid the tax the amount by which the payment exceeded the tax due.

SECTION 5.  Section 39.082, Education Code, is amended by adding Subsection (c-1) to read as follows:

(c-1)  The system may not include an indicator under Subsection (b) or any other performance measure that penalizes a school district for failure to collect the amount of taxes equal to the total amount of tax refunds provided under Section 26.1115(c), Tax Code.

SECTION 6.  Section 48.202, Education Code, is amended by adding Subsection (e-1) to read as follows:

(e-1)  For purposes of this section, the total amount of maintenance and operations taxes collected by a school district includes the amount of taxes refunded under Section 26.1115(c), Tax Code.

SECTION 7.  Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.2541 to read as follows:

Sec. 48.2541.  ADDITIONAL STATE AID FOR CERTAIN AD VALOREM TAX REFUNDS. For each school year, a school district, including a school district that is otherwise ineligible for state aid under this chapter, is entitled to state aid in an amount equal to the amount of all tax refunds provided under Section 26.1115(c), Tax Code.

SECTION 8.  This Act applies only to a residence homestead acquired on or after the effective date of this Act.

SECTION 9.  This Act takes effect January 1, 2022.