

By: Hall

S.B. No. 24

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the calculation of a limitation on the total amount of
3 ad valorem taxes that may be imposed by certain taxing units on the
4 residence homestead of an individual who is elderly or disabled.

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

6 SECTION 1. Sections 11.26(a) and (g), Tax Code, are amended
7 to read as follows:

8 (a) The tax officials shall appraise ~~the~~ property to which
9 this section applies and calculate taxes as on other property, but
10 if the tax so calculated exceeds the limitation imposed by this
11 section, the tax imposed is the amount of the tax as limited by this
12 section, except as otherwise provided by this section. A school
13 district may not increase the total annual amount of ad valorem tax
14 it imposes on the residence homestead of an individual 65 years of
15 age or older or on the residence homestead of an individual who is
16 disabled, as defined by Section 11.13, above the amount of the tax
17 it imposed in the first tax year in which the individual qualified
18 that residence homestead for the applicable exemption provided by
19 Section 11.13(c) for an individual who is 65 years of age or older
20 or is disabled. If the individual qualified that residence
21 homestead for the exemption after the beginning of that first year
22 and the residence homestead remains eligible for the same exemption
23 for the next year, and if the school district taxes imposed on the
24 residence homestead in the next year are less than the amount of

1 taxes imposed in that first year, a school district may not
2 subsequently increase the total annual amount of ad valorem taxes
3 it imposes on the residence homestead above the amount it imposed in
4 the year immediately following the first year for which the
5 individual qualified that residence homestead for the same
6 exemption~~[, except as provided by Subsection (b)]~~. If the first tax
7 year the individual qualified the residence homestead for the
8 exemption provided by Section 11.13(c) for individuals 65 years of
9 age or older or disabled was a tax year before the 2022 ~~[2015]~~ tax
10 year, the amount of the limitation provided by this section is the
11 amount of tax the school district imposed for the 2022 ~~[2014]~~ tax
12 year ~~[less an amount equal to the amount determined by multiplying~~
13 ~~\$10,000 times the tax rate of the school district for the 2015 tax~~
14 ~~year, plus any 2015 tax attributable to improvements made in 2014,~~
15 ~~other than improvements made to comply with governmental~~
16 ~~regulations or repairs]~~.

17 (g) If ~~[Except as provided by Subsection (b), if]~~ an
18 individual who receives a limitation on tax increases imposed by
19 this section, including a surviving spouse who receives a
20 limitation under Subsection (i), subsequently qualifies a
21 different residence homestead for the same exemption under Section
22 11.13, a school district may not impose ad valorem taxes on the
23 subsequently qualified homestead in a year in an amount that
24 exceeds the amount of taxes the school district would have imposed
25 on the subsequently qualified homestead in the first year in which
26 the individual receives that same exemption for the subsequently
27 qualified homestead had the limitation on tax increases imposed by

1 this section not been in effect, multiplied by a fraction the
2 numerator of which is the total amount of school district taxes
3 imposed on the former homestead in the last year in which the
4 individual received that same exemption for the former homestead
5 and the denominator of which is the total amount of school district
6 taxes that would have been imposed on the former homestead in the
7 last year in which the individual received that same exemption for
8 the former homestead had the limitation on tax increases imposed by
9 this section not been in effect.

10 SECTION 2. Sections 11.261(b) and (g), Tax Code, are
11 amended to read as follows:

12 (b) The tax officials shall appraise ~~the~~ property to which
13 the limitation applies and calculate taxes as on other property,
14 but if the tax so calculated exceeds the limitation provided by this
15 section, the tax imposed is the amount of the tax as limited by this
16 section, except as otherwise provided by this section. The county,
17 municipality, or junior college district may not increase the total
18 annual amount of ad valorem taxes the county, municipality, or
19 junior college district imposes on the residence homestead of a
20 disabled individual or an individual 65 years of age or older above
21 the amount of the taxes the county, municipality, or junior college
22 district imposed on the residence homestead in the first tax year,
23 other than a tax year preceding the tax year in which the county,
24 municipality, or junior college district established the
25 limitation described by Subsection (a), in which the individual
26 qualified that residence homestead for the exemption provided by
27 Section 11.13(c) for a disabled individual or an individual 65

1 years of age or older. If the individual qualified that residence
2 homestead for the exemption after the beginning of that first year
3 and the residence homestead remains eligible for the exemption for
4 the next year, and if the county, municipal, or junior college
5 district taxes imposed on the residence homestead in the next year
6 are less than the amount of taxes imposed in that first year, a
7 county, municipality, or junior college district may not
8 subsequently increase the total annual amount of ad valorem taxes
9 it imposes on the residence homestead above the amount it imposed on
10 the residence homestead in the year immediately following the first
11 year, other than a tax year preceding the tax year in which the
12 county, municipality, or junior college district established the
13 limitation described by Subsection (a), for which the individual
14 qualified that residence homestead for the exemption. If the first
15 tax year the individual qualified the residence homestead for the
16 exemption provided by Section 11.13(c) for an individual who is 65
17 years of age or older or who is disabled was a tax year before the
18 2022 tax year, the amount of the limitation provided by this section
19 is the amount of tax the county, municipality, or junior college
20 district imposed for the 2022 tax year.

21 (g) If [~~Except as provided by Subsection (c), if~~] an
22 individual who receives a limitation on county, municipal, or
23 junior college district tax increases provided by this section
24 subsequently qualifies a different residence homestead in the same
25 county, municipality, or junior college district for an exemption
26 under Section 11.13, the county, municipality, or junior college
27 district may not impose ad valorem taxes on the subsequently

1 qualified homestead in a year in an amount that exceeds the amount
2 of taxes the county, municipality, or junior college district would
3 have imposed on the subsequently qualified homestead in the first
4 year in which the individual receives that exemption for the
5 subsequently qualified homestead had the limitation on tax
6 increases provided by this section not been in effect, multiplied
7 by a fraction the numerator of which is the total amount of taxes
8 the county, municipality, or junior college district imposed on the
9 former homestead in the last year in which the individual received
10 that exemption for the former homestead and the denominator of
11 which is the total amount of taxes the county, municipality, or
12 junior college district would have imposed on the former homestead
13 in the last year in which the individual received that exemption for
14 the former homestead had the limitation on tax increases provided
15 by this section not been in effect.

16 SECTION 3. The following provisions of the Tax Code are
17 repealed:

18 (1) Sections 11.26(a-1), (a-2), (a-3), (b), and (o);
19 and

20 (2) Sections 11.261(c) and (m).

21 SECTION 4. The changes in law made by this Act apply only to
22 ad valorem taxes imposed for a tax year that begins on or after the
23 effective date of this Act.

24 SECTION 5. This Act takes effect January 1, 2023, but only
25 if the constitutional amendment proposed by the 87th Legislature,
26 2nd Called Session, 2021, relating to the calculation of a
27 limitation on the total amount of ad valorem taxes that may be

1 imposed by certain political subdivisions on the residence
2 homestead of a person who is elderly or disabled is approved by the
3 voters. If that amendment is not approved by the voters, this Act
4 has no effect.