

By: Shine

H.B. No. 993

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the establishment of a limitation on the total amount of
3 ad valorem taxes that certain taxing units may impose on the
4 residence homesteads of individuals who are disabled or elderly and
5 their surviving spouses.

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

7 SECTION 1. Sections 11.261(b), (d), (e), (f), (g), (i),
8 (j), and (l), Tax Code, are amended to read as follows:

9 (b) The tax officials shall appraise the property to which
10 this section [~~the limitation~~] applies and calculate taxes as on
11 other property, but if the tax so calculated exceeds the limitation
12 required [~~provided~~] by this section, the tax imposed is the amount
13 of the tax as limited by this section, except as otherwise provided
14 by this section. A [~~The~~] county, municipality, or junior college
15 district may not increase the total annual amount of ad valorem
16 taxes the county, municipality, or junior college district imposes
17 on the residence homestead of an individual who is [~~a~~] disabled
18 [~~individual~~] or is [~~an individual~~] 65 years of age or older above
19 the amount of the taxes the county, municipality, or junior college
20 district imposed on the residence homestead in the first tax year [~~7~~
21 ~~other than a tax year preceding the tax year in which the county,~~
22 ~~municipality, or junior college district established the~~
23 ~~limitation described by Subsection (a),~~] in which the individual
24 qualified that residence homestead for the exemption provided by

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

17 (d) The [~~A~~] limitation on county, municipal, or junior
18 college district tax increases required [~~provided~~] by this section
19 expires if on January 1:

20 (1) none of the owners of the structure who qualify for
21 the exemption provided by Section 11.13(c) for an individual who is
22 [~~a~~] disabled [~~individual~~] or is [~~an individual~~] 65 years of age or
23 older and who owned the structure when the limitation [~~provided by~~
24 ~~this section~~] first took effect is using the structure as a
25 residence homestead; or

26 (2) none of the owners of the structure qualifies for
27 the exemption provided by Section 11.13(c) for an individual who is

1 ~~[a]~~ disabled ~~[individual]~~ or is ~~[an individual]~~ 65 years of age or
2 older.

3 (e) If the appraisal roll provides for taxation of appraised
4 value for a prior year because a residence homestead exemption for
5 an individual who is disabled ~~[individuals]~~ or is ~~[individuals]~~ 65
6 years of age or older was erroneously allowed, the tax assessor for
7 the applicable county, municipality, or junior college district
8 shall add, as back taxes due as provided by Section 26.09(d), the
9 positive difference, if any, between the tax that should have been
10 imposed for that year and the tax that was imposed because of the
11 provisions of this section.

12 (f) The ~~[A]~~ limitation on tax increases required ~~[provided]~~
13 by this section does not expire because the owner of an interest in
14 the structure conveys the interest to a qualifying trust as defined
15 by Section 11.13(j) if the owner or the owner's spouse is a trustor
16 of the trust and is entitled to occupy the structure.

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

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

12 (i) If an individual who qualifies for the [~~a~~] limitation on
13 county, municipal, or junior college district tax increases under
14 this section dies, the surviving spouse of the individual is
15 entitled to the limitation on taxes imposed by the county,
16 municipality, or junior college district on the residence homestead
17 of the individual if:

18 (1) the surviving spouse is disabled or is 55 years of
19 age or older when the individual dies; and

20 (2) the residence homestead of the individual:

21 (A) is the residence homestead of the surviving
22 spouse on the date that the individual dies; and

23 (B) remains the residence homestead of the
24 surviving spouse.

25 (j) If an individual who is 65 years of age or older and
26 qualifies for the [~~a~~] limitation on county, municipal, or junior
27 college district tax increases for the elderly under this section

1 dies in the first year in which the individual qualified for the
2 limitation and the individual first qualified for the limitation
3 after the beginning of that year, except as provided by Subsection
4 (k), the amount to which the surviving spouse's county, municipal,
5 or junior college district taxes are limited under Subsection (i)
6 is the amount of taxes imposed by the county, municipality, or
7 junior college district, as applicable, on the residence homestead
8 in that year determined as if the individual qualifying for the
9 exemption had lived for the entire year.

10 (1) Notwithstanding Subsection (d), the ~~[a]~~ limitation on
11 county, municipal, or junior college district tax increases
12 required ~~[provided]~~ by this section does not expire if the owner of
13 the structure qualifies for an exemption under Section 11.13 under
14 the circumstances described by Section 11.135(a).

15 SECTION 2. Section 11.261(a), Tax Code, is repealed.

16 SECTION 3. This Act applies only to ad valorem taxes imposed
17 for a tax year beginning on or after the effective date of this Act.

18 SECTION 4. This Act takes effect January 1, 2022, but only
19 if the constitutional amendment to establish a limitation on the
20 total amount of ad valorem taxes that certain political
21 subdivisions may impose on the residence homesteads of persons who
22 are disabled or elderly and their surviving spouses is approved by
23 the voters. If that amendment is not approved by the voters, this
24 Act has no effect.