

By: Stephenson

H.B. No. 4317

A BILL TO BE ENTITLED

AN ACT

1
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 2022 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 2022 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, 2022.

11 SECTION 3. This Act takes effect January 1, 2022, but only
12 if the constitutional amendment proposed by the 87th Legislature,
13 Regular Session, 2021, 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.