

By: Eckhardt

S.B. No. 887

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of the governing body of a taxing unit to
3 adopt a local option residence homestead exemption from ad valorem
4 taxation of a percentage or a portion, expressed as a dollar amount,
5 of the appraised value of an individual's residence homestead.

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

7 SECTION 1. Section 11.13(n), Tax Code, is amended to read as
8 follows:

9 (n) The ~~[In addition to any other exemptions provided by~~
10 ~~this section, an individual is entitled to an exemption from~~
11 ~~taxation by a taxing unit of a percentage of the appraised value of~~
12 ~~his residence homestead if the exemption is adopted by the]~~
13 governing body of a a ~~[the]~~ taxing unit, ~~[before July 1]~~ in the manner
14 provided by law for official action by the body, may adopt an
15 exemption from taxation by the taxing unit of either a percentage of
16 the appraised value of an individual's residence homestead or a
17 portion, expressed as a dollar amount, of the appraised value of an
18 individual's residence homestead, but not both. The exemption must
19 be adopted by the governing body before July 1 of the tax year in
20 which the exemption applies. If the governing body adopts a
21 percentage exemption and the percentage set by the body ~~[taxing~~
22 ~~unit]~~ produces an exemption in a tax year of less than \$5,000 when
23 applied to a particular residence homestead, the individual is
24 entitled to an exemption of \$5,000 of the appraised value. A ~~[The]~~

1 percentage exemption adopted by the governing body [~~taxing unit~~]
2 may not exceed 20 percent. If the governing body adopts an
3 exemption of a portion, expressed as a dollar amount, of the
4 appraised value of a residence homestead, the amount of the
5 exemption in a tax year may not be less than \$5,000. An individual
6 is entitled to an exemption adopted under this subsection in
7 addition to any other exemptions provided by this section.

8 SECTION 2. This Act applies only to ad valorem taxes imposed
9 for a tax year that begins on or after the effective date of this
10 Act.

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 governing body of a
14 political subdivision to adopt a residence homestead exemption from
15 ad valorem taxation of either a percentage or a portion, expressed
16 as a dollar amount, of the market value of an individual's residence
17 homestead is approved by the voters. If that amendment is not
18 approved by the voters, this Act has no effect.