

By: Dean

H.B. No. 3212

A BILL TO BE ENTITLED

AN ACT

1
2 relating to providing for a reduction of the appraised value of a
3 residence homestead for ad valorem tax purposes for the first tax
4 year in which the owner qualifies the property for a residence
5 homestead exemption based on the amount by which the limitation on
6 increases in the appraised value of a residence homestead reduced
7 the appraised value of the owner's former residence homestead for
8 the last tax year in which the owner qualified the former residence
9 homestead for a residence homestead exemption.

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

11 SECTION 1. Section 23.23, Tax Code, is amended by adding
12 Subsections (h), (i), and (j) to read as follows:

13 (h) The owner of a residence homestead who receives a
14 limitation provided by Subsection (a) on the owner's residence
15 homestead and who subsequently qualifies a different property as
16 the owner's residence homestead is entitled to a reduction in the
17 appraised value of the subsequently qualified homestead for the
18 first tax year in which the owner qualifies the subsequently
19 qualified homestead for an exemption under Section 11.13 in an
20 amount equal to the lesser of:

21 (1) the positive difference between the market value
22 and the appraised value of the former residence homestead for the
23 last tax year in which the owner qualified the former homestead for
24 an exemption under Section 11.13; or

1 (2) \$500,000.

2 (i) An owner of a residence homestead who receives a
3 limitation provided by Subsection (a) on the owner's residence
4 homestead and who subsequently qualifies a different property in a
5 different appraisal district as the owner's residence homestead is
6 entitled to receive from the chief appraiser of the appraisal
7 district in which the former homestead was located a written
8 certificate necessary to determine whether the owner is entitled to
9 the reduction in the appraised value of the subsequently qualified
10 homestead provided by Subsection (h) and to calculate the amount of
11 the reduction.

12 (j) A residence homestead is considered to be a subsequently
13 qualified homestead for purposes of Subsection (h) only if the
14 first tax year in which the owner of the homestead qualified the
15 homestead for an exemption under Section 11.13 was a tax year
16 beginning on or after January 1, 2026.

17 SECTION 2. This Act applies only to the appraisal for ad
18 valorem tax purposes of residence homesteads for a tax year that
19 begins on or after the effective date of this Act.

20 SECTION 3. This Act takes effect January 1, 2026, but only
21 if the constitutional amendment proposed by the 89th Legislature,
22 Regular Session, 2025, to authorize the legislature to provide for
23 a reduction of the appraised value of a residence homestead for ad
24 valorem tax purposes for the first tax year in which the owner
25 qualifies the property for a residence homestead exemption based on
26 the amount by which the limitation on increases in the appraised
27 value of a residence homestead reduced the appraised value of the

1 owner's former residence homestead for the last tax year in which
2 the owner qualified the former residence homestead for a residence
3 homestead exemption is approved by the voters. If that amendment is
4 not approved by the voters, this Act has no effect.