

By: Watson
(Rodriguez of Travis)

S.B. No. 279

Substitute the following for S.B. No. 279:

By: Martinez Fischer

C.S.S.B. No. 279

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the governing body of a taxing unit other than a school district to adopt an exemption from ad valorem taxation of a portion, expressed as a dollar amount, of the appraised value of an individual's residence homestead and to the authority of the governing body of any taxing unit that has adopted an exemption from ad valorem taxation of a portion, expressed as a percentage, of the appraised value of an individual's residence homestead to reduce the amount of or repeal the exemption.

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

SECTION 1. Section 11.13, Tax Code, is amended by amending Subsection (i) and adding Subsections (s), (t), (u), and (v) to read as follows:

(i) The assessor and collector for a taxing unit may disregard the exemptions authorized by Subsection (b), (c), (d), ~~[or] (n), or (s) [of this section]~~ and assess and collect a tax pledged for payment of debt without deducting the amount of the exemption if:

(1) prior to adoption of the exemption, the unit pledged the taxes for the payment of a debt; and

(2) granting the exemption would impair the obligation of the contract creating the debt.

(s) In addition to any other exemptions provided by this section, an individual is entitled to an exemption from taxation by

1 a taxing unit other than a school district of a portion of the
2 appraised value of the individual's residence homestead if the
3 exemption is adopted by the governing body of the taxing unit before
4 July 1 in the manner provided by law for official action by the
5 body. The amount of the exemption is \$5,000 of the appraised value
6 of the residence homestead, except that if the average market value
7 of residence homesteads in the taxing unit in the tax year in which
8 the exemption is adopted exceeds \$25,000, as calculated based on
9 the appraisal records prepared by the chief appraiser of each
10 appraisal district in which the taxing unit participates, the
11 governing body may authorize an exemption in a larger dollar amount
12 not to exceed an amount equal to 20 percent of the average market
13 value of residence homesteads in the taxing unit in the tax year in
14 which the exemption is adopted.

15 (t) This subsection applies only to a taxing unit the
16 governing body of which has ceased granting an exemption under
17 Subsection (n) and has adopted an exemption under Subsection (s).
18 An individual who would have been entitled to an exemption from
19 taxation by the taxing unit under Subsection (n) had the governing
20 body not ceased granting an exemption under that subsection is
21 entitled to continue to receive an exemption under that subsection
22 in lieu of the exemption under Subsection (s) if the individual
23 otherwise qualifies for the exemption under Subsection (n) and the
24 amount of the exemption under that subsection exceeds the amount of
25 the exemption under Subsection (s). The exemption applies only to
26 property for which the individual received an exemption under
27 Subsection (n) in the last year in which the governing body granted

1 an exemption under that subsection. The exemption expires in the
2 event of a change in ownership of the property or, if the property
3 is owned by a qualifying trust and the trustor of the trust or a
4 beneficiary of the trust has the right to use and occupy the
5 property as the trustor's or beneficiary's principal residential
6 property, there is a change in the trustor or beneficiary of the
7 trust, respectively.

8 (u) The governing body of any taxing unit that adopted an
9 exemption under Subsection (n) for the 2014 tax year may not reduce
10 the amount of or repeal the exemption. This subsection expires
11 December 31, 2024.

12 (v) Notwithstanding Subsection (u), the governing body of a
13 taxing unit other than a school district that adopted an exemption
14 under Subsection (n) for the 2014 tax year may repeal the exemption
15 if the governing body adopts an exemption under Subsection (s) in an
16 amount greater than \$5,000. This subsection expires December 31,
17 2024.

18 SECTION 2. Section 25.23(a), Tax Code, is amended to read as
19 follows:

20 (a) After submission of appraisal records, the chief
21 appraiser shall prepare supplemental appraisal records listing:

22 (1) each taxable property the chief appraiser
23 discovers that is not included in the records already submitted,
24 including property that was omitted from an appraisal roll in a
25 prior tax year;

26 (2) property on which the appraisal review board has
27 not determined a protest at the time of its approval of the

1 appraisal records; and

2 (3) property that qualifies for an exemption under
3 Section 11.13(n) or (s) that was adopted by the governing body of a
4 taxing unit after the date the appraisal records were submitted.

5 SECTION 3. This Act applies only to ad valorem taxes imposed
6 for a tax year that begins on or after the effective date of this
7 Act.

8 SECTION 4. This Act takes effect January 1, 2016, but only
9 if the constitutional amendment proposed by the 84th Legislature,
10 Regular Session, 2015, authorizing the governing body of a
11 political subdivision other than a school district to adopt an
12 exemption from ad valorem taxation of a portion, expressed as a
13 dollar amount, of the market value of an individual's residence
14 homestead and authorizing the legislature to prohibit the governing
15 body of any political subdivision that adopts an exemption from ad
16 valorem taxation of a portion, expressed as a percentage or a dollar
17 amount, of the market value of an individual's residence homestead
18 from reducing the amount of or repealing the exemption is approved
19 by the voters. If that amendment is not approved by the voters,
20 this Act has no effect.