

By: Watson

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.

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), (u-1), 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 a taxing unit other than a school district of a portion of the appraised value of the individual's residence homestead if the exemption is adopted by the governing body of the taxing unit before July 1 in the manner provided by law for official action by the

1 body. The amount of the exemption is \$5,000 of the appraised value
2 of the residence homestead unless a larger amount is specified by
3 the governing body authorizing the exemption.

4 (t) This subsection applies only to a taxing unit to which
5 Subsection (s) applies the governing body of which has not adopted
6 an exemption under Subsection (n). An individual is entitled to an
7 exemption from taxation by the taxing unit under Subsection (s) as
8 if the exemption were adopted by the governing body under that
9 subsection unless before July 1 the governing body in the manner
10 provided by law for official action by the body elects not to adopt
11 an exemption under that subsection. The amount of the exemption is
12 \$5,000 of the appraised value of the individual's residence
13 homestead unless the governing body authorizes an exemption in a
14 larger amount as provided by Subsection (s).

15 (u) 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 as calculated under
25 this subsection exceeds the amount of the exemption under
26 Subsection (s). The exemption applies only to property for which
27 the individual received an exemption under Subsection (n) in the

1 last year in which the governing body granted an exemption under
2 that subsection. Notwithstanding Subsection (n), the amount of the
3 exemption is the dollar amount of the exemption that the individual
4 received under that subsection in the last tax year in which the
5 governing body granted an exemption under that subsection.

6 (u-1) The governing body of a taxing unit that adopted an
7 exemption under Subsection (n) for the 2014 tax year may not reduce
8 the amount of or repeal the exemption. This subsection expires
9 December 31, 2024.

10 (v) Notwithstanding Subsection (u-1), the governing body of
11 a taxing unit that adopted an exemption under Subsection (n) for the
12 2014 tax year may rescind an exemption granted under that
13 subsection in lieu of an exemption granted under Subsection (s) if
14 the exemption granted under Subsection (s) is an amount greater
15 than \$5,000.

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

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

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

24 (2) property on which the appraisal review board has
25 not determined a protest at the time of its approval of the
26 appraisal records; and

27 (3) property that qualifies for an exemption under

1 Section 11.13(n) or (s) that was adopted by the governing body of a
2 taxing unit after the date the appraisal records were submitted.

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

6 SECTION 4. This Act takes effect January 1, 2016, but only
7 if the constitutional amendment proposed by the 84th Legislature,
8 Regular Session, 2015, authorizing the governing body of a
9 political subdivision other than a school district to adopt an
10 exemption from ad valorem taxation of a portion, expressed as a
11 dollar amount, of the market value of an individual's residence
12 homestead is approved by the voters. If that amendment is not
13 approved by the voters, this Act has no effect.