

## **BILL ANALYSIS**

Senate Research Center  
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C.S.S.B. 279  
By: Watson  
Finance  
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Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Cities, counties, and other local governments may offer a property tax exemption for homesteads of up to 20 percent, with a minimum exemption of \$5,000. Unlike school districts, the other local governments are not allowed to grant a flat-amount exemption.

C.S.S.B. 279 is enabling language for a constitutional amendment that would allow cities, counties, and other jurisdictions to offer a flat homestead exemption of at least \$5,000 instead of the current percentage option of up to 20 percent.

Jurisdictions must enact a homestead exemption or opt out through a vote of the governing body.

C.S.S.B. 279 ensures that no homeowner would see a decrease in their exemption if a jurisdiction moves from a percentage to a flat-amount exemption. The homeowner would be entitled to an exemption in an amount equivalent to what the homeowner received under the previous percentage exemption. If the flat exemption amount exceeds that value, the homeowner would get the greater of the two.

C.S.S.B. 279 amends current law 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.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 11.13, Tax Code, by amending Subsection (i) and adding Subsections (s), (t), and (u), as follows:

(i) Makes a nonsubstantive change and authorizes the assessor and collector for a taxing unit to disregard the exemptions authorized by Subsection (b) (providing that an adult is entitled to exemption from taxation by a school district of \$15,000 of the appraised value of the adult's residence homestead), (c) (providing that an adult who is disabled or is 65 or older is entitled to an exemption from taxation by a school district of \$10,000 of the appraised value of his residence homestead), (d) (providing that an individual who is disabled or is 65 or older is entitled to an exemption from taxation by a taxing unit of a portion of the appraised value of his residence homestead if the exemption is adopted by certain governing bodies), (n) (providing that an individual is entitled to an exemption from taxation by a taxing unit of a percentage of the appraised value of his residence homestead if the exemption is approved by certain governing bodies and meets certain requirements), or (s) and assess and collect a tax pledged for payment of debt without deducting the amount of the exemption if:

(1)-(2) Makes no change to these subdivisions.

(s) Provides that 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 body. Provides that the amount of the exemption is \$5,000 of the appraised value of the residence homestead unless a larger amount is specified by the governing body authorizing the exemption.

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

(u) Provides that this subsection applies only to a taxing unit the governing body of which has ceased granting an exemption under Subsection (n) and has adopted an exemption under Subsection (s). Entitles an individual who would have been entitled to an exemption from taxation by the taxing unit under Subsection (n) had the governing body not ceased granting an exemption under that subsection to continue to receive an exemption under that subsection in lieu of the exemption under Subsection (s) if the individual otherwise qualifies for the exemption under Subsection (n) and the amount of the exemption under that subsection as calculated under this subsection exceeds the amount of the exemption under Subsection (s). Provides that the exemption applies only to property for which the individual received an exemption under Subsection (n) in the last year in which the governing body granted an exemption under this subsection. Provides that, notwithstanding Subsection (n), the amount of the exemption is the dollar amount of the exemption that the individual received under that subsection in the last tax year in which the governing body granted an exemption under that subsection.

SECTION 2. Amends Section 25.23(a), Tax Code, as follows:

(a) Requires the chief appraiser, after submission of appraisal records, to prepare supplemental appraisal records listing:

(1)-(2) Makes no change to these subdivisions;

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

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

SECTION 4. Effective date: January 1, 2016, contingent upon approval by the voters of the constitutional amendment authorizing the governing body of a political subdivision other than a school district to adopt an exemption from ad valorem taxation of a portion, expressed as a dollar amount, of the market value of an individual's residence homestead is approved by the voters.