

ORDINANCE NO. 250415-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEONARD, TEXAS, AMENDING THE CITY OF LEONARD CODE OF ORDINANCES, CHAPTER 11 "TAXATION," ARTICLE 11.02 "PROPERTY TAX," BY ADDING A NEW SECTION "RESIDENCE HOMESTEAD TAX LIMITATION FOR DISABLED OR ELDERLY INDIVIDUALS" TO ESTABLISH AN AD VALOREM TAX LIMITATION AS AUTHORIZED BY THE TEXAS CONSTITUTION AND THE TEXAS TAX CODE, ON THE RESIDENCE HOMESTEAD OF A DISABLED INDIVIDUAL OR AN INDIVIDUAL SIXTY-FIVE (65) YEARS OF AGE OR OLDER; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR AN AMENDMENT PURSUANT TO ARTICLE VIII, SECTION 1-B, SUBSECTION (H) OF THE TEXAS CONSTITUTION AND SECTION 11.261 OF THE TEXAS PROPERTY TAX CODE, ET SEQ; PROVIDING THAT THE LIMITATION SHALL BE ADMINISTERED IN ACCORDANCE WITH ALL APPLICABLE PROVISIONS OF THE PROPERTY TAX CODE AND TEXAS CONSTITUTION; PROVIDING A CUMULATIVE REPEALER CLAUSE, PROVIDING FOR SEVERABILITY AND SAVINGS CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Leonard (the "City") is a Type A general law municipality located in Fannin County, Texas, created in accordance with the provisions of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, Article VIII, Section 1-b, Subsection (h) of the Texas Constitution authorizes municipalities to establish an ad valorem tax limitation within each respective taxing unit's jurisdiction on a residence homestead of a disabled individual or an individual sixty-five (65) years of age or older such that the total amount of ad valorem taxes imposed by the municipality on that homestead may not be increased, except as provided by Section 11.261 of the Property Tax Code, while it remains the residence homestead of a disabled individual or an individual sixty-five (65) years of age or older and qualifies for a residence homestead exemption on their homestead; and

WHEREAS, Subtitle C, Taxable Property and Exemptions, Chapter 11, Subchapter B, Exemptions, Section 11.261, Limitation of County, Municipal, or Junior College District Tax on Homesteads of Disabled and Elderly, Subsection (b), of the Property Tax Code, establishes a limitation on the total amount of taxes that may be imposed by the county, municipality, or junior college district on the residence homestead of a disabled individual or an individual sixty-five (65) years of age or older; and

WHEREAS, the City Council of the City of Leonard, Texas, finds and determines that providing a tax limitation, commonly referred to as a tax freeze, on the amount of the ad valorem taxes on the residence homestead of a disabled individuals or individuals aged sixty-five (65) years

or older, beginning with tax year 2026 as outlined below, is in the best interest of citizens of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEONARD, TEXAS:

Section 1. Incorporation of Findings. The findings set forth above are incorporated as if fully set forth herein.

Section 2. Amendment. That Article 11.02, “Property Tax,” of Chapter 11, “Taxation,” of the Code of Ordinances of the City of Leonard, is hereby amended by creating a new section, Section 11.02.006, to be entitled “Residence homestead tax limitation for disabled or elderly individuals,” to be and read in its entirety as follows, with all other Articles not herein amended to remain in full force and effect:

Section 11.02.006 Residence homestead tax limitation for Disabled or elderly individuals.

(a) Definitions. For the purpose of this article, the following definitions shall apply, unless the context clearly indicates or requires a different meaning:

Disabled has the same meaning as set forth in the Texas Tax Code Section 11.13(m)(1), as it currently exists or may be amended.

Residence Homestead has the same meaning as set forth in the Texas Tax Code Section 11.13(j)(1), as it currently exists or may be amended.

Tax Code means the Texas Tax Code as it currently exists or may be amended.

(b) The Residence Homestead limitation shall become effective beginning with the 2026 tax year and shall remain effective for each successive tax year until otherwise expires in accordance with the Tax Code.

(c) Residence Homestead Exemption Limitation. An individual who is Disabled or who is sixty-five (65) years of age or older shall receive a Residence Homestead exemption prescribed or authorized by Article VIII, Section 1-b, Subsection (h) of the Texas Constitution. For such individuals, the total amount of ad valorem taxes imposed by the City of Leonard shall not be increased while it remains the Residence Homestead of that person.

(d) Limitation Extended to Surviving Spouses. If an individual who qualifies for a limitation under this Ordinance dies, the surviving spouse of the individual is entitled to the limitation on taxes imposed on the Residence Homestead of the individual if:

- i. the surviving spouse is Disabled or is fifty-five (55) years of age or older when the individual dies; and
- ii. the Residence Homestead of the individual:

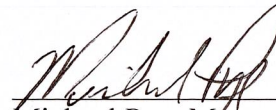
- A. is the Residence Homestead of the surviving spouse on the date that the individual dies; and
 - B. remains the Residence Homestead of the surviving spouse.
- (e) Notwithstanding anything contained herein, taxes on the Residence Homestead may be increased to the extent the value of the homestead is increased by improvements other than repairs or improvements made to comply with governmental requirements.
- (f) A person may not receive Residence Homestead tax limitation for more than one Residence Homestead, no matter where it is located, in the same year. A person may designate a new Residence Homestead within the City in accordance with the Tax Code.
- (g) In accordance with Section 11.261(d) of the Tax Code, the limitation on taxes provided by this Ordinance may expire if on January 1:
 - i. none of the owners who qualify for a Residence Homestead exemption and who owned the structure when the limitation provided by this Ordinance first took effect, is using the structure as a Residence Homestead; or
 - ii. none of the owners of the structure qualify for a Residence Homestead exemption for a Disabled individual or an individual sixty-five (65) years of age or older.
- (h) If a tax limitation is erroneously allowed, back taxes shall be assessed in accordance with Section 11.261(e) of the Tax Code.

Section 3. Severability Clause. Should a court of competent jurisdiction declare any section, subsection, sentence, clause or phrase of this Ordinance unconstitutional or invalid, it is expressly provided that any and all remaining portions of the Ordinance shall remain in full force and effect. The City of Leonard, Texas, hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more section, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

Section 4. Savings/Repealer Clause. All provisions of any Ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, now shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the Ordinance. Any remaining portions of said Ordinances shall remain in full force and effect.

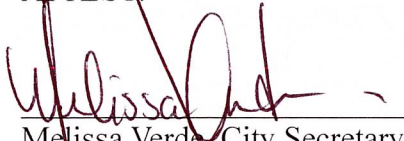
Section 5. Effective Date. This Ordinance shall become effective upon adoption and after publication as required by the Texas Local Government Code.

DULY PASSED, APPROVED AND ADOPTED by the City Council of the City of Leonard, Texas, on this the 15th day of April 2025.



Michael Pye, Mayor

ATTEST:



Melissa Verde, City Secretary

