1987 FEB 26 PM 2:41

HOUSE OF REPRESENTATIVES

I certify that the attached is a true and correct copy of HJR #48, which was filed of record on FEB 19 1987 and referred to the committee on: Ways and Means

Betty Murray
Chief Clerk of the House

By [illegible]

H.J.R. No. 48

A JOINT RESOLUTION

proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person.

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

SECTION 1. Article VIII, Section 1-b, Subsection (d), of the Texas Constitution is amended to read as follows:

(d) Except as otherwise provided by this subsection, if a person receives the residence homestead exemption prescribed by Subsection (c) of this section for homesteads of persons sixty-five (65) years of age or older, the total amount of ad valorem taxes imposed on that homestead for general elementary and secondary public school purposes may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption. <u>If a person sixty-five (65) years of age or older dies in a year in which the person received the exemption, the total amount of ad valorem taxes imposed on the homestead for general elementary and secondary public school purposes may not be increased while it remains the residence homestead of that person's surviving spouse if the spouse is fifty-five (55) years of age or older at the time of the person's death, subject to any exceptions provided by general law.</u> However, [~~these~~] taxes <u>otherwise limited by this subsection</u> 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.

1 SECTION 2. This proposed constitutional amendment shall be
2 submitted to the voters at an election to be held November 3, 1987.
3 The ballot shall be printed to provide for voting for or against
4 the proposition: "The constitutional amendment to limit school tax
5 increases on the residence homestead of the surviving spouse of an
6 elderly person if the surviving spouse is at least 55 years of
7 age."

HOUSE COMMITTEE REPORT

1987 MAR 18 PM 5 00
HOUSE OF REPRESENTATIVES

1st. Printing

By Schlueter H.J.R. No. 48

A JOINT RESOLUTION

proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person.

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4 the proposition: "The constitutional amendment to limit school tax
5 increases on the residence homestead of the surviving spouse of an
6 elderly person if the surviving spouse is at least 55 years of
7 age."

COMMITTEE AMENDMENT NO. 1

Amend H.J.R. 48 on page 1, lines 19 and 20 by deleting the following:

"if the spouse is fifty-five (55) years of age or older at the time of the person's death"

Berlanga

COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

3-18-87
(date)

Sir:

We, your COMMITTEE ON WAYS & MEANS,

to whom was referred HJR 48 (measure) have had the same under consideration and beg to report back with the recommendation that it

( ) do pass, without amendment.
(X) do pass, with amendment(s).
( ) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (X) yes ( ) no

An actuarial analysis was requested. ( ) yes (X) no

An author's fiscal statement was requested. ( ) yes (X) no

The Committee recommends that this measure be placed on the [redacted] Calendar.

This measure ( ) proposes new law. (X) amends existing law.

House Sponsor of Senate Measure _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Schlueter, Ch.	✓			
Morales, V.C.	✓			
Geistweidt, C.B.O.		✓		
Berlanga	✓			
Craddick				✓
Earley	✓			
Evans, L.	✓			
Hackney				✓
Hilbert	✓			
Luna, A.	✓			
McDonald	✓			
Wilson				✓
Wolens	✓			

Total
9 aye
1 nay
-0- present, not voting
3 absent

CHAIRMAN

1 Laura Calfee
COMMITTEE COORDINATOR

BILL ANALYSIS

Committee on
Ways and Means

HJR 48
by Schlueter

BACKGROUND:

Article 8, Section 1-b, Texas Constitution, provides that school ad valorem taxes imposed on the residence homestead of a person 65 years of age or older may not be increased while it remains the residence homestead of that person.

PURPOSE:

To provide for continuation of the limitation of a school ad valorem tax increase for a surviving spouse.

SECTION BY SECTION ANALYSIS:

Section 1. Amends Article 8, Section 1-b, Subsection (d) to provide that if a person 65 years of age or older dies, the school ad valorem taxes on the person's residence homestead may not be increased while it remains the residence homestead of that person's surviving spouse if the spouse is 55 years of age or older, subject to statutory exceptions.

Section 2. To be submitted to the voters November 3, 1987.

RULEMAKING AUTHORITY:

It is the Committee's opinion that this bill does not delegate any rulemaking authority to a state agency, officer, department, or institution.

SUMMARY OF COMMITTEE ACTION

H.J.R. 48 was considered in a public meeting before the Ways and Means subcommittee on Property Tax on March 11, 1987. No one testified for or against the bill. The Subcommittee Report was considered by the full Committee on March 17, 1987. Mr. Berlanga sent up amendment #1 which deletes the requirement that the surviving spouse be 55 years of age in order to continue to receive the limitation. The amendment was adopted without objection, 10 ayes to 0 nays with 3 absent. The motion to report the bill favorably as amended carried by a vote of 9 ayes to 1 nay with 3 absent.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 11, 1987

TO: Honorable Stan Schlueter, Chair
Committee on Ways and Means
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 48
By: Schlueter

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 48 (proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person) this office has determined the following:

The Texas Constitution and the Tax Code provide exemptions from school taxation (in an amount not to exceed $10,000) for a residence homestead of a person who is disabled or over the age of 65. The Constitution provides that the total amount of school district taxes imposed on a residence homestead of a person who receives the exemption described above may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption.

The Tax Code further defines the limitation such that the freeze is established at the amount of tax imposed in the first year the individual qualified the homestead for a tax exemption.

The Education Code requires the State Property Tax Board, as part of its annual school district taxable value study, to account for the value that is not taxed as a result of these limitations.

The resolution would amend the Texas Constitution to provide that if a person died in the year in which he/she received the over-65 exemption, the tax limitation would be transferred to the person's surviving spouse if such spouse was at least 55 years of age at the time of the person's death. The amendment would permit the Legislature to make exceptions for the transfer by general law. The proposed amendment would be submitted to voters on November 3, 1987.

The cost of publication of the resolution to the State is estimated to be $45,000 in fiscal year 1988.

The constitutional amendment would be implemented by House Bill No. 872 or similar legislation.

House Bill No. 872 would amend the Tax Code to restate the constitutional amendment that transfers the tax freeze to a surviving spouse who is 55 years of age or older. The bill also provides that the tax limitation expires if the surviving spouse who is not 65 years of age remarries. In the event that a surviving spouse turns 65, continuing the tax limitation in his/her own name, the limitation is also transferred to any subsequent spouse of the surviving spouse.

The bill also amends the Education Code to require the State Property Tax Board to account for the value, in its annual study, that cannot be taxed as a result of tax limitations transferred to surviving spouses.

Under the bill, taxing units would experience some revenue losses as a result of tax limitations that transfer to a person's surviving spouse. Since it is difficult to estimate the number of persons who would receive the benefit of a transferred tax freeze, the amount of potential revenue losses cannot be determined.

Additionally, taxing units might experience some additional administrative costs as a result of the bill's proposals. The amount of the additional costs cannot be determined.

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to the State is anticipated.

Source: State Property Tax Board; Secretary of State;
LBB Staff: JO, HES, JWH, AM, NH

as amended

BERLANGA

COMMITTEE AMENDMENT No. 1 by Berlanga

Amend H.J.R. 48 on page 1, lines 19 and 20 by deleting the following:

"if the spouse is fifty-five (55) years of age or older at the time of the person's death"

ADOPTED

MAR 30 1987

Betty Murray
Chief Clerk
House of Representatives

ADOPTED

MAR 30 1987

Betty Murray
Chief Clerk
House of Representatives

to amendment

AMENDMENT NUMBER 2 BY Schlueter

Amend Committee Amendment No. 1 to read as follows:

Amend H.J.R. 48 as follows:

(1) On page 1, lines 19 and 20, strike the following: <u>if the spouse is fifty-five (55) years of age or older at the time of the person's death</u>

(2) On page 2, lines 6 and 7, strike the following: if the surviving spouse is at least 55 years of age

HOUSE ENGROSSMENT

1987 MAR 30 PM 7:45
HOUSE OF REPRESENTATIVES

By Schlueter H.J.R. No. 48

A JOINT RESOLUTION

proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person.

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5 elderly person."

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 11, 1987

TO: Honorable Stan Schlueter, Chair
Committee on Ways and Means
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 48
By: Schlueter

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 48 (proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person) this office has determined the following:

The Texas Constitution and the Tax Code provide exemptions from school taxation (in an amount not to exceed $10,000) for a residence homestead of a person who is disabled or over the age of 65. The Constitution provides that the total amount of school district taxes imposed on a residence homestead of a person who receives the exemption described above may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption.

The Tax Code further defines the limitation such that the freeze is established at the amount of tax imposed in the first year the individual qualified the homestead for a tax exemption.

The Education Code requires the State Property Tax Board, as part of its annual school district taxable value study, to account for the value that is not taxed as a result of these limitations.

The resolution would amend the Texas Constitution to provide that if a person died in the year in which he/she received the over-65 exemption, the tax limitation would be transferred to the person's surviving spouse if such spouse was at least 55 years of age at the time of the person's death. The amendment would permit the Legislature to make exceptions for the transfer by general law. The proposed amendment would be submitted to voters on November 3, 1987.

The cost of publication of the resolution to the State is estimated to be $45,000 in fiscal year 1988.

The constitutional amendment would be implemented by House Bill No. 872 or similar legislation.

House Bill No. 872 would amend the Tax Code to restate the constitutional amendment that transfers the tax freeze to a surviving spouse who is 55 years of age or older. The bill also provides that the tax limitation expires if the surviving spouse who is not 65 years of age remarries. In the event that a surviving spouse turns 65, continuing the tax limitation in his/her own name, the limitation is also transferred to any subsequent spouse of the surviving spouse.

The bill also amends the Education Code to require the State Property Tax Board to account for the value, in its annual study, that cannot be taxed as a result of tax limitations transferred to surviving spouses.

Under the bill, taxing units would experience some revenue losses as a result of tax limitations that transfer to a person's surviving spouse. Since it is difficult to estimate the number of persons who would receive the benefit of a transferred tax freeze, the amount of potential revenue losses cannot be determined.

Additionally, taxing units might experience some additional administrative costs as a result of the bill's proposals. The amount of the additional costs cannot be determined.

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to the State is anticipated.

Source: State Property Tax Board; Secretary of State;
LBB Staff: JO, HES, JWH, AM, NH

By: Schlueter (Senate Sponsor - Jones) H.J.R. No. 48

(In the Senate - Received from the House March 31, 1987; April 1, 1987, read first time and referred to Committee on Finance; April 22, 1987, reported adversely, with favorable Committee Substitute by the following vote: Yeas 9, Nays 0; April 22, 1987, sent to printer.)

COMMITTEE VOTE

	Yea	Nay	PNV	Absent
Jones	x			
Glasgow	x			
Blake	x			
Brooks				x
Caperton	x			
Farabee				x
Harris	x			
Krier	x			
McFarland				x
Montford	x			
Parker	x			
Santiesteban	x			
Truan				x

COMMITTEE SUBSTITUTE FOR H.J.R. No. 48 By: Jones

HOUSE JOINT RESOLUTION

proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person.

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

SECTION 1. Article VIII, Section 1-b, Subsection (d), of the Texas Constitution is amended to read as follows:

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SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 3, 1987. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person if the surviving spouse is as least 55 years of age."

* * * * *

Austin, Texas
April 22, 1987

Hon. William P. Hobby
President of the Senate

Sir:

We, your Committee on Finance to which was referred H.J.R. No. 48, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed.

Jones, Chairman

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 3, 1987

TO: Honorable Grant Jones, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

In Re: House Joint Resolution No. 48, as engrossed
By: Schlueter

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 48, as engrossed (proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person) this office has determined the following:

The Texas Constitution and the Tax Code provide exemptions from school taxation (in an amount not to exceed $10,000) for a residence homestead of a person who is disabled or over the age of 65. The Constitution provides that the total amount of school district taxes imposed on a residence homestead of a person who receives the exemption described above may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption.

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The Education Code requires the State Property Tax Board, as part of its annual school district taxable value study, to account for the value that is not taxed as a result of these limitations.

The resolution would amend the Texas Constitution to provide that if a person died in the year in which he/she received the over-65 exemption, the tax limitation would be transferred to the person's surviving spouse. The amendment would permit the Legislature to make exceptions for the transfer by general law. The proposed amendment would be submitted to voters on November 3, 1987.

The cost of publication of the resolution to the State is estimated to be $45,000 in fiscal year 1988.

The constitutional amendment would be implemented by House Bill No. 872 or similar legislation.

House Bill No. 872 would amend the Tax Code to restate the constitutional amendment that transfers the tax freeze to a surviving spouse. The bill also provides that the tax limitation expires if the surviving spouse who is not 65 years of age remarries. In the event that a surviving spouse turns 65, continuing the tax limitation in his/her own name, the limitation is also transferred to any subsequent spouse of the surviving spouse.

The bill also amends the Education Code to require the State Property Tax Board to account for the value, in its annual study, that cannot be taxed as a result of tax limitations transferred to surviving spouses.

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No fiscal implication to the State is anticipated.

Source: State Property Tax Board; Secretary of State;
LBB Staff: JO, HES, JWH, AM, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 11, 1987

TO: Honorable Stan Schlueter, Chair
Committee on Ways and Means
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 48
By: Schlueter

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 48 (proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person) this office has determined the following:

The Texas Constitution and the Tax Code provide exemptions from school taxation (in an amount not to exceed $10,000) for a residence homestead of a person who is disabled or over the age of 65. The Constitution provides that the total amount of school district taxes imposed on a residence homestead of a person who receives the exemption described above may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption.

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Source: State Property Tax Board; Secretary of State;
LBB Staff: JO, HES, JWH, AM, NH

SENATE FAVORABLY AS SUBSTITUTUED COMMITTEE REPORT

Lt. Governor William P. Hobby
President of the Senate

4-22-87
(date)/(time)

Sir:

We, your Committee on FINANCE to which was referred HJR 48 (measure) by Schlueter (Jones) (sponsor) have on 4-21 (hearing date), 19 87, had the same under consideration and I am instructed to report it back with the recommendation (s) that it

(✓) do pass as substituted, and be printed
( ) the caption remained the same as original measure
( ) the caption changed with adoption of the substitute

( ) do pass as substituted, and be ordered not printed

( ) and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. (✓) yes ( ) no

A revised fiscal note was requested. (✓) yes ( ) no

An actuarial analysis was requested. ( ) yes (✓) no

Considered by subcommittee. ( ) yes (✓) no

Senate Sponsor of House Measure _____

The measure was reported from Committee by the following vote:

	YEA	NAY	PNV	ABSENT
Jones, Chairman	✓			
Glasgow, Vice Chairman	✓			
Blake	✓			
Brooks				✓
Caperton	✓			
Farabee				✓
Harris	✓			
Krier	✓			
McFarland				✓
Montford	✓			
Parker	✓			
Santiesteban	✓			
Truan				✓
TOTAL VOTES	9			4

Jerry Sander
COMMITTEE CLERK

Grant Jones
CHAIRMAN

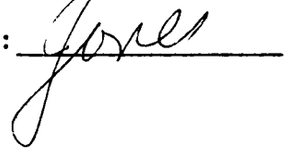
Paper clip the original and one copy of this form along with TWO copies of the Committee Substitute to the original bill and retain one copy for Reporting Committee file.

ADOPTED

APR 28 1987

By: Schlueter H.J.R. No. 48

Substitute the following for H.J.R. No. 48

By:  C.S.H.J.R. No. 48

A JOINT RESOLUTION

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7 age."

1997 APR 28 PM 3:39
HOUSE OF REPRESENTATIVES

SENATE AMENDMENTS

2nd Printing

By Schlueter

H.J.R. No. 48

A JOINT RESOLUTION

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By Schlueter H.J.R. No. 48

SENATE AMENDMENT NO. 1

By Jones C.S.H.J.R. No. 48

A JOINT RESOLUTION

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7 age."

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 23, 1987

TO: Honorable Grant Jones, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

In Re: Senate Committee Substitute for House Joint Resolution No. 48

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Committee Substitute for House Joint Resolution No. 48 (proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person) this office has determined the following:

The Texas Constitution and the Tax Code provide exemptions from school taxation (in an amount not to exceed $10,000) for a residence homestead of a person who is disabled or over the age of 65. The Constitution provides that the total amount of school district taxes imposed on a residence homestead of a person who receives the exemption described above may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption.

The Tax Code further defines the limitation such that the freeze is established at the amount of tax imposed in the first year the individual qualified the homestead for a tax exemption.

The Education Code requires the State Property Tax Board, as part of its annual school district taxable value study, to account for the value that is not taxed as a result of these limitations.

The resolution would amend the Texas Constitution to provide that if a person died in the year in which he/she received the over-65 exemption, the tax limitation would be transferred to the person's surviving spouse if such spouse was at least 55 years of age at the time of the person's death. The amendment would permit the Legislature to make exceptions for the transfer by general law. The proposed amendment would be submitted to voters on November 3, 1987.

The cost of publication of the resolution to the State is estimated to be $45,000 in fiscal year 1988.

The constitutional amendment would be implemented by House Bill No. 872 or similar legislation.

House Bill No. 872 would amend the Tax Code to restate the constitutional amendment that transfers the tax freeze to a surviving spouse who is 55 years of age or older. The bill also provides that the tax limitation expires if the surviving spouse who is not 65 years of age remarries. In the event that a surviving spouse turns 65, continuing the tax limitation in his/her own name, the limitation is also transferred to any subsequent spouse of the surviving spouse.

The bill also amends the Education Code to require the State Property Tax Board to account for the value, in its annual study, that cannot be taxed as a result of tax limitations transferred to surviving spouses.

Under the bill, taxing units would experience some revenue losses as a result of tax limitations that transfer to a person's surviving spouse. Since it is difficult to estimate the number of persons who would receive the benefit of a transferred tax freeze, the amount of potential revenue losses cannot be determined.

Additionally, taxing units might experience some additional administrative costs as a result of the bill's proposals. The amount of the additional costs cannot be determined.

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to the State is anticipated.

Source: State Property Tax Board; Secretary of State;
LBB Staff: JO, HES, JWH, AM, PA

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 3, 1987

TO: Honorable Grant Jones, Chairman
Committee on Finance
Senate Chamber
Austin, Texas

In Re: House Joint Resolution No. 48, as engrossed
By: Schlueter

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 48, as engrossed (proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person) this office has determined the following:

The Texas Constitution and the Tax Code provide exemptions from school taxation (in an amount not to exceed $10,000) for a residence homestead of a person who is disabled or over the age of 65. The Constitution provides that the total amount of school district taxes imposed on a residence homestead of a person who receives the exemption described above may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption.

The Tax Code further defines the limitation such that the freeze is established at the amount of tax imposed in the first year the individual qualified the homestead for a tax exemption.

The Education Code requires the State Property Tax Board, as part of its annual school district taxable value study, to account for the value that is not taxed as a result of these limitations.

The resolution would amend the Texas Constitution to provide that if a person died in the year in which he/she received the over-65 exemption, the tax limitation would be transferred to the person's surviving spouse. The amendment would permit the Legislature to make exceptions for the transfer by general law. The proposed amendment would be submitted to voters on November 3, 1987.

The cost of publication of the resolution to the State is estimated to be $45,000 in fiscal year 1988.

The constitutional amendment would be implemented by House Bill No. 872 or similar legislation.

House Bill No. 872 would amend the Tax Code to restate the constitutional amendment that transfers the tax freeze to a surviving spouse. The bill also provides that the tax limitation expires if the surviving spouse who is not 65 years of age remarries. In the event that a surviving spouse turns 65, continuing the tax limitation in his/her own name, the limitation is also transferred to any subsequent spouse of the surviving spouse.

The bill also amends the Education Code to require the State Property Tax Board to account for the value, in its annual study, that cannot be taxed as a result of tax limitations transferred to surviving spouses.

Under the bill, taxing units would experience some revenue losses as a result of tax limitations that transfer to a person's surviving spouse. Since it is difficult to estimate the number of persons who would receive the benefit of a transferred tax freeze, the amount of potential revenue losses cannot be determined.

Additionally, taxing units might experience some additional administrative costs as a result of the bill's proposals. The amount of the additional costs cannot be determined.

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to the State is anticipated.

Source: State Property Tax Board; Secretary of State;
LBB Staff: JO, HES, JWH, AM, LV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

March 11, 1987

TO: Honorable Stan Schlueter, Chair
Committee on Ways and Means
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 48
By: Schlueter

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 48 (proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person) this office has determined the following:

The Texas Constitution and the Tax Code provide exemptions from school taxation (in an amount not to exceed $10,000) for a residence homestead of a person who is disabled or over the age of 65. The Constitution provides that the total amount of school district taxes imposed on a residence homestead of a person who receives the exemption described above may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption.

The Tax Code further defines the limitation such that the freeze is established at the amount of tax imposed in the first year the individual qualified the homestead for a tax exemption.

The Education Code requires the State Property Tax Board, as part of its annual school district taxable value study, to account for the value that is not taxed as a result of these limitations.

The resolution would amend the Texas Constitution to provide that if a person died in the year in which he/she received the over-65 exemption, the tax limitation would be transferred to the person's surviving spouse if such spouse was at least 55 years of age at the time of the person's death. The amendment would permit the Legislature to make exceptions for the transfer by general law. The proposed amendment would be submitted to voters on November 3, 1987.

The cost of publication of the resolution to the State is estimated to be $45,000 in fiscal year 1988.

The constitutional amendment would be implemented by House Bill No. 872 or similar legislation.

House Bill No. 872 would amend the Tax Code to restate the constitutional amendment that transfers the tax freeze to a surviving spouse who is 55 years of age or older. The bill also provides that the tax limitation expires if the surviving spouse who is not 65 years of age remarries. In the event that a surviving spouse turns 65, continuing the tax limitation in his/her own name, the limitation is also transferred to any subsequent spouse of the surviving spouse.

The bill also amends the Education Code to require the State Property Tax Board to account for the value, in its annual study, that cannot be taxed as a result of tax limitations transferred to surviving spouses.

Under the bill, taxing units would experience some revenue losses as a result of tax limitations that transfer to a person's surviving spouse. Since it is difficult to estimate the number of persons who would receive the benefit of a transferred tax freeze, the amount of potential revenue losses cannot be determined.

Additionally, taxing units might experience some additional administrative costs as a result of the bill's proposals. The amount of the additional costs cannot be determined.

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to the State is anticipated.

Source: State Property Tax Board; Secretary of State;
LBB Staff: JO, HES, JWH, AM, NH

F

ENROLLED

H.J.R. No. 48

A JOINT RESOLUTION

proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person.

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

SECTION 1. Article VIII, Section 1-b, Subsection (d), of the Texas Constitution is amended to read as follows:

(d) Except as otherwise provided by this subsection, if a person receives the residence homestead exemption prescribed by Subsection (c) of this section for homesteads of persons sixty-five (65) years of age or older, the total amount of ad valorem taxes imposed on that homestead for general elementary and secondary public school purposes may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption. <u>If a person sixty-five (65) years of age or older dies in a year in which the person received the exemption, the total amount of ad valorem taxes imposed on the homestead for general elementary and secondary public school purposes may not be increased while it remains the residence homestead of that person's surviving spouse if the spouse is fifty-five (55) years of age or older at the time of the person's death, subject to any exceptions provided by general law.</u> However, [~~these~~] taxes <u>otherwise limited by this subsection</u> 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.

1 SECTION 2. This proposed constitutional amendment shall be
2 submitted to the voters at an election to be held November 3, 1987.
3 The ballot shall be printed to provide for voting for or against
4 the proposition: "The constitutional amendment to limit school tax
5 increases on the residence homestead of the surviving spouse of an
6 elderly person if the surviving spouse is at least 55 years of
7 age."

President of the Senate

Speaker of the House

I certify that H.J.R. No. 48 was passed by the House on March 30, 1987, by the following vote: Yeas 121, Nays 18, 1 present, not voting; and that the House concurred in Senate amendments to H.J.R. No. 48 on May 6, 1987, by the following vote: Yeas 140, Nays 1, 1 present, not voting.

Chief Clerk of the House

I certify that H.J.R. No. 48 was passed by the Senate, with amendments, on April 28, 1987, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

RECEIVED:

Date

Secretary of State

President of the Senate

Speaker of the House

I certify that H.J.R. No. 48 (1) was passed by the House on March 30 (2), 1987, by the following vote: Yeas 121 (3), Nays 18, 1 present, not voting (4); and that the House concurred in Senate amendments to H.J.R. No. 48 on May 6 (5), 1987, by the following vote: Yeas 140 (6), Nays 1, 1 present, not voting (7).

Chief Clerk of the House

**** Preparation: 'A;CT20;

I certify that H.J.R. No. 48 (1) was passed by the Senate, with amendments, on April 28 (2), 1987, by the following vote: Yeas 31 (3), Nays 0 (4).

Secretary of the Senate

RECEIVED:

Date

Secretary of State

**** Preparation: 'A;CT22;

H. J. R. No. 48

By [illegible]

HOUSE JOINT RESOLUTION

proposing a constitutional amendment to limit school tax increases on the residence homestead of the surviving spouse of an elderly person.

FEB 19 1987 1. Filed with the Chief Clerk.

FEB 25 1987 2. Read first time and referred to Committee on Ways & Means

MAR 18 1987 3. Reported favorably (as amended) ~~(as substituted)~~ and sent to Printer at 5:55 pm.

MAR 18 1987 4. Printed and distributed at 9:10 p.m.

MAR 19 1987 5. Sent to Committee on Calendars at 11:11 am

MAR 30 1987 6. Read second time (amended) and (finally) passed ~~to Third Reading~~ by a Record Vote of 121 yeas, 18 nays, 1 present, not voting.

_____ 7. Motion to reconsider and table the vote by which H.J.R. _____ was ordered engrossed prevailed (failed) by (Non-Record Vote) (Record Vote of _____ yeas, _____ nays, _____ present, not voting).

_____ 8. Read third time (amended) and finally adopted (failed of adoption) by a Record Vote of _____ yeas, _____ nays, _____ present, not voting.

_____ 9. Caption ordered amended to conform to body of resolution.

_____ 10. Motion to reconsider and table the vote by which H.J.R. _____ was finally adopted prevailed (failed) by a (Non-Record Vote) Record Vote of _____ yeas, _____ nays, and _____ present, not voting).

MAR 30 1987 11. Ordered Engrossed at 3:50 pm

MAR 30 1987 12. Engrossed.

MAR 30 1987 13. Returned to Chief Clerk at 7:45 pm

MAR 31 1987 14. Sent to the Senate.

Betty Murphy
Chief Clerk of the House

MAR 31 1987 15. Received from the House

APR 1 1987 16. Read, referred to Committee on FINANCE

_____ 17. Reported favorably

APR 22 1987 18. Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

_____ 19. Ordered not printed.

APR 28 1987 20. Regular order of business suspended by unanimous consent ~~(a viva voce vote.)~~ (_____ yeas, _____ nays.)

_____ 21. To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _____ yeas, _____ nays.

APR 28 1987 22. Read second time passed to third reading by: (a viva voce vote.) ~~(_____ yeas, _____ nays.)~~

1987 APR 28 PM 3: 39

HOUSE OF REPRESENTATIVES

_____ 23. Caption ordered amended to conform to body of bill.

APR 28 1987 24. Senate and Constitutional 3-Day Rules suspended by vote of 30 yeas, 1 nays to place bill on third reading and final passage.

APR 28 1987 25. Read third time and passed by ~~(a viva voce vote.)~~ (31 yeas, 0 nays.)

OTHER ACTION: OTHER ACTION:

Betty King
Secretary of the Senate

4-28-87 26. Returned to the House.

APR 28 1987 27. Received from the Senate ~~(with amendments.)~~ (as substituted.)

MAY 6 1987 28. House (Concurred) (Refused to Concur) in Senate ~~(Amendments)~~ (Substitute) by a ~~(Non-Record Vote)~~ (Record Vote of 140 yeas, 1 nays, 1 present, not voting).

_____ 29. Conference Committee Ordered.

_____ 30. Conference Committee Report Adopted (Rejected) by a (Non-Record Vote) (Record Vote of _____ yeas, _____ nays, and _____ present, not voting).

MAY 6 1987 31. Ordered Enrolled at 1:58 pm

1987 MAR 30 PM 7: 45
HOUSE OF REPRESENTATIVES

1987 MAR 18 PM 9: 00
HOUSE OF REPRESENTATIVES

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