

SUBJECT: Expanding authority to limit property tax on certain residence homesteads

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 11 ayes — Meyer, Thierry, Button, Cole, Guerra, Martinez Fischer,
Murphy, Noble, Rodriguez, Sanford, Shine

0 nays

WITNESSES: For — None

Against — (*Registered, but did not testify*: Jamaal Smith, City of Houston,
Office of the Mayor Sylvester Turner)

On — (*Registered, but did not testify*: Korry Castillo, Comptroller of
Public Accounts)

BACKGROUND: Texas Constitution Art. 8, sec. 1-b(h) authorizes a county, city, town, or junior college to provide that if a person who is disabled or at least 65 years old receives a residence homestead exemption, the total amount of property taxes imposed on that homestead may not be increased while it remains the residence homestead of that person or the person's surviving spouse.

DIGEST: HJR 141 would amend the Texas Constitution to extend to all political subdivisions other than a school district the authority to establish a limitation on the amount of property taxes imposed on the residence homestead of a person who was disabled or at least 65 years old and the person's surviving spouse. The amendment would take effect January 1, 2022.

The ballot proposal would be presented to voters at an election on November 2, 2021, and would read: "The constitutional amendment to authorize a political subdivision other than a school district to establish a limitation on the amount of ad valorem taxes that the political subdivision may impose on the residence homesteads of persons who are disabled or

elderly and their surviving spouses."

**SUPPORTERS
SAY:**

HJR 141 would prevent property taxes from rising for individuals on a fixed income by extending to more taxing entities, including water districts and county hospitals, the residence homestead limitation for individuals who are disabled or who are 65 years old or older. This would be in line with current law, which authorizes the tax freeze for counties, cities, towns, and junior colleges. As the state grows, property values continue to climb and property taxes increase. Texans on a fixed income, such as senior citizens, run the risk of being priced out of their homes and need this tax freeze to ensure they are able to remain in the homes and communities where they have chosen to retire. The homestead exemption is optional and at the discretion of the local governments.

**CRITICS
SAY:**

HJR 141 would extend property tax limitations for older Texans to more local governments, reducing local budgets without providing meaningful tax relief. While some individuals 65 years old or older may need the help, many are capable of paying their share of property taxes and do not need the tax freeze. This age group also owns a disproportionately large part of the housing market and their homes often have a higher value than those of younger Texans, which means more funds would be removed from local budgets. Any tax relief established by the Legislature should be based on need rather than age.

NOTES:

According to the Legislative Budget Board, the cost to the state for publication of the resolution is \$178,333.

HB 3437 by Goldman, the enabling legislation for HJR 141, is set for second reading consideration today.