

SUBJECT: Authorizing a property tax exemption for adults with certain disabilities

COMMITTEE: Ways & Means — committee substitute recommended

VOTE: 11 ayes — Meyer, Thierry, Button, Craddick, Gervin-Hawkins, Hefner, Muñoz, Noble, Raymond, Shine, Turner

0 nays

WITNESSES: For — (*Registered, but did not testify*: Omodele Ojomo, Autism Society of Texas; Dennis Borel, Coalition of Texans with Disabilities; Isabel Casas, Texas Council of Community Centers; Linda Durnin)

Against — None

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

BACKGROUND: Texas Constitution Art. 8, sec. 1 requires taxation to be equal and uniform and that all real property and tangible personal property in the state, unless exempt as required or permitted by the Constitution, be taxed in proportion to its value.

Texas Constitution Art. 8, sec. 1-b establishes exemptions and limitations related to residence homestead taxation. Art. 8, sec. 1-b(c) establishes that \$40,000 of the market value of the residence homestead of a married or unmarried adult, including one living alone, is exempt from ad valorem taxation for general elementary and secondary public school purposes. The subsection allows the Legislature to exempt an amount not to exceed \$10,000 of the market value of the residence homestead of a person who is disabled or age 65 or older from ad valorem taxation for general elementary and secondary public school purposes.

DIGEST: CSHJR 150 would amend the Texas Constitution to allow the Legislature to exempt from property taxation a portion of the market value of the real property a person owned that was the primary residence of an adult who

had an intellectual or developmental disability and was related by blood within the third degree to the property owner or trustee of the property.

The portion of the market value of real property authorized to be exempted would be equal to the amount of the exemption applied to the residence homestead of a married or unmarried adult, including an adult living alone.

The Legislature could define "developmental disability" and "intellectual disability" to implement the section.

A ballot proposal would be presented to voters at an election on November 7, 2023, and would read: "The constitutional amendment authorizing the Legislature to provide for an exemption from ad valorem taxation of a portion of the market value of a property that is the primary residence of an adult who has an intellectual or developmental disability and who must be related to the owner or trustee of the property within a certain degree by consanguinity."

**SUPPORTERS
SAY:**

CSHJR 150 would allow property tax exemptions for homes owned on behalf of a family member with an intellectual or developmental disability. Currently, adults with intellectual or developmental disabilities residing in their own homes cannot qualify for the residence homestead tax exemption because having the home in their name would lead to the loss of essential federal and state benefits.

The exemption would be equal to the value of the residence homestead exemption and would only be granted when the owner and resident were related by blood.

Individuals with intellectual and developmental disabilities need life-long support and ensuring they receive the care they deserve can be a significant financial hardship for families. The resolution would provide an avenue of support that could reduce some of the financial obligations undertaken on behalf of the disabled family member.

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CRITICS
SAY:

No concerns identified.

NOTES:

The enabling legislation for CSHJR 105 is CSHB 3640, which also is on the daily House calendar for second reading consideration today.

According to the Legislative Budget Board (LBB), the proposed constitutional amendment would have no cost to the state other than the cost of publication, which would be \$204,406.