

SUBJECT: Authorizing a limitation on property taxes for certain low-income persons

COMMITTEE: Ways & Means — committee substitute recommended

VOTE: 10 ayes — Meyer, Thierry, Craddick, Gervin-Hawkins, Hefner, Muñoz, Noble, Raymond, Shine, Turner

0 nays

1 absent — Button

WITNESSES: For — (*Registered, but did not testify*: Paul Blanton; Carol Blanton; John & Gay Cosby; Laure Dyson; Maynard Dyson; Jan Gares; Shawn & Ben Glacken; Bill Graves; Carter & Anna Hicks; Betty Hinsley; Bruce Horn; Perry Pack; Flavious & Melanie Smith; Diane Yanaway)

Against — None

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

BACKGROUND: Concerns have been raised that local taxing entities do not have the ability to grant property tax freezes to senior citizens or individuals with disabilities. Some have suggested that providing such a tax limitation would help low-income seniors and people with disabilities who may have difficulty keeping up with rapidly increasing property taxes.

DIGEST: CSHJR 153 would amend the Texas Constitution to allow the governing body of a political subdivision other than a school district, county, city or town, or junior college district to prohibit an increase in property taxes for the residence homestead of a person with limited financial means who was disabled or age 65 or older and had received a residence homestead exemption.

The property tax amount would not be subject to an increase while the property remained the residence homestead of the qualifying person or

that person's spouse if the spouse was also of limited financial means and was disabled or age 65 or older and also received a residence homestead exemption on the homestead. Exceptions to this prohibition would be allowed for certain property improvements.

As an alternative, if the governing body of a political subdivision received a petition signed by 5 percent of registered voters, the governing body would be required to call an election to determine by majority vote whether to establish an authorized tax limitation.

If a political subdivision established a tax limitation under the amendment's authority and a qualifying person died in the year the person received a residence homestead exemption, the total amount of property tax imposed on the homestead by the subdivision could not be increased while the property remained the residence homestead of that person's spouse if the spouse had limited means and was age 55 or older at the time of the person's death.

The Legislature could prescribe the method for determining whether a person was of limited financial means.

Once authorized, the governing body could not repeal or rescind the tax limitation.

The Legislature would be authorized to provide for the transfer of all or a proportionate amount of tax limitation for a qualifying person who established a different residence homestead located in the same political subdivision. A political subdivision that established this tax limitation would be required to comply with a law providing for the transfer of the limitation, even if the Legislature enacted the law subsequent to the political subdivision's establishment of the limitation.

The ballot proposal would be presented to voters at an election on November 7, 2023 and would read: "The constitutional amendment to authorize a limitation on the total amount of ad valorem taxes that a political subdivision other than a school district, county, municipality, or

junior college district may impose on the residence homesteads of certain low-income persons who are disabled or elderly and their surviving spouses."

NOTES:

CSHB 3757, the enabling legislation for CSHJR 153, is also on the daily House calendar for second reading consideration today.

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