

BILL ANALYSIS

Senate Research Center

S.J.R. 22
By: Harris
Finance
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As Filed

DIGEST

Currently, a senior citizen who has an ad valorem property tax freeze for school taxes cannot carry that property tax freeze to a new homestead if the homestead is taken by a public entity under eminent domain. The value of the property tax freeze is not considered to be either a part of the property's fair market value, nor is the value of the tax freeze portable. As a consequence, a senior citizen who is forced to move from a tax-frozen homestead may only claim a property tax freeze on his or her next homestead, but at a current, not the original level. The difference can be several hundred dollars a year, especially if the freeze had been in effect for several years. S.J.R. 22 prohibits the total amount of ad valorem taxes on an elderly person's homestead from being increased.

PURPOSE

As proposed, S.J.R. 22 requires the submission to the voters of a constitutional amendment to provide for transferring the school tax freeze on the homestead of an elderly person to a new homestead in certain circumstances.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1-b(d), Article VIII, Texas Constitution, to prohibit the total amount of ad valorem taxes imposed on a person's new homestead for general elementary and secondary school purposes from being increased above the total amount of ad valorem taxes that were imposed on the person's former homestead while the new homestead remains the residence homestead of that person or that person's spouse who receives the exemption, if the residence homestead of a person 65 years of age or older that qualified for the limitation provided by this subsection is taken for a public use, and the person acquires a new residence homestead that has an appraised value of the former homestead for the tax year in which the former homestead was taken.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 4, 1997. Sets forth the required language for the ballot.