

BILL ANALYSIS

Senate Research Center
76R4494 SMH-D

S.B. 1210
By: Cain
Finance
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As Filed

DIGEST

Currently, under Texas law, senior citizens may transfer a freeze of school taxes on a homestead from one homestead to another. However, there have been abuses of this legislation with rapid turnovers of homesteads in order to freeze taxes on lower value homesteads. This bill would establish a 12-month period before the transfer of a freeze of tax increases on a homestead is attached to the value of the homestead.

PURPOSE

As proposed, S.B. 1210 establishes a 12-month period before the transfer of a freeze of tax increases on a homestead is attached to the value of the homestead.

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 11.26(g), Tax Code, to prohibit a school district from imposing ad valorem taxes under certain conditions if an individual who receives a limitation on tax increases imposed by this section on a residence homestead the person owned and occupied as a homestead for at least 12 consecutive months subsequently qualifies a different residence homestead for an exemption under Section 11.13. Provides that the limitation provided by this subsection applies to each subsequently qualified homestead of the individual until the individual owns and occupies a subsequently qualified homestead for at least 12 consecutive months. Prohibits the taxes imposed on the former residence homestead of the individual from being used to determine the limitation of taxes provided by this subsection for any later residence homestead of the individual, after the individual owns and occupies a subsequently qualified homestead for at least 12 consecutive months. Makes conforming and nonsubstantive changes.

SECTION 2. Amends Section 11.26, Tax Code, by adding Subsection (m), to provide that the limitation provided by Subsection (g) does not apply to the homestead after the first year, if school district taxes imposed on an individual's residence homestead are limited as provided by Subsection (g) and the individual's residence homestead was under construction on January 1 of the first year in which the individual qualified that homestead for an exemption under Section 11.13. Prohibits the school district from imposing ad valorem taxes that exceed certain amounts for certain years.

SECTION 3. Effective date: January 1, 2000.
Makes application of this Act prospective.

SECTION 4. Emergency clause.