

BILL ANALYSIS

Senate Research Center

H.J.R. 67
By: Chisum (Bivins)
Intergovernmental Relations
5/9/2001
Engrossed

DIGEST AND PURPOSE

Current law does not extend residence homestead ad valorem tax exemptions to a homestead owned by a family-owned business or protect such businesses from forced sale. H.J.R. 67 requires the submission to the voters of a constitutional amendment to provide that the residence of a person that is owned by a family-owned business in which the person owns an interest is considered the person's residence homestead for the purposes of a residence homestead tax exemption, a limitation of school tax on homesteads of elderly, or a limitation on appraised value of a residence homestead.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1-b, Article VIII, Texas Constitution, by adding Subsection (h), as follows:

(h) Provides that the residence of a person that is owned by a family-owned business, as defined by general law, in which the person owns an interest is considered the person's residence homestead for purposes of an exemption under this section, a tax limitation under Subsection (d) of this section, or a limitation on appraisal increases authorized by Section 1(i) of this article if the person otherwise qualifies for the exemption or limitation. Provides that the eligibility of the residence homestead of a person or the person's spouse or surviving spouse for an exemption under this section, a tax limitation under Subsection (d) of this section, or a limitation on appraisal increases authorized by Section 1(i) of this article is not affected by a conveyance of the residence by the owner to a family-owned business, as defined by general law, in which the owner owns an interest.

SECTION 2. Amends Section 51, Article XVI, Texas Constitution, as follows:

Sec. 51. (a) Provides that, for purposes of this section and Section 50 of this article, the homestead of a family or single adult person may consist of property described by this section that is owned by a family-owned business, as defined by general law, in which a member of the family or the single adult person owns an interest. Provides that the homestead rights of the family or single adult person are subject and subordinate to the rights of creditors of and purchasers of property from the family-owned business and do not affect the validity or enforceability of any conveyance, mortgage, or encumbrance of the property by the family-owned business.

(b) Authorizes a homestead claimant, if a claimant conveys the homestead to a family-owned business, as defined by general law, in which the homestead claimant owns an interest, to continue to claim homestead rights in the homestead, subject to the provisions of Subsection (a) of this section.

SECTION 3. Adds a temporary provision to the Texas Constitution, as follows:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by H.J.R. No. 67, 77th Legislature, Regular Session, 2001, and expires January 1, 2004.

(b) Provides that the amendment takes effect January 1, 2002.

SECTION 4. Requires this proposed constitutional amendment to be submitted to the voters at an election held November 6, 2001. Requires the ballot to be printed in a certain manner.