

BILL ANALYSIS

Senate Research Center
78R17373 JD-F

C.S.H.J.R. 16
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Finance
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Committee Report (Substituted)

DIGEST AND PURPOSE

In 1978, Texas citizens voted to freeze the amount of ad valorem taxes on homesteads of the elderly. In 1988, Texas citizens voted to extend the ad valorem tax freeze to surviving spouses of the elderly and to allow the elderly and their surviving spouses to port their tax freeze of ad valorem taxation from one taxing jurisdiction to another. The freeze on such taxes only applies to taxes imposed by school districts. C.S.H.J.R. 16 proposes a constitutional amendment to provide a local option for a county or municipality to adopt an ad valorem tax limitation on homesteads of the elderly and their surviving spouses.

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) Authorizes the governing body of a county, a city or town, or a junior college district by official action to provide that if a person who is disabled or is sixty-five (65) years of age or older receives a residence homestead exemption prescribed or authorized by this section, the total amount of ad valorem taxes imposed on that homestead by the county, the city or town, or the junior college district may not be increased while it remains the residence homestead of that person or that person's spouse who is disabled or sixty-five (65) years of age or older and receives a residence homestead exemption on the homestead. Requires the city or town, or the junior college district, the governing body of the county, the city or town, or the junior college, district, as an alternative, on receipt of a petition signed by five percent (5%) of the registered voters of the county, to call an election to determine by majority vote whether to establish a tax limitation provided by this subsection. Prohibits the total amount of ad valorem taxes imposed by the county, the city or town, or the junior college district from being increased while it remains the residence homestead of that person's surviving spouse if the spouse is fifty-five (55) years of age or older at the time of the person's death, subject to any exceptions provided by general law, if a county, a city or town, or a junior college district establishes a tax limitation provided by this subsection and a disabled person or a person sixty-five (65) years of age or older dies in a year in which the person received a residence homestead exemption. Authorizes the legislature, by general law, to provide for the transfer of all or a proportionate amount of a tax limitation provided by this subsection for a person who qualifies for the limitation and establishes a different residence homestead within the same county, within the same city or town, or within the same junior college district. Requires a county, a city or town, or a junior college district that establishes a tax limitation under this subsection to comply with a law providing for the transfer of the limitation, even if the legislature enacts the law subsequent to the county's, the city or town's, or the junior college district's establishment of the limitation. Authorizes taxes otherwise limited by a county, a city or town, or a junior college district under this subsection to be increased to the extent the value of the homestead is increased by

improvements other than repairs and other than improvements made to comply with governmental requirements and except as may be consistent with the transfer of a tax limitation under a law authorized by this subsection. Prohibits the governing body of a county, a city or town, or a junior college district from repealing or rescinding a tax limitation established under this subsection.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held on September 13, 2003. Requires the ballot to be printed to provide for voting for or against the proposition: "The constitutional amendment to permit counties, cities and towns, and junior college districts to establish an ad valorem tax freeze on residence homesteads of the disabled and of the elderly and their spouses."