

BILL ANALYSIS

Senate Research Center

C.S.S.J.R. 7
By: Wentworth
Finance
8/5/2005
Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

C.S.S.J.R. 7 increases the homestead exemption from ad valorem taxation for public school purposes to \$22,500 and provides for an adjustment of the limitation on the amount of ad valorem taxes that may be imposed for those purposes on certain persons to reflect the increased exemption amount, and increase or reduces, as applicable, the amount of the limitation on the total amount of ad valorem taxes that may be imposed by a school district on the residence homestead of an elderly or disabled person in proportion to any increase or reduction in the tax of the school district but not to exceed the amount of the limitation for the alter of the 2005 tax year or the tax year in which limitation took effect, subject to increase for improvements.

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 (c) and (d), Article VIII, Texas Constitution, as follows:

(c) Provides that the amount of \$22,500, rather than \$15,000, of the market value of the residence homestead of a married or unmarried adult, including one living alone, is exempt from ad valorem taxation for general elementary and secondary public school purposes. Makes a nonsubstantive change.

(d) Provides that the limitation provided by this subsection on the total amount of ad valorem taxes that, under certain conditions, may be imposed for public school purposes on the homestead is reduced in proportion to the reduction in the tax rate. Requires the legislature, for a residence homestead subject to the limitation provided by this subsection in the 2005, rather than 1996, tax year or an earlier tax year, to reduce the amount of the limitation for the 2006, rather than 1997, tax year and subsequent tax years in an amount equal to \$7,500, rather than \$10,000, multiplied by the 2006, rather than 1997, tax rate for general elementary and secondary public school purposes applicable to the residence homestead. Makes a nonsubstantive change.

SECTION 2. Provides that the following provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 79th Legislature, 2nd Called Session, 2005, increasing the amount of the residence homestead exemption from ad valorem taxation for public school purposes and providing for a corresponding adjustment of the limitation on the amount of ad valorem taxes that may be imposed for those purposes on the homesteads of certain persons to reflect the increased exemption amount and reductions in school district as valorem tax rates and expires January 1, 2007.

(b) Provides that the amendment to Sections 1-b(c) and (d), Article VIII, of this constitution takes effect January 1, 2006, and applies only to a tax year beginning on or after that date.

SECTION 3. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 8, 2005. Sets forth the required language for the ballot.