

BILL ANALYSIS

Senate Research Center
83R18309 CJC-D

C.S.S.B. 489
By: Paxton
Finance
4/4/2013
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Constitution currently allows for a freeze on the ad valorem taxes on a residential homestead for those individuals who have a disability or who are over 65 years of age within a school district, county, city, or junior college district. There are many special purpose districts that levy property taxes but are not constitutionally required to offer a property tax freeze.

C.S.S.B. 489 proposes a local option for a political subdivision other than a school district to adopt an ad valorem tax limitation for those individuals who have a disability who are over 65 years of age and their surviving spouses.

C.S.S.B. 489 amends current law relating to the authority of a taxing unit other than a school district to establish a limitation on the amount of ad valorem taxes that the taxing unit may impose on the residence homesteads of individuals who are disabled or 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 the heading to Section 11.261, Tax Code, to read as follows:

Sec. 11.261. LIMITATION OF TAX IMPOSED BY TAXING UNIT OTHER THAN SCHOOL DISTRICT ON HOMESTEADS OF INDIVIDUALS WHO ARE DISABLED OR ELDERLY.

SECTION 2. Amends Sections 11.261(a), (b), (c), (d), (e), (g), (h), (i), (j), (k), and (l), Tax Code, as follows:

(a) Provides that this section applies only to a taxing unit that is not a school district and has established a limitation on the total amount of taxes that are authorized to be imposed by the taxing unit on the residence homestead of an individual who is disabled or is 65 years of age or older under Section 1-b(h) (relating to a prohibition from ad valorem tax increases for certain persons who have received a residence homestead exemption) or (h-1) (relating to calling an election to determine whether to establish a tax limitation as described by Subsection (1-b)(h)), Article VIII (Taxation and Revenue), Texas Constitution, rather than providing that this section applies only to a county, municipality, or junior college district that has established a limitation on the total amount of taxes that are authorized to be imposed by the county, municipality, or junior college district on the residence homestead of a disabled individual or an individual 65 years of age or older under Section 1-b(h), Article VIII, Texas Constitution.

(b)-(e) Makes conforming and nonsubstantive changes.

(g)-(l) Makes conforming changes.

SECTION 3. Amends Section 23.19(g), Tax Code, to require that the total tax imposed by a school district or other taxing unit, rather than a school district, county, municipality, or junior college district, be reduced by any amount that represents an increase in taxes attributable to certain appraised interests.

SECTION 4. Amends Sections 26.012(6), (13), and (14), Tax Code, to redefine "current total value," "last year's levy," and "last year's total value."

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: January 1, 2014, contingent upon approval by the voters of the constitutional amendment to authorize a political subdivision other than a school district to establish a limitation on the amount of ad valorem taxes that the political subdivision is authorized to impose on the residence homesteads of persons who are disabled or elderly and their surviving spouses.