

## **BILL ANALYSIS**

H.B. 217  
By: Hamric  
Local Government Ways and Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The limitation on the amount of the school tax that can be imposed on the homestead residence of an over-65 homeowner has not been extended to disabled homeowners. House Bill 217 would limit the school taxes paid by a disabled homeowner to the amount paid in the year the homeowner qualifies for the disabled exemption.

Several provisions of the Tax Code provide benefits to over-65 and disabled homeowners occupying a home as their principal residence. Not all of the provisions apply to both over-65 and disabled homeowners.

Currently, the amount of ad valorem school taxes that can be imposed on the homestead residence of an over-65 homeowner is limited (frozen) to the amount paid in the first year the homeowner qualifies for the over-65 exemption.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

Extending the limitation on the amount of the school district ad valorem taxes that can be imposed on the residence homesteads to disabled homeowners is accomplished by amending Sections 11.26 and 403.302(d) of the Tax Code to add disabled individuals, as defined by Section 11.13 of the Tax Code, as persons qualifying for the tax limitation.

Section 403.302(d) of the Government Code is amended to include individuals who receive a tax limitation under Section 11.26 of the Tax Code in the determination of taxable value. Section 403.302 of the Government Code guides the Comptroller's office in its annual study to determine school district property values.

### **EFFECTIVE DATE**

January 1st, 2004 if the accompanying constitutional amendment is approved by voters. The limitation proposed would only apply to taxes imposed for tax years that begin on or after the effective date.