

BILL ANALYSIS

H.B. 700
By: Gutierrez
Local Government Ways and Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Present statutory law entitles disabled people and persons over 65 years of age to a \$10,000 exemption on the appraised value of their residence homestead from taxation by a school district. Disabled people and those that are over 65 often live on limited, fixed incomes and property values and rates might rise disproportionately to their incomes. In addition, since the establishment of the current Tax Code in 1979, this exemption has not been increased. Increasing the exemption would provide relief for the disparity between the income of people over 65 years of age and disabled people and their rising property taxes. HB 700 seeks to increase the current tax exemption from \$10,000 to \$20,000.

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

SECTION 1. Amends Section 11.13 (c) of the Tax Code to increase the exemption from \$10,000 of the appraised value of the person's homestead to \$20,000.

SECTION 2. Sets January 1, 2004 as the effective date pending the approval of the constitutional amendment by the voters.

EFFECTIVE DATE

January 1, 2004.