

BILL ANALYSIS

S.J.R. 13
By: Averitt
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

A reduction in school property taxes was enacted through legislation that was passed during the 79th Legislature, 3rd Called Session. Currently, under Section 1-b(d), Article VIII, of the Texas Constitution, homeowners who are 65 years of age or older, or homeowners who have a disability, are eligible to receive a ceiling on the amount of school property taxes they will owe on their homestead based on the amount they owed the year they qualified for the freeze. Therefore, in order for elderly and disabled Texans to receive a proportional reduction in ad valorem taxes, there must be an allowance for such a reduction in the Texas Constitution and a statutory change in law.

S.J.R. 13 proposes a constitutional amendment authorizing the legislature to provide for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for public school purposes on the residence homesteads of the elderly or disabled to reflect any reduction in the rate of those taxes.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Amends Section 1-b(d), Article VIII, Texas Constitution, to authorize the legislature by general law to provide for the reduction of the amount of a limitation of ad valorem taxes imposed for general elementary and secondary public school purposes (ad valorem taxes), upon persons who have applied for a residence homestead exemption and are sixty-five (65) years of age or older or who are disabled, to reflect any reduction from the preceding year in ways applicable to the residence homestead of the person or the person's spouse. Authorizes a general law providing for this reduction for the purposes of computing the amount of the limitation for the 2007 tax year to take into account any reduction for the same purpose for tax years 2005 to 2006 if the homestead was subject to the limitation in tax year 2006. Provides for the limitation provided by this subsection to continue to apply to the residence homestead as reduced until the limitation expires.

SECTION 2. Amends the Texas Constitution to add a temporary provision to:

(a) Provide that a temporary provision applies to the constitutional amendment proposed by the 80th Legislature, Regular Session, 2007, authorizing the legislature to provide for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for public school purposes on the residence homesteads of the elderly or disabled to reflect any reduction in the rate of those taxes. This temporary provision expires January 1, 2009.

(b) Provide that the amendment to Section 1-b(d), Article VIII, of this constitution takes effect on the date of the official canvass of returns showing adoption of the amendment and applies beginning with the tax year that begins January 1, 2007. Authorizes the legislature to enact a general law authorized by the constitutional amendment that applies to the entire 2007 tax year, notwithstanding that the constitutional amendment was adopted after the beginning of that tax year. Provides that a general law applicable to the entire 2007 tax year is not considered to be a retroactive law.

SECTION 3. Requires this proposed constitutional amendment shall be submitted to the voters at an election to be held May 12, 2007. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the legislature to provide for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for

public school purposes on the residence homesteads of the elderly or disabled to reflect any reduction in the rate of those taxes."

EFFECTIVE DATE

This proposed constitutional amendment shall be submitted to the voters at an election to be held May 12, 2007. The amendment to Section 1-b(d), Article VIII, of the constitution takes effect on the date of the official canvass of returns showing adoption of the amendment and applies beginning with the tax year that begins January 1, 2007.