

BILL ANALYSIS

C.S.H.J.R. 40
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law authorizes a taxing unit to exempt from taxation a percentage of the market value of a residence homestead, providing taxpayers owning homes with higher values a higher exemption.

C.S.H.J.R. 40 provides governing bodies the option of adopting a set exemption amount as an alternative to a percentage homestead tax exemption, providing all taxpayers an equal exemption. The resolution also prohibits the legislature from providing formulas to protect a school district whose governing body adopts the set exemption amount from revenue loss.

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

C.S.H.J.R. 40 proposes an amendment to the Texas Constitution to authorize the governing body of a political subdivision to exempt from property taxation a portion of the market value of the residence homestead of a married or unmarried adult, including one living alone, as an alternative to an exemption of a percentage of the market value. The resolution limits the amount of the alternative exemption to not less than \$5,000 or more than \$30,000. The resolution prohibits the legislature from providing formulas to protect a school district against all or part of the revenue loss incurred by the district that results from the adoption by the governing body of the school district of the proposed alternative exemption. The resolution makes a conforming change to remove references to obsolete county education districts.

C.S.H.J.R. 40 adds a temporary provision to the constitution, set to expire January 1, 2011, to make provisions of the amendment apply beginning with the tax year that begins January 1, 2010.

C.S.H.J.R. 40 sets forth the required language for the ballot.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 3, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.J.R. 40 adds a provision not in the original prohibiting the legislature from providing a formula to protect a school district whose governing body adopted the alternative exemption proposed by the resolution from revenue loss.