

BILL ANALYSIS

H.B. 3348
By: Rodriguez, Eddie
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law requires school districts to grant a \$15,000 property tax exemption to all residence homestead owners, with an additional \$10,000 for homeowners 65 years of age or older or disabled. Interested parties note that local governments, other than school districts, are not authorized to grant a similar flat-dollar-amount homestead exemption, other than to seniors and the disabled. The parties contend that dollar-amount exemptions offer greater benefits to middle-income households than those from percentage-based exemptions and allow local governments to more easily compute revenue lost to the exemption.

H.B. 3348 seeks to permit local governments to adopt a local option homestead exemption that is expressed as a dollar-amount as an alternative to the percentage-based homestead exemption currently permitted.

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

H.B. 3348 amends the Tax Code to authorize the governing body of a taxing unit to adopt a property tax exemption of a portion, expressed as a dollar amount, of the appraised value of an individual's residence homestead as an alternative to the exemption of a percentage of the appraised value of an individual's residence homestead, but not both. The bill requires the governing body to adopt the exemption before July 1 of the tax year in which the exemption applies. The bill sets the minimum exemption amount in a tax year, if the governing body adopts an exemption of a portion, expressed as a dollar amount, of the appraised value, at \$5,000.

H.B. 3348 amends the Education Code and Government Code to make conforming changes.

EFFECTIVE DATE

January 1, 2014, if the constitutional amendment authorizing the governing body of a political subdivision to adopt a local option residence homestead exemption from ad valorem taxation of a portion, expressed as a dollar amount, of the market value of an individual's residence homestead is approved by the voters.