

BILL ANALYSIS

H.J.R. 138
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.J.R. 138 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 resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.J.R. 138 proposes an amendment to the Texas Constitution to authorize the governing body of a political subdivision, as an alternative to exempting from property tax a percentage of the market value of the residence homestead of a married or unmarried adult, including one living alone, to exempt from property taxation a portion, expressed as a dollar amount, of the market value of the residence homestead of such an adult in an amount not less than \$5,000. The resolution removes provisions authorizing the voters of a county education district to provide a residence homestead property tax exemption at an election held for that purpose. 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 district's governing body of the alternative portion-based exemption. The resolution adds a temporary provision, set to expire January 1, 2015, to establish that its amendments take effect beginning with the tax year that begins January 1, 2014.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 5, 2013.