

BILL ANALYSIS

S.B. 489
By: Paxton
Ways & Means
Committee Report (Amended)

BACKGROUND AND PURPOSE

The Texas Constitution establishes a freeze on the amount of school district property taxes imposed on the residence homestead of a disabled or elderly homeowner and authorizes a county, city, or junior college district to establish a similar freeze on the amount of property taxes that such taxing units impose on the residence homestead of a disabled or elderly homeowner. Interested parties note that there are many special purpose districts that levy property taxes but are not constitutionally authorized to offer a property tax freeze applicable to the residence homestead of a disabled or elderly homeowner. S.B. 489 seeks to address this issue.

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

S.B. 489 amends the Tax Code to expand the applicability of statutory provisions relating to the establishment by a county, municipality, or junior college district of a freeze on the total amount of property taxes that may be imposed by such a taxing unit on the residence homestead of an individual who is disabled or 65 years of age or older, including provisions relating to the eligibility of the individual's surviving spouse for that freeze on the same homestead and to the transfer of a freeze to a subsequently qualified different homestead, to include a property tax freeze for such a disabled or elderly homeowner that may be established by any taxing unit that is not a school district.

EFFECTIVE DATE

January 1, 2014, if the constitutional amendment to authorize a political subdivision other than a school district to establish a limitation on the amount of property taxes that the political subdivision may impose on the residence homesteads of persons who are disabled or elderly and their surviving spouses is approved by the voters.

EXPLANATION OF AMENDMENTS

Committee Amendment No. 1

Committee Amendment No. 1 authorizes a district or authority created under certain constitutional provisions to include in a written agreement regarding the development or financing of district or authority facilities or improvements a provision that states that the district or authority will not establish a freeze on property tax increases under certain constitutional provisions.