

## **BILL ANALYSIS**

Senate Research Center  
83R15132 CJC-D

C.S.S.J.R. 32  
By: Paxton  
Finance  
4/4/2013  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Texas Constitution currently allows for a freeze on the ad valorem taxes on a residential homestead for those individuals who have a disability or who are over 65 years of age within a school district, county, city, or junior college district. There are many special purpose districts that levy property taxes but are not constitutionally required to offer a property tax freeze.

C.S.S.J.R. 32 proposes a constitutional amendment to authorize a political subdivision other than a school district to establish a limitation on the amount of ad valorem taxes that the political subdivision may impose on the residence homesteads of persons who are disabled or elderly and their surviving spouses.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1-b, Article VIII, Texas Constitution, by amending Subsection (h) and adding Subsections (h-1) and (h-2), as follows:

(h) Changes references to the governing body of a county, a city or town, or a junior college district to the governing body of a political subdivision of this state other than a school district (political subdivision). Authorizes the governing body of a political subdivision by official action to provide that if a person who is disabled or is 65 years of age or older receives a residence homestead exemption prescribed or authorized by this section, then the total amount of ad valorem taxes imposed on that homestead by the political subdivision is prohibited from being increased while it remains the residence homestead of that person or that person's spouse who is disabled or 65 years of age or older and receives a residence homestead exemption on the homestead.

(h-1) Requires the governing body of a county, a city or town, or a junior college district, on receipt of a petition signed by five percent of the registered voters of the county, the city or town, or the junior college district, to call an election to determine by majority vote whether to establish a tax limitation provided by Subsection (h) in addition to the procedure described by Subsection (h). Makes nonsubstantive changes.

(h-2) Prohibits the total amount of ad valorem taxes imposed on the homestead by the political subdivision from being increased while it remains the residence homestead of a person's surviving spouse if the spouse is 55 years of age or older at the time of the person's death, subject to any exceptions provided by general law, if a political subdivision establishes a tax limitation under the procedures prescribed by Subsection (h) or (h-1), rather than provided by this subsection, and the person who is disabled or is 65 years of age or older dies in a year in which the person received a residence homestead exemption. Authorizes the legislature, by general law, to provide for the transfer of all or a proportionate amount of a tax limitation provided under the procedures prescribed by Subsection (h) or (h-1), rather than by this subsection, for a person who qualifies for the limitation and establishes a different residence homestead within the same political

subdivision. Requires that a political subdivision that establishes a tax limitation under the procedures prescribed by Subsection (h) or (h-1), rather than this subsection, comply with a law providing for the transfer of the limitation, even if the legislature enacts the law subsequent to the political subdivision's establishment of the limitation. Authorizes taxes otherwise limited by a political subdivision under the procedures prescribed by Subsection (h) or (h-1), rather than this subsection, to be increased to the extent the value of the homestead is increased by improvements other than repairs and other than improvements made to comply with governmental requirements and except as may be consistent with the transfer of a tax limitation under a law authorized by this subsection. Prohibits the governing body of a political subdivision from repealing or rescinding a tax limitation established under the procedures prescribed by Subsection (h) or (h-1), rather than this subsection. Makes conforming and nonsubstantive changes.

SECTION 2. Adds the following temporary provision to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 83rd Legislature, Regular Session, 2013, authorizing a political subdivision other than a school district to establish a limitation on the amount of ad valorem taxes the political subdivision may impose on the residence homesteads of persons who are disabled or elderly and their surviving spouses.

(b) Effective date, the amendment to Section 1-b(h), Article VIII, Texas Constitution: January 1, 2014.

(c) Provides that this temporary provision expires January 1, 2015.

SECTION 3. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 5, 2013. Sets forth the required language of the ballot.