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| BILL ANALYSIS |

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| S.B. 8 |
| By: Bettencourt |
| Ways & Means |
| Committee Report (Unamended) |

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| **BACKGROUND AND PURPOSE** Currently when a homeowner purchases their home, they must wait until January 1 of the following year to receive the benefit of their homestead exemption provided by Texas law. This means that a new homeowner may lose out on anywhere from a few months to almost a full year of their homestead exemption, depending on when their property was acquired. S.B. 8 seeks to address this issue by allowing a homeowner to receive their homestead exemption in the year that they acquire the property, rather than having to wait for January 1 of the following year.  |
| **CRIMINAL JUSTICE IMPACT**It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **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. 8 amends the Tax Code to authorize a person who acquires property after January 1 of a tax year to receive a residence homestead property tax exemption, other than an exemption for an adult who is disabled or 65 years of age or older, for the applicable portion of that tax year immediately on qualification for the exemption if the preceding owner did not receive the same exemption for that tax year. The person must apply for the exemption for the applicable portion of that tax year before the first anniversary of the date they acquire the property. However, the chief appraiser may extend the filing deadline by written order for a single period not to exceed 60 days for good cause shown. For purposes of the limitation on the appraised value of a residence homestead, the owner is considered to have qualified the property for the exemption as of January 1 of the tax year following the tax year in which the owner acquired the property.S.B. 8 sets out the formula for use in calculating the taxes due on a residence homestead the owner of which receives one or more residence homestead property tax exemptions for a portion of a tax year as provided by the bill and a separate formula for use in instances in which the exemptions terminate during the year in which the individual acquired the property. If an individual qualifies to receive an exemption with respect to a property after the amount of tax due on the property is calculated and if the effect of the qualification is to reduce the amount of tax due on the property, the assessor for each taxing unit must recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor must mail a corrected tax bill to the individual in whose name the property is listed on the tax roll or to the individual's authorized agent. If the tax on the property has been paid, the collector for the taxing unit must refund to the individual who paid the tax the amount by which the payment exceeded the tax due.S.B. 8 amends the Education Code to provide the following with respect to the total amount of taxes refunded as provided for under the bill:* the public school financial accountability rating system may not include an indicator or any other performance measure that penalizes a school district for failure to collect the amount of taxes equal to the total amount of tax refunds;
* for purposes of provisions governing the tier two allotment, the total amount of maintenance and operations taxes collected by a school district includes the amount of taxes refunded; and
* for each school year, a school district, including a school district that is otherwise ineligible for state aid through the foundation school program, is entitled to state aid in an amount equal to the amount of all tax refunds provided.

S.B. 8 applies only to a residence homestead acquired on or after the bill's effective date. |
| **EFFECTIVE DATE** January 1, 2022. |