

BILL ANALYSIS

C.S.H.B. 746
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

As property values continue to increase throughout Texas, many property owners are seeing increases in their property tax bills. With increases in property taxes outpacing increases in household income, Texas homeowners are increasingly relying on property tax loans to help ease the financial burden. While property tax loans have assisted homeowners in paying their property taxes, homeowners have experienced additional financial hardship due to exorbitant interest rates and fees associated with these loans.

The Texas Legislature has made attempts at helping those burdened by property taxes, including by expanding access to government-administered escrow accounts for veterans and allowing senior citizens and disabled veterans to pay the property taxes due on their residence homestead in quarterly installments. By allowing for access to escrow and installment payments, the demand for property tax loans decreased, enabling senior citizens and disabled veterans to pay their property taxes without fear of foreclosure due to higher property tax loan interest rates and fees.

Though the state has made efforts to help senior citizens and disabled veterans, more still needs to be done to address the rising property tax burden of other Texans. C.S.H.B. 746 seeks to provide additional assistance to residents of Bexar County by extending the authority to make quarterly installment payments on a residence homestead to all Bexar County property owners qualified for a residence homestead exemption.

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

C.S.H.B. 746 amends the Tax Code to extend to any individual who is qualified for a residence homestead property tax exemption for property located in a county with a population of more than 1.5 million in which more than 75 percent of the population lives in a single municipality the authority to make quarterly installment payments of the taxes imposed on property that the person owns and occupies as a residence homestead.

EFFECTIVE DATE

January 1, 2022.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 746 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute narrows the scope of the original as follows:

- by omitting the original's provisions, which did the following:
 - authorized any individual who is a disabled veteran or the unmarried surviving spouse of a disabled veteran and qualified for the disabled veteran property tax exemption to make quarterly installment payments of the taxes imposed on property that the individual has designated to receive the exemption; and
 - authorized certain individuals to make payments of the taxes imposed by a taxing unit on applicable property that the individual owns in either five or nine equal monthly installments; and
- instead extending the existing authorization to make quarterly installment payments of the taxes due on a residence homestead only to individuals who are qualified for a residence homestead property tax exemption for property located in a county with a population of more than 1.5 million in which more than 75 percent of the population lives in a single municipality.