

BILL ANALYSIS

H.B. 972
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

State law provides a residence homestead property tax exemption that lowers the taxable value of an individual's primary residence. However, a national disability rights organization, The Arc, reports that homeownership can impact the federal benefits an individual is receiving, including Supplemental Security Income and Medicaid. Therefore, under current state law, some adults with intellectual and developmental disabilities (IDDs) cannot receive the general residence homestead exemption because having the home in their own name could cause them to lose some of their benefits. The bill's author has informed the committee that in an effort to care for their adult loved ones with an IDD, some parents, siblings, or other family members have purchased a home in their own name for their loved one in which to live. H.B. 972 seeks to address this issue by providing a property tax exemption for an individual who owns a home used as the primary residence for an adult with an IDD.

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

H.B. 972 amends the Tax Code to entitle a person to a property tax exemption, equal to the amount of the general residence homestead exemption, on the appraised value of the real property the person owns that is the primary residence of an adult who has an intellectual or developmental disability and who must be related to the owner or trustee of the property within the third degree by consanguinity. The bill excludes from this exemption any real property that qualifies for a residence homestead property tax exemption. For purposes of this exemption, the bill defines "developmental disability" and "intellectual disability" by reference as follows:

- "developmental disability" means a severe, chronic disability that:
 - is attributable to a mental or physical impairment or to a combination of a mental and physical impairment;
 - is manifested before a person reaches the age of 22;
 - is likely to continue indefinitely;
 - results in substantial functional limitations in three or more major life activities; and
 - reflects the person's needs for a combination and sequence of special interdisciplinary or generic care, treatment, or other lifelong or extended services that are individually planned and coordinated; and

- "intellectual disability" means significantly subaverage general intellectual functioning that is concurrent with deficits in adaptive behavior and originates during the developmental period.

H.B. 972 includes the exemption among the exemptions that, once allowed, need not be claimed in subsequent years and continue to apply to the property until an ownership change occurs or until the person's qualification for the exemption changes. The bill's provisions apply only to property taxes imposed for a tax year that begins on or after the bill's effective date.

EFFECTIVE DATE

January 1, 2026, if the constitutional amendment authorizing the legislature to provide for an exemption from property taxation of a portion of the market value of a property that is the primary residence of an adult who has an intellectual or developmental disability and who must be related to the owner or trustee of the property within a certain degree by consanguinity is approved by the voters.