

SUBJECT: Expanding authority to limit property tax on certain residence homesteads

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 11 ayes — Meyer, Thierry, Button, Cole, Guerra, Martinez Fischer,
Murphy, Noble, Rodriguez, Sanford, Shine

0 nays

WITNESSES: For — None

Against — None

On — (*Registered, but did not testify*: Korry Castillo, Comptroller of
Public Accounts)

BACKGROUND: Texas Constitution Art. 8, sec. 1-b(h) authorizes a county, city, town, or junior college to provide that if a person who is disabled or at least 65 years old receives a residence homestead exemption, the total amount of property taxes imposed on that homestead may not be increased while it remains the residence homestead of that person or the person's surviving spouse.

Tax Code sec. 11.261 provides the requirements for tax officials appraising property under a limitation established by a county, city, town, or junior college district.

DIGEST: CSHB 3437 would extend to all taxing units other than a school district the authority to establish a limitation on the amount of property taxes imposed on the residence homestead of an individual who was disabled or at least 65 years old and their surviving spouse.

The bill would apply only to property taxes imposed for a tax year beginning on or after the effective date.

The bill would take effect January 1, 2022, but only if the constitutional

amendment extending the authority to establish a residence homestead limitation for an individual who was disabled or at least 65 years old, and their surviving spouse, to all taxing units other than a school district was approved by voters. If not approved, the bill would have no effect.

NOTES: HB 3437 is the enabling legislation for HJR 141, which would amend the Texas Constitution to extend the authority to establish certain residence homestead limitations to any taxing unit other than a school district.