

SUBJECT: Requiring periodic review of residence homestead exemption eligibility

COMMITTEE: Ways & Means — favorable, without amendment

VOTE: 11 ayes — Meyer, Thierry, Button, Craddick, Gervin-Hawkins, Hefner,
Muñoz, Noble, Raymond, Shine, Turner

0 nays

WITNESSES: For — Pete Slover, Linebarger; Brian Utley, TrueRoll (*Registered, but did not testify*: Adam Haynes, Conference of Urban Counties; Rebekah Chenelle, Dallas County Commissioners Court; Charlotte Blakemore, Jim Popp, Popp Hutcheson; Raif Calvert, Texas Association of School Boards; Monty Wynn, Texas Municipal League)

Against — None

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

BACKGROUND: Some have suggested that periodic review of homestead exemptions could help to increase consistency across the state and facilitate fairness in setting tax rates.

DIGEST: HB 2747 would require appraisal districts to periodically confirm that recipients of residence homestead exemptions still qualified for the exemption.

By January 1, 2024, the chief appraiser of an appraisal district would be required to develop and implement a program to review each homestead exemption granted by the district at least once every five tax years. Reviews could take place in phases, with a portion of the exemptions reviewed each tax year. The first five-year review cycle would begin on January 1, 2024.

The bill would take effect September 1, 2023.

NOTES: According to the Legislative Budget Board, as a result of HB 2747 taxable property values could be increased and related costs to the Foundation School Fund could be reduced through the operation of the school finance formulas.