

BILL ANALYSIS

Senate Research Center
77R3327 SMH-D

H.B. 1940
By: Bonnen (Cain)
Intergovernmental Relations
5/10/2001
Engrossed

DIGEST AND PURPOSE

The 76th legislature amended the Property and Tax codes to allow a homeowner who turns 65 during a calendar year to receive the over-65 exemption on their homestead as if they were age 65 on January 1 of that year. Under this provision, the homeowner would benefit for the entire year because there is not a provision for prorating the exemption. Currently, if a homeowner who is receiving the over-65 exemption passes away during the year, the over-65 exemption is prorated off the property for the remainder of the calendar year. There are concerns that this action could cause undue hardship on the estate or family of an elderly person. H.B. 1940 clarifies when to prorate because of an over-65 residence homestead exemption and modifies other provisions regarding residence homestead exemptions.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 26.10(b), Tax Code, to delete text regarding property being eligible for taxation at its full appraised value for only part of a year. Provides that if the appraisal roll shows that a residence homestead exemption for an individual 65 years of age or older applicable to a property on January 1 of a year terminated during the year and if the owner qualifies a different property for a residence homestead exemption during the same year, the tax due against the former residence homestead (rather than the property) is calculated according to a certain formula.

SECTION 2. Amends Section 26.112, Tax Code, to delete existing Subsection (b) and make conforming and nonsubstantive changes.

SECTION 3. Effective date: January 1, 2002. Makes application of this Act prospective.