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FISCAL IMPACT REPORT

SPONSOR Campos **DATE TYPED** 03/11/05 **HB** 929/a HTRC

SHORT TITLE Increase Homestead Property Exemption **SB** _____

ANALYST Padilla-Jackson

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
NFI	NFI			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of HTRC Amendments

The House Taxation and Revenue Committee amended House Bill 929. The first amendment lowers the proposed amount allowed for a homestead exemption from \$150 thousand proposed in the original bill to \$60 thousand. The second amendment lowers the proposed exemption amount allowed for a homestead owned jointly from the \$150 thousand proposed in the original bill to \$60 thousand.

Synopsis of Original Bill

Current law provides that each person have exempt a homestead in a dwelling house occupied by that person. House Bill 929 increases the homestead exemption from \$30,000 to \$150,000. Current law provides exemption from attachment, execution or foreclosure by a judgment creditor and from any proceedings of receivers or trustees in insolvency proceedings and from executors or administrators in probate. If the homestead is owned jointly by two persons, each joint owner is entitled to an increase exemption of \$150,000 from the current \$30,000.

No effective date is provided for this bill.

FISCAL IMPLICATIONS

TRD notes that the bill's provisions apply primarily to bankruptcy proceedings and should not be confused with the head of household exemption currently applicable to property tax owners. As such, the bill's provisions would have insignificant fiscal impacts on state or local tax revenues. TRD notes that some minor impacts could result from cases where the department attempts to collect taxes via bankruptcy proceedings.

House Bill 929 as amended by HTRC has no significant fiscal impact to state or local revenues.

OPJ/lg:yr