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FISCAL IMPACT REPORT

SPONSOR SCORC DATE TYPED 03/04/05 HB _____

SHORT TITLE Raise & Revise Property Exemption Amounts SB 361/SCORCS

ANALYST Padilla-Jackson

REVENUE

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

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

The Senate Corporations and Transportation Committee substitute for Senate Bill 361 increases the amount of property exempted from receivers or trustees in bankruptcy or other insolvency proceedings, fines, attachment, execution or foreclosure by a judgment creditor. Property, as used in this bill, includes personal property and a person's homestead. The bill increases the amount of personal property exempted for married persons or heads of household and persons who support only themselves as follows:

- Personal property from \$500 to \$5,000
- Tools of the trade from \$1,500 to \$3,500
- One motor vehicle from \$4,000 to \$10,000
- Jewelry from \$2,500 to \$5,000

The homestead exemption increases from \$30,000 to \$60,000, and if the homestead is jointly owned, then the newly increased exemption would apply to each owner. If a person does not own a homestead, then the exemption on personal property would increase from \$2,000 to \$5,000.

The bill also provides for adjustments of dollar amounts. The bill provides that on April 1, 2008 and on 3-year intervals thereafter, each dollar amount shall be adjusted to reflect changes in the consumer price index (all urban).

The bill also contains a delayed repeal which is effective July 1, 2009.

There is no effective date provided for the provisions of this bill.

FISCAL IMPLICATIONS

As the bill relates to exemptions from bankruptcy proceedings, there is no significant fiscal impact to state revenues. TRD cautions that the bill should not be confused with the head of household exemption currently applicable to property tax.

ADMINISTRATIVE IMPLICATIONS

None identified.

OPJ/lg