

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC's office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Garcia, M.P. DATE TYPED: 2/03/03 HB 73/aHCPAC

SHORT TITLE: Property Tax Increase Limitations SB _____

ANALYST: Gilbert

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
		NFI		

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

No Response

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of HCPAC Amendment

House Consumer and Public Affairs Committee amendment to House Bill 73 adds language to clarify that determination of disability is pursuant to 42 USCA 421 of the Social Security Act or when considered permanently and totally disabled pursuant to the Worker's Compensation Act.

Synopsis of Original Bill

For the 2003 and subsequent tax years, House Bill 73 freezes the property tax valuation of a single-family dwelling owned and occupied by a person who is disabled and whose modified gross income for the prior taxable year did not exceed \$18,000 adjusted for inflation.

FISCAL IMPLICATIONS

By freezing values of some properties, this bill would shift the property tax burden to individuals who do not qualify for the freeze. The number of individuals likely to qualify for the limitation

would probably be small since the legislation requires disabled individuals to own and occupy single-family residential property, as well as satisfy low-income requirements.

ADMINISTRATIVE IMPACT

Counties would experience some increase in workloads, but these would be minor since the mechanisms for implementing the freeze for low-income senior citizens have already been implemented.

TECHNICAL ISSUES

Section 1F states that "disabled" means a person who has been determined to be blind or permanently disabled with medical improvement not expected." The bill does not specify which organization (e.g., Social Security Administration, Worker's Compensation Administration, etc.) is charged with determining the disability, and also does not specify what percentage of permanent disability is necessary to qualify for this limitation on property tax valuation.

Section 1B, line 19 may contain an error in its reference to Section 1C. Instead, the reference should be to Section 1D, which specifies the method for adjusting modified gross income to account for inflation.

POSSIBLE QUESTIONS

If the intent of this bill is to assist low-income disabled senior citizens, how can renters also be aided?

RLG/prr:yr