

## **BILL ANALYSIS**

Senate Research Center  
79R2136 ESH-D

S.B. 997  
By: Madla  
Finance  
3/30/2005  
As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Under current law, the Comptroller of Public Accounts (comptroller) is required to perform an annual property value study for use in state funding of public schools. The comptroller is required to conduct the study in a manner that conforms to generally accepted standards, but there is no constraint on the amount by which the comptroller can increase taxable value in a school district from one year to the next.

In less populated counties with limited sales available to the local appraisal district and the comptroller, both parties are required to rely heavily on appraisal judgment in valuing property. Since the comptroller examines only certain categories of property and only samples of particular properties within selected categories, the comptroller's estimate of taxable value for a school district is especially dependant on appraisal judgment.

As proposed, S.B. 997 establishes a constraint on the comptroller's authority to assign a higher taxable value for school districts in less populated counties, i.e., counties with populations of 20,000 or less. S.B. 997 is focused on less populated counties because of the particular difficulty involved in estimating value in these areas.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 403.302, Government Code, by adding Subsection (c-1), as follows:

(c-1) Provides that this subsection applies only to a school district whose central administrative office is located in a county with a population of 20,000 or less. Requires the comptroller, if after conducting the annual study for a tax year the comptroller determines that the local value for a school district is not valid, to adjust the taxable value determined under Subsections (a) and (b) using specific methods.

SECTION 2. Effective date: upon passage or September 1, 2005.