

## BILL ANALYSIS

Senate Research Center  
79S20416-JD-HJ

S.J.R. 9  
By: Ogden  
Finance  
8/2/2005  
As Filed

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

S.J.R. 9 proposes a constitutional amendment authorizing a state property tax for public education, abolishing school district property taxes for maintenance purposes, and authorizing a limited school district property tax for educational enrichment if approved by the voters of the district.

### 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 1-e, Article VIII, Texas Constitution, to provide an exception by Section 3-a, Article VII, of this constitution.

SECTION 2. Amends Article VII, Texas Constitution, by adding Section 3-a, as follows:

Sec. 3-a. (a) Authorizes the legislature by general law to authorize the state to impose a uniform ad valorem tax for elementary and secondary public free school purposes on all taxable property at a rate not to exceed \$1.00 for each \$100 of taxable value.

(b) Requires the legislature by general law, including a provision in a general appropriations act, during each regular legislative session, to establish the rate of the uniform state ad valorem tax for the current tax year and for the following tax year. Requires the tax rate to be the same for each of those tax years. Prohibits the tax rate, for the two tax years for which the legislature establishes a tax rate, from exceeding the rate that when applied to the taxable value of property subject to state ad valorem taxes for the first of the two tax years, less new property value as defined by general law, would levy for that tax year an amount of state ad valorem taxes that exceeds 105 percent of the amount of state ad valorem taxes levied for the tax year preceding the preceding tax year.

(c) Authorizes the legislature to provide for the appraisal of property subject to the uniform state ad valorem tax, for the equalization of the taxable values of that property, and for the collection of the state ad valorem taxes imposed on that property, notwithstanding Section 23 (Appraisal of Property; Enforcement of Standards), Article VIII, of this constitution.

(c-1) Requires the uniform state ad valorem tax to be assessed on the valuation of property subject to the tax as determined by the appraisal officials in the county in which the property is located. Provides that if an appraisal official uses generally accepted appraisal standards and practices to appraise property subject to the uniform state ad valorem tax and the valuation of the property subject to that tax conforms to or is equalized by the local appraisal review process to conform to the accepted standards and practices, the assessments of a state ad valorem tax on that valuation is not invalid. Provides that this subsection expires at the end of the 2006 ad valorem tax year.

(d) Authorizes the legislature by general law to authorize the governing body of a school district to use revenue of the district, including proceeds from a uniform ad valorem tax imposed under Subsection (a), to provide relief from the uniform ad valorem tax imposed on residence homesteads in the school district, notwithstanding Subsection (a) of this section.

(e) Authorizes the legislature by general law, for the 2006 and 2007 tax years, to establish the rate of the uniform state ad valorem tax rate at a rate not to exceed a \$1.00 for each \$100 of taxable amount. Provides that this subsection expires January 1, 2008.

SECTION 3. Amends Section 3, Article VII, Texas Constitution, by amending Subsection (e) and adding Subsection (f), as follows:

(e) Makes a nonsubstantive change.

(f) Authorizes a school district, as provided by general law, to impose an ad valorem tax on taxable property in the district for the purpose of providing an enriched educational program. Prohibits the rate of enrichment from exceeding 15 cents for each \$100 of taxable value. Prohibits a school district from imposing a tax under this subsection unless the tax is approved by the qualified voters of the district voting at an election to be held for that purpose. Provides that an election held before January 1, 2006, to authorize an ad valorem tax for enrichment for the maintenance of the public schools of a school district does not authorize the imposition of an enrichment tax under this subsection.

(g) Creates this subsection from existing text of Subsection (e). Deletes existing text relating to the maintenance of public free schools. Makes a nonsubstantive change.

(h) Authorizes the legislature to pass laws for the creation, management and control of, and imposition of ad valorem taxes in junior college districts. Prohibits a junior college district from imposing a tax under this subsection unless the tax is approved by a majority of the qualified voters of the district voting at an election held for that purpose. Provides that a junior college district is not a school district for purposes of this section.

(i) Provides that an ad valorem tax approved by the voters of a junior college district under this section before November 8, 2005, is not affected by the amendment of this section approved by the voters at an election held on November 8, 2005, and the junior college district is not required to hold a new election to authorize the existing tax. Provides that this subsection expires January 1, 2006.

SECTION 4. Amends Section 3-b, Article VII, Texas Constitution, to require that no tax for enrichment, rather than maintenance, of certain public schools and bonds to be abrogated, cancelled, or invalidated by change of any kind in the boundaries thereof. Makes a conforming change.

SECTION 5. Amends Section 1-j, Article VIII, Texas Constitution, by adding Subsections (d) and (e), as follows:

(d) Provides that property described by Subsection (a) of this section is not exempt from the uniform state ad valorem tax imposed for elementary and secondary public free school purposes unless expressly exempted by a general law enacted after January 1, 2005.

(e) Provides that property described by Subsection (a) of this section that is held at a location at which property described by that subsection was exempt from taxation by a school district in the 2005 tax year is exempt from the uniform state ad valorem tax imposed for elementary and secondary public free school purposes, notwithstanding Subsection (d) of this section.

SECTION 6. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 8, 2005. Sets forth the required language for the ballot.