

BILL ANALYSIS

Senate Research Center
80R646 JD-D

H.B. 216
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The homestead property appraisal values are increasing at a higher rate than the rate of growth for personal income. In the current appraisal process, appraisal districts are required to come within a five percent margin of error of the study completed by the comptroller of public accounts. If they do not fall within that margin of error, they are forced to either raise their appraised values or the school districts within the appraisal district will receive less state funding. The practical solution for the appraisal districts is to "shoot high" on appraised values so that school funding is not at risk. As a result, homebuyers find it increasingly difficult to pay their property taxes and to afford their homes.

H.B. 216 increases the margin of error from five to 10 percent, thereby removing some of the pressure on appraisal districts to raise appraised values to obtain the approval by the comptroller of public accounts.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 403.302(c), Government Code, as follows:

(c) Requires the comptroller of public accounts, in determining whether the local value for a school district is valid, to use a margin of error of 10 percent, rather than a margin of error that does not exceed five percent, unless certain conditions exist.

SECTION 2. Makes application of the changes to Section 403.302, Government Code, as added by this Act, prospective to a tax year that begins on or after January 1, 2007.

SECTION 3. Effective date: upon passage or the 91st day after the last day of the legislative session.