

BILL ANALYSIS

Senate Research Center
80R16516 JD-D

H.J.R. 40
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Finance
5/18/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law limits the rate at which a homestead can increase in value for tax purposes to a maximum of 10 percent of the property's previous appraised value for each tax year since the last appraisal.

Despite this limit, a homeowner who has not had a reappraisal in several years can experience a substantial increased assessed value. H.J.R. 40 provides the legislature with the authority to limit the maximum appraised value of a homestead for a tax year regardless of how long has passed since the last reappraisal. The resolution provides the constitutional authority for H.B. 438.

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(i), Article VIII, Texas Constitution, to authorize the legislature by general law to limit the maximum appraised value of a residence homestead for ad valorem tax purposes in a tax year to the lesser of the most recent market value of the residence homestead as determined by the appraisal entity or 110 percent, or a greater percentage, of the appraised value of the residence for the preceding tax year. Provides that a limitation on appraised values, rather than appraisal increases, authorized by this subsection takes effect on a certain date and expire on a certain date. Deletes existing text relating to the average annual percentage increase in the appraised value of residence homesteads for ad valorem tax purposes.

SECTION 2. Requires the proposed constitutional amendment to be submitted to the voters at an election to be held on November 6, 2007. Requires the ballot to be printed to permit voting for or against the specific proposition.