

BILL ANALYSIS

Senate Research Center
80R6019 JD-D

S.J.R. 23
By: Nichols
Finance
4/20/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under the Texas Constitution, the maximum annual growth of property tax appraisals is set at 10 percent. Amendment of the law setting this cap may be necessary in order to reduce the rate of growth of property taxes for homeowners.

S.J.R. 23 proposes a constitutional amendment to provide a limitation of five percent, rather than 10 percent, on the annual growth of property tax appraisals, and authorizes the voters in a political subdivision to elect a limitation above five percent, but not exceeding 10 percent, through a local option election.

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, Article VIII, Texas Constitution, by amending Subsection (i) and adding Subsection (i-1), as follows:

(i) Authorizes the legislature, by general law, to limit the maximum average annual percentage increase in the appraised value of residence homesteads for ad valorem purposes (limitation) to five percent, rather than 10 percent, or a lesser, rather than greater, percentage for each year since the most recent appraisal, notwithstanding Subsections (a) and (b) of this section.

(1) Provides that the limitation takes effect on the later of either the effective date of the law establishing the limitation, or January 1 of the tax year following the first tax year that the owner qualifies the property for an exemption from ad valorem taxation.

(2) Provides an expiration date for the limitation on January 1 of the first tax year that neither the owner of the property when the limitation took effect, nor the owner's spouse or surviving spouse, qualifies for an exemption from ad valorem taxation.

(i-1) Authorizes the commissioners court of a county to call an election in the county to permit the county's voters to determine by majority vote whether to establish, for purposes of ad valorem taxation by certain entities, a limitation on the maximum annual percentage increase in the county's appraised homestead value that is greater than the percentage established under Subsection (i), but not more than 10 percent, if the legislature establishes a limitation on increases in the appraised value of residence homesteads as authorized by Subsection (i), notwithstanding Subsections (a) and (c) of this section. Requires the ballot proposition to specify the proposed percentage limitation on appraisal increases. Provides the effective date and the expiration date of an established limitation as established under Subsection (i). Provides that a limitation established by a county's voters remains in effect until amended or repealed by the county's voters at a subsequent election called by the county's governing body. Authorizes the legislature, by general law, to limit the frequency with which elections regarding limitations are authorized to be called in a county.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 6, 2007. Sets forth the required language for the ballot.