

BILL ANALYSIS

Senate Research Center
80R8565 SMH-D

S.J.R. 39
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the Tax Code limits the appraisal creep of residential homestead property to the sum of 10 percent of the appraised value of the property times the number of years since the property was last appraised. As a result, homeowners across the state face a hidden annual property tax increase that has little relationship to the actual market value.

In previous sessions, the legislature has been reluctant to advance a lowering of the appraisal cap for fears of a negative impact on local governments.

S.J.R. 39 proposes a constitutional amendment to authorize the Harris County Commissioners Court to call an election to allow Harris County voters to decide if they are in favor of reducing the annual appraisal cap to not less than three percent per year.

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 adding Subsection (i-1), as follows:

(i-1) Authorizes the legislature to authorize the Commissioners Court of Harris County to call an election in the county to permit the voters to determine by majority vote whether to establish for purposes of ad valorem taxation by each political subdivision in the county a limitation on the maximum average annual percentage increase in the appraised value of residence homesteads in the political subdivision of not less than three percent, notwithstanding Subsections (a), (b), and (i) of this section (Equality and Uniformity; Tax in Proportion to Value; Income Tax; Exemption of Certain Tangible Personal Property from Ad Valorem Taxation). Requires the ballot proposition to specify the proposed percentage limitation on increases in appraised value. Provides that a limitation on increases in appraised value established under this subsection takes effect and expires in the manner provided by Subsection (i) of this section for a limitation enacted under that subsection. Provides that if the voters of the county establish a limitation on increases in appraised value under this subsection applicable to a tax year for which the legislature has enacted a limitation under Subsection (i) of this section, the lower percentage limitation applies to ad valorem taxation by each political subdivision in the county. Provides that if the voters of the county established a limitation on increases in appraised value under this subsection, the limitation remains in effect until amended or repealed by the voters of the county at a subsequent election called by the commissioners court of the county. Prohibits an amendment or repeal of a limitation on increases in appraised value under this subsection from taking effect before January 1, of the tax year following the year in which the election at which the limitation is amended or repealed is held. Authorizes the legislature to provide for the effect of the establishment of a limitation on increases in appraised value under this subsection on a political subdivision with boundaries extending outside the 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.