

BILL ANALYSIS

Senate Research Center
80R10260 SMH-D

S.J.R. 51
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, certain lands used by Texas farmers and ranchers can qualify for designation and appraisal as land for agricultural use under Article VIII, Section 1-d-1 (Taxation of Certain Open-Space Land), Texas Constitution, and Chapter 23 (Appraisal Methods and Procedures), Tax Code. Such land owners benefits from lower appraisals, commonly referred to as the agricultural valuation. The agricultural valuation is intended to alleviate the property tax burden faced by ranchers and farmers so that they may remain engaged in agriculture. The agricultural valuation is essential for farmers and ranchers, yet it may be used for individuals who hold land for recreational or investment purposes. These individuals possess the ability to share in the tax burden but are instead receiving a 90-99 percent reduction in their taxes. This results in a decrease of tax revenue and a higher tax burden on other property owners.

S.J.R. 51 proposes a constitutional amendment to authorize the legislature to provide for appraising recreational land on the basis of a percentage, provided that value is at least 20 percent of the market value of the land. The enabling legislation is S.B. 1576.

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 Article VIII, Texas Constitution, by adding Section 1-d-2, as follows:

Sec. 1-d-2. Authorizes the legislature, to promote the preservation of land for recreational purposes, to provide for the ad valorem taxation of land used for those purposes on the basis of a percentage, which may not be less than 20 percent, of the market value of the land. Authorizes the legislature by general law to provide eligibility limitations under this section and to impose sanctions in furtherance of the taxation policy of this section.

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.