

## **BILL ANALYSIS**

H.J.R. 4  
By: Bohac  
Local Government Ways and Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, provisions of the Tax Code provide a ten percent (10%) cap exists to limit the annual increase in appraised value of a residence homestead. Many feel that this cap is too high and concerned since it does not apply to non-residential property.

House Joint Resolution 4 proposes a constitutional amendment which would limit the maximum average annual increase in the appraised value of real property for ad valorem tax purposes to five percent or more.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

House Joint Resolution 4 proposes a constitutional amendment be submitted to the voters that would limit the maximum average annual increase in the appraised value of real property for ad valorem tax purposes to five percent or more by amending Section 1(i), Article VIII, of the Texas Constitution.

The limitation takes effect in the tax year following the first tax year in which the owner owns the property on January 1st, or in the tax year following the first tax year in which the owner qualifies the property if it is a residence homestead.

The limitation expires on January 1st of the tax year following the tax year in which the owner sells or otherwise transfers ownership of the property, except that the Legislature may provide for the limitation applicable to a residence homestead to continue during ownership of the property by the owner's spouse or surviving spouse.

### **FOR ELECTION**

November 4, 2003.