

BILL ANALYSIS

Senate Research Center
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S.J.R. 8
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Finance
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The 75th Legislature, Regular Session, 1997, amended the Tax Code to set a ten percent cap on the annual increase in appraised value of residence homesteads. S.J.R. 8 proposes a constitutional amendment to give local taxing jurisdictions statutory authority to set an appraisal cap below ten percent, but not lower than three percent. The rate would be set by a majority vote of the governing board of the taxing authority.

Taxing units that propose higher tax rates are subject to truth-in-taxation provisions, which call for certain notice and public hearing requirements. Appraisal districts are not subject to these provisions when raising property appraisals. S.J.R. 8 proposes a constitutional amendment to give local control.

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 governing body of a political subdivision, notwithstanding Subsections (a) and (b), to establish for purposes of ad valorem taxation by the political subdivision a limit on the maximum annual percentage increase in the appraised value of residence homesteads in the political subdivision of not less than three percent. Provides that a limitation on residence homestead appraisal increases 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 the lower percentage limitation applies to ad valorem taxation by a political subdivision if the subdivision established a limitation under this subsection applicable to a tax year for which the legislature has enacted a limitation under Subsection (i). Provides that a limitation on appraisal increases remains in effect until amended, repealed, or rescinded by the governing body if the body establishes a limit under this subsection. Sets forth specific prohibitions on the dates amendments to, repeals of, or rescissions of, limitations on appraisal increases take effect.

SECTION 2. Requires this proposed constitutional amendment be submitted to the voters at an election to be held November 7, 2006. Sets forth the required language of the ballot.