

By: Smith of Harris

H.J.R. No. 38

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the commissioners
2 court of a county to establish for purposes of ad valorem taxation a
3 limitation on the maximum average annual percentage increase in the
4 appraised value of real property in the county.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 1, Article VIII, Texas Constitution, is
7 amended by adding Subsections (i-1) and (i-2) to read as follows:

8 (i-1) Notwithstanding Subsections (a) and (b) of this
9 section, the commissioners court of a county may establish for
10 purposes of ad valorem taxation by the county and other political
11 subdivisions a limitation on the maximum average annual percentage
12 increase in the appraised value of real property in the county that
13 is less than 10 percent but not less than three percent. A
14 limitation on appraisal increases established under this
15 subsection applies to the taxation of real property in the county by
16 each political subdivision that imposes taxes on the property. If a
17 commissioners court establishes a limitation under this subsection
18 applicable to a tax year for which the Legislature has enacted a
19 limitation under Subsection (i) of this section, the lower
20 percentage limitation applies to ad valorem taxation of residence
21 homesteads in the county. If a commissioners court establishes a
22 limitation on appraisal increases under this subsection, that
23 limitation remains in effect until amended, repealed, or rescinded
24 by the commissioners court. An amendment, repeal, or rescission of

1 the limitation may not take effect before January 1 of the tax year
2 following the year in which the amendment, repeal, or rescission is
3 made.

4 (i-2) A limitation on appraisal increases authorized by
5 Subsection (i-1) of this section:

6 (1) takes effect:

7 (A) in the tax year following the first tax year
8 in which the owner owns the property on January 1; or

9 (B) in the tax year following the tax year in
10 which the owner acquires the property if the property qualifies for
11 an exemption as the residence homestead of the owner under Section
12 1-b of this article in the tax year in which the owner acquires the
13 property; and

14 (2) expires on January 1 of the first tax year
15 following the tax year in which the owner of the property when the
16 limitation took effect ceases to own the property, except that the
17 Legislature by general law may provide for the limitation
18 applicable to a residence homestead to continue during ownership of
19 the property by the owner's spouse or surviving spouse.

20 SECTION 2. This proposed constitutional amendment shall be
21 submitted to the voters at an election to be held November 7, 2006.
22 The ballot shall be printed to permit voting for or against the
23 proposition: "The constitutional amendment authorizing the
24 commissioners court of a county to establish for purposes of ad
25 valorem taxation a limitation on the maximum average annual
26 percentage increase in the appraised value of real property in the
27 county that is less than 10 percent but not less than three

1 percent."