

BILL ANALYSIS

H.B. 216
By: Otto
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under the current appraisal process, appraised values are increasing at a higher rate than personal income growth. This results in homeowners finding it more difficult to pay their property taxes, and in some cases being forced to sell their homes.

HB 216 affects the appraisal reviews that are conducted each year by the Comptroller's office on each appraisal district in the state. Under current law, appraisal districts must come within a 5% margin of error of the study completed by the Comptroller. If they do not fall within that margin of error, they are forced to either raise their appraised values or the school districts within the areas that fall outside the 5% margin lose some of their state funding. The practical result is some appraisal districts feel the pressure to "shoot high" on appraised values so school funding is not at risk. But that results in artificially higher taxes for the taxpayer.

HB 216 will double the margin of error of appraised values to 10%, thereby removing some of the pressure on appraisal districts to raise values in order to meet the Comptroller's review.

RULE MAKING AUTHORITY

The bill does not expressly delegate any additional rulemaking authority to a state office, department, institution, or agency.

SECTION-BY-SECTION ANALYSIS

SECTION 1. Amends Section 403.302(c), Government Code, to change the margin of error the comptroller of public accounts uses to determine whether the local value for a school district is valid.

SECTION 2. Sets forth which annual studies are affected by this bill.

SECTION 3. Effective Date. Provides this act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house as provided by the Texas Constitution. If this act does not receive the necessary votes for immediate effect, the effective date is the 91st day after the last day of the legislative session.

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