

BILL ANALYSIS

S.J.R. 44
By: Estes
Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Tourism contributes significantly to many rural economies. Many buildings located in downtown areas of small towns are not required to be renovated and some property owners refuse to renovate, fearing it will result in increased property taxes. The Texas Department of Agriculture has two programs which towns may use to revitalize their main streets: the Main Street Revitalization Improvement Program and Downtown Revitalization Program. These programs offer communities the ability to improve infrastructure to revitalize a downtown area.

S.J.R. 44 proposes a constitutional amendment to allow certain small communities to conduct a vote to freeze property taxes in the downtown area for a period of five years or until the property is sold.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Amends Article VIII, Texas Constitution, by adding Section 1-o, as follows:

Sec. 1-o. Authorizes the legislature by general law, to aid in the elimination of slum and blighted conditions in less populated communities in this state, to promote rural economic development in this state, and to improve the economy of this state, to authorize the governing body of a municipality having a population of less than 10,000, in the manner required by law, to call an election to permit the voters to determine by majority vote whether to enter into an agreement with an owner of real property that is located in or adjacent to a designated area of the municipality that has been approved for funding under the Downtown Revitalization Program or the Main Street Improvements Program administered by the Texas Department of Agriculture, or a successor program administered by that agency, under which the parties agree that certain ad valorem taxes not be increased for the first five tax years after the tax year in which the limitation the agreement is entered into. Requires a general law enacted under this section to provide that, if approved by the voters, an agreement to limit ad valorem tax increases authorized by this section must be established by the governing body of the municipality before December 31 of the first tax year in which the election was held. Requires a general law enacted under this section to take effect as to a parcel of real property on January 1 of the tax year following the tax year in which the governing body and the property owner enter into the agreement. Requires a general law enacted under this section to apply to ad valorem taxes imposed by any political subdivision on the real property covered by the agreement. Requires a general law enacted under this section to expire on the earlier of certain dates.

SECTION 2. Adds the following temporary provision to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 80th Legislature, Regular Session, 2007, authorizing the legislature to permit the governing body of a municipality having a population of less than 10,000 to authorize the governing body of the municipality to enter into an agreement with an owner of real property in or adjacent to an area in the

municipality that has been approved for funding under certain revitalization or redevelopment programs to prohibit ad valorem tax increases on the owner's property for a limited period and expires January 1, 2009.

(b) Provides that Section 1-o, Article VIII, of this constitution takes effect January 1, 2008, and applies only to a tax year that begins on or after that date.

SECTION 3. 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.

EFFECTIVE DATE

Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 6, 2007.