

BILL ANALYSIS

H.J.R. 36
By: Otto
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, the Texas Constitution provides that no property of any kind shall be assessed for property taxes at greater than fair cash market value, nor shall any board of equalization of any governmental or political subdivision or taxing district fix the value of any property for tax purposes at more than fair cash market value. However, residence homesteads throughout the state have experienced increasing appraisal values, in some instances more than 200 percent in one year, due to an appraisal practice known as "highest and best use." This widely accepted standard allows homes to be valued based on the property's potential use rather than the property's current use. This practice creates the potential for skyrocketing appraisal values for residence homesteads located near new commercial development. Also, the prerequisites to serve on an appraisal review board are minimal, and the number of people familiar with the appraisal of property is limited in any one county. The appraisal review process would benefit from drawing on a greater pool of talent.

H.J.R. 36 proposes an amendment to the Texas Constitution authorizing the Legislature to require taxation of a residence homestead to be determined solely on the basis of the property's value as a residence, regardless of whether that is considered the highest and best use of the property. The resolution proposes an amendment to authorize the Legislature to allow for a single board of equalization for two or more adjoining appraisal entities that elect to provide for consolidated equalizations.

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

H.J.R. 36 proposes an amendment to the Texas Constitution to authorize the legislature to provide by general law for the taxation of real property that is the residence homestead of the property owner solely on the basis of the property's value as a residence homestead, regardless of whether the residential use of the property by the owner is considered to be the highest and best use of the property.

H.J.R. 36 proposes an amendment to the Texas Constitution to authorize the legislature to authorize by general law a single board of equalization for two or more adjoining appraisal entities that elect to provide for consolidated equalizations.

H.J.R. 36 sets forth the required language of the ballot for each proposed amendment.

ELECTION DATE

The constitutional amendments proposed by this joint resolution will be submitted to the voters at an election to be held November 3, 2009.

