

RESOLUTION ANALYSIS

C.S.H.J.R. 3
By: Huberty
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Some note that the local property tax burden in Texas is one of the highest in the nation, which some believe negatively affects homeownership. The Texas Constitution mandates that the legislature establish and make suitable provision for the support and maintenance of an efficient system of free public education. Some maintain that the state should pay a larger share of public education funding instead of relying so heavily on revenue from local property taxes. C.S.H.J.R. 3 proposes a constitutional amendment to increase the state sales and use tax rate to 7.25 percent, with the additional net revenue going toward providing property tax relief by reducing public school district maintenance and operation property tax rates.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this resolution does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

C.S.H.J.R. 3 proposes an amendment to the Texas Constitution to set the rate of the state sales and use taxes at 7.25 percent. The resolution authorizes the legislature by general law to increase the rates of, modify the application of, or repeal the taxes. The resolution restricts the use of the net revenue derived from the portion of the sales and use tax rates that exceeds the rates in effect on January 1, 2019, but does not exceed 7.25 percent to providing property tax relief by reducing school district maintenance and operations property tax rates in the manner provided by general law. The resolution authorizes the legislature by general law to provide for the administration of the resolution's provisions, which apply to taxes imposed on or after January 1, 2020.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 5, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.J.R 3 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the resolution.

The substitute increases from 6.26 percent to 7.25 percent the proposed rate of the state sales and

use tax.

The substitute revises the purpose for which the additional revenue derived from the increase in the rate proposed by the resolution may be used to be the provision of property tax relief by reducing school district maintenance and operation property tax rates in the manner provided by general law.

The substitute revises the language to be printed on the ballot.