

BILL ANALYSIS

Senate Research Center

S.J.R. 69
By: Paxton
Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texans are demanding property tax relief. In 2006, the Texas Legislature created the Property Tax Relief Fund. The Property Tax Relief Fund is a special fund in the state treasury outside the general revenue fund. Interest and income from the deposit and investment of money in the fund must be allocated monthly to the fund.

However, to provide meaningful property tax relief, a large amount of money needs to be transferred consistently to the Property Tax Relief Fund for the purpose of reducing the school district maintenance and operations tax rate. Utilizing a portion of the beginning balance of state funds for property tax relief can make a large impact on property tax bills throughout the state.

S.J.R. 69 will constitutionally transfer a portion of the beginning balance each biennium for the purpose of property tax relief and providing additional funds for the compensation of teachers, counselors, and librarians employed in public schools.

S.J.R. 69 proposes a constitutional amendment regarding the limitations on the rate of growth of appropriations and the use of surplus state revenue to provide for property tax relief and public school teacher compensation.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 49-g(b), Article III, Texas Constitution, as follows:

(b) Provides that, for purposes of this subsection, general revenues are considered encumbered on the last day of a biennium only to the extent that general revenues are subject to payment for particular identifiable and legally enforceable obligations of this state that were incurred on or before that day and intended to be paid out of appropriations for that biennium.

SECTION 2. Amends Article III, Texas Constitution, by adding Section 49-g-5, as follows:

Sec. 49-g-5. (a) Requires the comptroller of public accounts of the State of Texas, not later than the 90th day of each state fiscal biennium, to determine an amount equal to one-half of the unencumbered positive balance of general revenues on the last day of the preceding state fiscal biennium.

(b) Authorizes 25 percent of the amount determined under Subsection (a) of this section to be used only to provide compensation for teachers, counselors, and librarians employed in public schools and authorizes the remainder to be used only to provide ad valorem tax relief by reducing school district maintenance and operations ad valorem tax rates.

(c) Provides that, for purposes of Subsection (a) of this section, general revenues are considered encumbered on the last day of a state fiscal biennium only to the extent that general revenues are subject to payment for particular identifiable and legally enforceable obligations of this state that were incurred on or before that day and intended to be paid out of appropriations for that state fiscal biennium.

SECTION 3. Provides that the following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, regarding the use of surplus state revenue to provide for property tax relief and compensation of certain public school employees.

(b) Provides that the amendments to Section 49-g(b), Article III, of this constitution and Section 49-g-5, Article III, of this constitution, as added by the amendment, apply beginning with the state fiscal biennium that begins September 1, 2021.

(c) Provides that this temporary provision expires January 1, 2022.

SECTION 4. Requires that this proposed constitutional amendment be submitted to the voters at an election to be held on November 5, 2019. Sets forth the required language of the ballot.