87S20550 SMH-D

By:  Allison H.B. No. 158

A BILL TO BE ENTITLED

AN ACT

relating to a study of the desirability, feasibility, and effects of various measures to limit or reduce the burden of ad valorem taxes on property owners.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  DEFINITION. In this Act, "commission" means the Commission to Study Measures to Limit or Reduce Ad Valorem Taxes.

SECTION 2.  COMPOSITION OF COMMISSION. The commission is composed of nine members as follows:

(1)  the comptroller of public accounts;

(2)  two chief appraisers appointed by the comptroller of public accounts, one of whom is employed by an appraisal district established in an urban county and one of whom is employed by an appraisal district established in a rural county;

(3)  two members of the senate appointed by the lieutenant governor;

(4)  two members of the house of representatives appointed by the speaker of the house of representatives; and

(5)  two public members appointed by the governor.

SECTION 3.  PRESIDING OFFICER. The comptroller of public accounts is the presiding officer of the commission.

SECTION 4.  MEETINGS. The commission shall meet at the call of the presiding officer of the commission.

SECTION 5.  STAFF. The staff of the office of the comptroller of public accounts shall serve as the staff of the commission.

SECTION 6.  COMPENSATION; REIMBURSEMENT FOR EXPENSES. A commission member is not entitled to receive compensation for service on the commission but is entitled to reimbursement for actual and necessary expenses, including travel expenses, incurred by the member in performing commission duties.

SECTION 7.  STUDY. (a) The commission shall conduct a study of the desirability, feasibility, and effects of various measures to limit or reduce the burden of ad valorem taxes on property owners, including:

(1)  limiting the appraised value of real property for ad valorem tax purposes to the value when the owner acquired the property and determining that value on the basis of the purchase price of the property, if applicable;

(2)  lowering the limitation in current law on annual increases in the appraised value of residence homesteads or expanding the applicability of the limitation to include a broader class of real property, such as residential real property generally;

(3)  providing for additional exemptions from ad valorem taxation of all or part of the appraised value of certain classes of property, including homes purchased by first-time homebuyers;

(4)  limiting the total amount of ad valorem taxes that a taxing unit may impose on property that an individual has owned for a specified period; and

(5)  increasing the state's share of the cost of funding public education.

(b)  In studying implementing the measures described by Subsection (a) of this section, the commission shall consider:

(1)  the fairness of doing so;

(2)  the effects of doing so on the overall tax burden and the distribution of the tax burden;

(3)  the effects of doing so on the real estate market; and

(4)  the statutory, constitutional, and administrative changes that would be necessary to do so.

SECTION 8.  REPORT. Not later than December 1, 2022, the commission shall issue a report of the results of the study, including any legislative recommendations, to the governor, lieutenant governor, and speaker of the house of representatives.

SECTION 9.  ABOLITION AND EXPIRATION. The commission is abolished and this Act expires September 1, 2023.

SECTION 10.  EFFECTIVE DATE. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.