

RESOLUTION ANALYSIS

H.J.R. 1
By: Meyer
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The local property tax burden is rapidly rising in many areas in Texas, which is in turn pricing out many residents and small business owners. Further harming Texas taxpayers is the lack of stability and predictability in appraisals, which is due in part to an appraisal cap that allows for a 10 percent annual increase in the appraised value of a person's residence and the lack of such a cap for the appraised value of commercial property. Aside from the burden the current property tax system places on taxpayers, the amount of school district recapture payments and the state's share of public education funding has increasingly become an area of concern for many Texans. H.J.R. 1 seeks to address these issues by proposing a constitutional amendment to lower the appraisal cap for residence homesteads and extend its applicability to all real property, including commercial property, while also establishing that certain appropriations made for the purpose of paying for property tax relief do not count toward the constitutional spending limit.

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

H.J.R. 1 proposes an amendment to the Texas Constitution to make the limitation on the appraised value of a residence homestead applicable to all real property and, with respect to this limitation, decrease the allowable year-over-year increase in a property's appraised value from 10 percent to five percent. This revised limitation takes effect in the tax year following the first tax year in which the owner owns the property on January 1 and expires on January 1 of the tax year following the tax year in which the owner ceases to own the property, except that the legislature by general law may provide for the limitation applicable to a residence homestead to continue during ownership of the property by the owner's spouse or surviving spouse.

H.J.R. 1 excludes from the determination of whether the rate of growth of appropriations exceeds the constitutional spending limit appropriations from state tax revenues that are not constitutionally dedicated made for the purpose of paying for property tax relief as identified by the legislature by general law.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 7, 2023.