

By: Metcalf

H.J.R. No. 27

A JOINT RESOLUTION

1 proposing a constitutional amendment to authorize the legislature
2 to limit the maximum appraised value of certain commercial real
3 property for ad valorem tax purposes.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 1, Article VIII, Texas Constitution, is
6 amended by adding Subsection (1) to read as follows:

7 (1) Notwithstanding Subsections (a) and (b) of this
8 section, the Legislature by general law may limit the maximum
9 appraised value of a parcel of commercial real property with a
10 market value that is not greater than an amount prescribed by the
11 Legislature for ad valorem tax purposes in a tax year to the lesser
12 of the most recent market value of the property as determined by the
13 appraisal entity or 110 percent, or a greater percentage, of the
14 appraised value of the property for the preceding tax year. A law
15 enacted under this subsection must define "commercial real
16 property" for purposes of this subsection and may prescribe
17 additional eligibility requirements for the limitation on
18 appraised value authorized by this subsection. A law enacted under
19 this subsection must prescribe the maximum market value that a
20 parcel of commercial real property may have in the tax year in which
21 the limitation on appraised value authorized by this subsection
22 takes effect as to the property in order for the property to be
23 eligible for the limitation. A limitation on appraised value
24 authorized by this subsection:

1 (1) takes effect as to a parcel of commercial real
2 property on the later of the effective date of the law imposing the
3 limitation or January 1 of the tax year following the first tax year
4 in which the owner owns the property on January 1 and in which the
5 property meets the definition of commercial real property; and

6 (2) expires on January 1 of the tax year following the
7 first tax year in which the owner of the property ceases to own the
8 property or the property no longer meets the definition of
9 commercial real property.

10 SECTION 2. This proposed constitutional amendment shall be
11 submitted to the voters at an election to be held May 2, 2026. The
12 ballot shall be printed to permit voting for or against the
13 proposition: "The constitutional amendment to authorize the
14 legislature to limit for ad valorem tax purposes the maximum
15 appraised value of commercial real property with a market value
16 that is not greater than an amount prescribed by the legislature to
17 110 percent or more of the appraised value of the property for the
18 preceding tax year."