

## **BILL ANALYSIS**

Senate Research Center

S.J.R. 37  
By: Gallegos  
Finance  
5-16-97  
As Filed

### **DIGEST**

Currently, Chapter 11, Tax Code (Exemptions), provides for ad valorem tax exemptions for certain organizations that provide certain public policy goals, and Section 23.18, Tax Code, provides a nominal exemption for the property owned by a nonprofit homeowners' organization. Currently, neighborhood associations that preserve, protect, improve, and monitor matters affecting a defined residential area have no special tax treatment.

### **PURPOSE**

As proposed, S.J.R. 37 requires the submission to the voters of a constitutional amendment regarding the exemption from ad valorem taxation the property of a neighborhood association.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article VIII, Texas Constitution, by adding Section 1-m, as follows:

Sec. 1-m. PROPERTY OF NEIGHBORHOOD ASSOCIATIONS; EXEMPTION FROM AD VALOREM TAXATION. Authorizes the legislature by general law to exempt from ad valorem taxation the property a neighborhood association owns and uses exclusively for the purposes for which the association is organized. Defines "neighborhood association." Authorizes the legislature to impose additional requirements for qualification for an exemption under this section.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 4, 1997. Requires the ballot to be printed to permit voting for or against the proposition. Sets forth the language of the proposition. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 4, 1997. Sets forth the required language for the ballot.