

BILL ANALYSIS

Senate Research Center
79S10183-SJR

S.J.R. 6
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Finance
7/12/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The 75th Legislature, Regular Session, 1997, amended the Tax Code to set a 10 percent cap on the annual increase in appraised value of residence homesteads. S.J.R. 6 gives local taxing jurisdictions statutory authority to set an appraisal cap below 10 percent, but not lower than three percent. The rate would be set by a majority vote of the governing board of the taxing jurisdiction.

Taxing units that propose higher tax rates are subject to truth-in-taxation provisions, which call for certain notice and public hearing requirements. Appraisal districts are not subject to these provisions when raising property appraisals. S.J.R. 6 proposes a constitutional amendment to give local control to jurisdictions suffering from rapidly-rising appraisals.

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 1, Article VIII, Texas Constitution, by adding Subsection (i-1), as follows:

(i-1) Authorizes the legislature, by general law, notwithstanding Subsections (a), (b), and (i) of this section, to authorize the governing body of a political subdivision to establish for purposes of ad valorem taxation by the political subdivision a limit on the maximum average annual percentage increase in the appraised value of residence homesteads in the political subdivision that is less than 10 percent but not less than three percent. Provides that a limitation on residence homestead appraisal increases established under this subsection takes effect and expires in the manner provided by Subsection (i) of this section. Provides that if the governing body of a political subdivision establishes a limit on appraisal increases under this subsection, the limitation remains in effect until amended, repealed, or rescinded by the governing body. Prohibits an amendment, repeal, or rescission of the limit on appraisal increases from taking effect before January 1 of the sixth tax year following the tax year in which the limitation on appraisal increases was established. Prohibits a subsequent amendment of the limit on appraisal increases from taking effect before January 1 of the sixth tax year following the tax year in which the preceding amendment was adopted.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held on November 8, 2005. Requires the ballot to be printed to permit voting for or against the proposition, and sets forth the specific language of the proposition.