

BILL ANALYSIS

Senate Research Center
79S30602 JD-D

S.J.R. 9
By: Barrientos
Finance
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Property values are increasing rapidly in many areas of the state. Proposals to reduce the existing statutory cap on the percentage increase in appraisal value of a residence homestead can have a disproportionate benefit to certain property owners. The Texas Constitution currently provides for a minimum \$5,000 homestead exemption of a residence homesteads value for local option ad valorem taxation. S.J.R. 9 proposes a constitutional amendment to raise the local option homestead exemption to \$15,000 to provide local political subdivisions of the state with an alternative means by which to provide property tax relief.

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-b(e), Article VIII, Texas Constitution, as follows:

(e) Increases the minimum amount of a homestead exemption for ad valorem taxes paid to a political subdivision of this state from \$5,000 to \$15,000. Provides that an exemption under this subsection that was in effect for the 2006 ad valorem tax year in an amount of less than \$15,000 continues to apply to eligible residence homesteads taxed by the political subdivision until, in accordance with general law, the exemption is repealed or the amount of the exemption is changed, in which even the amount of the exemption after the change is prohibited from being less than \$15,000. Deletes existing text relating to a county education district exempting a percentage of the market value of residence homestead for ad valorem taxation purposes.

SECTION 2. Adds the following temporary provision to the Texas Constitution:

TEMPORARY PROVISION. Provides that this temporary provision applies to the constitutional amendment proposed by the 79th Legislature, 3rd Called Session, 2006, to increase the minimum amount of the local option residence homestead exemption from ad valorem taxation. Provides that the amendment to Section 1-b(e), Article VIII, of this constitution takes effect beginning with the tax year that begins on January 1, 2007. Provides that this temporary provision expires January 1, 2008.

SECTION 3. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 7, 2006. Sets forth the required language of the ballot.