

BILL ANALYSIS

Senate Research Center
80R3288 JD-D

S.B. 347
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Finance
3/14/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, the Tax Code limits the average annual percentage increase in appraisal of residential homestead property to the sum of 10 percent of the appraised value of the property times the number of years since the property was last appraised. As a result of these increases, a Texas homeowner may face an unforeseen annual property tax increase that has a questionable connection with the actual market value of the property.

As proposed, S.B. 347 lowers the current 10 percent appraisal cap to three percent.

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 23.23(a), Tax Code, by prohibiting the appraised value of a residence homestead for a tax year from exceeding either the market value of the property, or the sum, with other certain amounts, of three percent, rather than 10, of the appraised value of the property at the time of the property's last appraisal for taxation times the number of years since the property was last appraised.

SECTION 2. Makes application of this Act prospective to the tax year that begins on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2008, contingent on approval by the voters of the constitutional amendment authorizing the legislature to limit the maximum average annual increase in the appraised value of a residence homestead for ad valorem tax purposes to three percent or more.