

BILL ANALYSIS

Senate Research Center
80R1047 JD-D

S.B. 391
By: Hegar
Finance
3/8/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law prohibits the appraised value of a residence homestead for ad valorem tax purposes from increasing more than 10 percent in a single year, but allows for an increase of 10 percent for each year that passes since the last tax appraisal. Therefore, an increase in the taxable value of a property of more than 10 percent may be incurred when a property has not been appraised in over a year.

As proposed, S.B. 391 limits a homestead's appraisal value for ad valorem tax purposes from increasing more than 10 percent in a single year, regardless of when the most recent tax appraisal took place.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 23.23 (a) and (e), Tax Code, as follows:

(a) Deletes existing text relating to the number of years since the property was last appraised from the formula used to calculate the appraised value of a residence homestead.

(e) Redefines "new improvement."

SECTION 2. Makes application of this Act contingent upon approval by the voters of the constitutional amendment providing that the maximum percentage increase in the appraised value of a residence homestead for ad valorem tax purposes established by the legislature applies regardless of the number of years since the most recent tax appraisal.

SECTION 3. Effective date: January 1, 2008.