

BILL ANALYSIS

Senate Research Center
80R8178 JD-D

S.J.R. 44
By: Estes
S/C on Ag., Rural Affairs, & Coastal Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Tourism contributes significantly to many rural economies. Many buildings located in downtown areas of small towns are not required to be renovated and some property owners refuse to renovate, fearing it will result in increased property taxes. The Texas Department of Agriculture has two programs which towns may use to revitalize their main streets: the Main Street Revitalization Improvement Program and Downtown Revitalization Program. These programs offer communities the ability to improve infrastructure to revitalize a downtown area.

S.J.R. 44 proposes a constitutional amendment to allow certain small communities to conduct a vote to freeze property taxes in the downtown area for a period of five years or until the property is sold.

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 Article VIII, Texas Constitution, by adding Section 1-o, as follows:

Sec. 1-o. Authorizes the legislature by general law, to aid in the elimination of slum and blighted conditions in less populated communities in this state, to promote rural economic development in this state, and to improve the economy of this state, to authorize the governing body of a municipality having a population of less than 10,000, in the manner required by law for official action, to provide that ad valorem taxes imposed by the municipality on real property that is located in or adjacent to a designated area of the municipality that has qualified for funding under the Downtown Revitalization Program or the Main Street Improvements Program administered by the Texas Department of Agriculture, or a successor program administered by that agency, not be increased for the first five tax years after the tax year in which the limitation on municipal tax increases is established. Requires a general law enacted under this section to provide that a limitation on ad valorem tax increases authorized by this section must be established by the governing body of the municipality before December 31 of the first tax year after the tax year in which funding under the program administered by the Texas Department of Agriculture is initially approved for the designated area. Requires a general law enacted under this section to effect as to a parcel of real property on January 1 of the tax year following the tax year in which the governing body takes action under this section, and to expire on the earlier of certain dates.

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

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 80th Legislature, Regular Session, 2007, authorizing the legislature to permit the governing body of a municipality having a population of less than 10,000 to provide that municipal ad valorem taxes imposed on real property in or adjacent to an area that has qualified for funding under certain programs administered by the Texas Department of Agriculture not be increased for the first five tax years after the tax year in which the limitation is established and expires January 1, 2009.

(b) Provides that Section 1-o, Article VIII, of this constitution takes effect January 1, 2008, and applies only to a tax year that begins on or after that date.

SECTION 3. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 6, 2007. Sets forth the required language for the ballot.