

## **BILL ANALYSIS**

Senate Research Center

H.J.R. 4  
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### **DIGEST AND PURPOSE**

Currently, provisions of the Tax Code provide a ten percent (10%) cap to limit the annual increase in appraised value of a residence homestead. H.J.R. 4 proposes a constitutional amendment which would limit the maximum average annual increase in the appraised value of real property for ad valorem tax purposes to five percent or more.

### **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(i), Article VIII, Texas Constitution, to authorize the legislature by general law to limit the maximum average annual percentage increase in the appraised value of real property, rather than residence homesteads, for ad valorem tax purposes to five, rather than 10 percent, or a greater percentage, for each year since the most recent tax appraisal. Provides that a limitation on appraisal increases authorized by this subsection:

- (1) takes effect in the tax year following the first tax year in which the owner owns the property on January 1, or, if the property is a residence homestead, in the tax year following the first tax year in which the owner qualifies the property for an exemption under Section 1-b of this article; and
- (2) expires on January 1 of the tax year following the tax year in which the owner of the property when the limitation took effect sells or otherwise transfers ownership of the property, except that the legislature by general law may provide for the limitation applicable to a residence homestead to continue during ownership of the property by the owner's spouse or surviving spouse.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held September 13, 2003. Requires the ballot to be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the legislature to limit the maximum average annual increase in the appraised value of real property for ad valorem tax purposes to five percent or more."