

BILL ANALYSIS

Senate Research Center
79R16630 E

C.S.S.J.R. 38
By: Ogden
Finance
5/7/2005
Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

C.S.S.J.R. 38 proposes a constitutional amendment authorizing a state property tax for public education, prohibiting school district property taxes for maintenance purposes, and authorizing a school district property tax for educational enrichment.

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-e, Article VIII, Texas Constitution, as follows:

Sec. 1-e. Prohibits any state ad valorem taxes, except as provided by Section 3-a, Article VII, of this constitution, from being levied upon any property within this state.

SECTION 2. Amends Article VII, Texas Constitution, by adding Section 3-a, as follows:

Sec. 3-a. (a) Authorizes the legislature by general law to authorize the state to impose a uniform ad valorem tax for elementary and secondary public free school purposes on all taxable property at a rate not to exceed \$1.10 for each \$100 of taxable value.

(b) Requires the legislature by general law, including a provision in a general appropriations act, to establish during each legislative session the rate of the uniform state ad valorem tax for the current tax year and for the following tax year. Requires the tax rate to be the same for each of those tax years. Prohibits the tax rate, for the two tax years for which the legislature establishes a tax rate, from exceeding the rate that when applied to the taxable value of property subject to state ad valorem taxes for the first of the two tax years, less new property value as defined by general law, would levy for that tax year an amount of state ad valorem taxes that exceeds 108 percent of the amount of state ad valorem taxes levied for the tax year preceding the preceding tax year.

(c) Authorizes the legislature, notwithstanding Section 23, Article VIII, of this constitution, to provide for the appraisal of property subject to the uniform state ad valorem tax, for the equalization of the taxable values of that property, and for the collection of the state ad valorem taxes imposed on that property.

(d) Requires the uniform state ad valorem tax to be assessed on the valuation of property subject to the tax as determined by the appraisal officials in the county in which the property is located. Provides that the assessment of a state ad valorem tax on that valuation is not invalid, if an appraisal official uses generally accepted appraisal standards and practices to appraise property subject to the uniform state ad valorem tax and the valuation of the property subject to that tax conforms to or is equalized by local appraisal review process to conform to the accepted standards and practices. Provides that this subsection expires at the end of the 2006 ad valorem tax year.

(e) Authorizes the legislature by general law, notwithstanding Subsection (a) of this section, to authorize the governing body of a school district to use revenues of the district, including proceeds from a uniform ad valorem tax imposed under Subsection (a), to provide relief from the uniform ad valorem tax imposed on residence homesteads in the school district.

(f) Authorizes the legislature by general law, for the 2006 and 2007 tax years, to establish the rate of the uniform state ad valorem tax at a rate not to exceed \$1.10 for each \$100 of taxable value. Provides that this subsection expires January 1, 2008.

SECTION 3. Amends Section 3, Article VII, Texas Constitution, by amending Subsection (e) and adding Subsections (f) - (i), as follows:

(e) Creates this subsection from existing text.

(f) Authorizes a school district, as provided by general law, to impose an ad valorem tax on taxable property in the district for the purpose of providing an enriched educational program. Prohibits the rate of the enrichment tax from exceeding 15 cents for each \$100 of taxable value. Prohibits a school district from imposing a tax under this subsection unless the tax is approved by the qualified voters of the district voting at an election to be held for that purpose. Provides that an election held before January 1, 2006, to authorize an ad valorem tax for the maintenance of the public schools of a school district does not authorize the imposition of an enrichment tax under this subsection.

(g) Creates subsection from existing text and deletes existing text relating to the further maintenance of public free schools.

(h) Authorizes the legislature to pass laws for the creation of junior college districts, the management and control of those districts and the imposition of ad valorem taxes in those districts. Prohibits a junior college district from imposing a tax under this subsection unless the tax is approved by a majority of the qualified voters of the district voting at an election held for that purpose. Provides that a junior college district is not a school district for the purposes of this section.

(i) Provides that an ad valorem tax approved by the voters of a junior college district under this section before November 8, 2005, is not affected by the amendment of this section, and the junior college is not required to hold a new election to authorize the existing tax. Provides that this subsection expires January 1, 2006.

SECTION 4. Amends Section 3-b, Article VII, Texas Constitution, as follows:

Sec. 3-b. Prohibits any tax for the enrichment, rather than maintenance, of public free schools voted in any independent school district and any tax for the maintenance of a junior college voted by a junior district, nor any bonds voted in any such district, but unissued, from being abrogated, cancelled, or invalidated by change of any kind in the boundaries thereof. Makes conforming and nonsubstantive changes.

SECTION 5. Amends Section 1-j, Article VIII, Texas Constitution, by adding Subsections (d) and (e), as follows:

(d) Provides that property described by Subsection (a) of this section is not exempt from the uniform state ad valorem tax imposed for elementary and secondary public free school purposes unless expressly exempted by a general law enacted after January 1, 2005.

(e) Provides that property described by Subsection (a) of this section that is held at a location at which property described by that subsection was exempt from taxation by a school district in the 2005 tax year is exempt from the uniform state ad valorem tax imposed for elementary and secondary public free school purposes, notwithstanding Subsection (d) of this section.

SECTION 6. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 8, 2005. Requires the ballot to be printed to permit voting for or against the proposition. Sets forth the specific language for the proposition.