

BILL ANALYSIS

Senate Research Center
80R6060 JRD/SMH-D

C.S.S.J.R. 13
By: Averitt
Finance
2/7/2007
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Elderly and disabled Texans whose property taxes were already frozen when the Texas Legislature passed property tax cuts during the 79th Legislature, 3rd Called Session, 2006, did not receive a corresponding reduction in their property taxes.

C.S.S.J.R. 13 proposes a constitutional amendment to provide such a reduction and redefines the state spending cap so that appropriations made towards the tax reduction do not count as state appropriations subject to restrictions based on the estimated rate of growth of Texas' economy during a biennium.

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 Section 1-b(d), Article VIII, Texas Constitution, as follows:

(d) Authorizes the legislature by general law to provide for the reduction of the amount of a limitation of ad valorem taxes imposed for general elementary and secondary public school purposes (ad valorem taxes), upon persons who have applied for a residence homestead exemption and are sixty-five (65) years of age or older or who are disabled, to reflect any reduction from the preceding year in ways applicable to the residence homestead of the person or the person's spouse. Authorizes a general law providing for this reduction for the purposes of computing the amount of the limitation for the 2007 tax year to take into account any reduction for the same purpose for tax years 2005 to 2006 if the homestead was subject to the limitation in tax year 2006. Provides for the limitation provided by this subsection to continue to apply to the residence homestead as reduced until the limitation expires if said limitation is further reduced under general law.

SECTION 2. Amends Section 22, Article VIII, Texas Constitution, by adding Subsection (d), as follows:

(d) Provides that an appropriation from state tax revenues not dedicated by the constitution for the state fiscal biennium beginning September 1, 2007, made for the purpose of directly reducing school district property tax rates is not counted in determining whether the amount of those appropriations from state tax revenues not dedicated by the constitution for that biennium exceeds the estimated rate of growth of the state's economy. Specifies that appropriations to directly reduce school district property tax rates are included in establishing the level of appropriations made from state tax revenues not dedicated by the constitution for the state fiscal biennium beginning September 1, 2007, which is to be used in determining the maximum amount of appropriations from state tax revenues not dedicated by the constitution and remaining below the estimated rate of growth of the state's economy for the state fiscal biennium beginning in September 1, 2009. Provides that this subsection expires September 1, 2011.

SECTION 3. Amends the Texas Constitution to add a temporary provision, as follows:

TEMPORARY PROVISION. (a) Provides that this temporary provision, which expires January 1, 2009, applies to the constitutional amendment proposed by the 80th Legislature, Regular Session, 2007, authorizing the legislature to provide for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for public school purposes on the residence homesteads of the elderly or disabled to reflect any reduction in the rate of those taxes and providing that state appropriations made for the state fiscal biennium beginning September 1, 2007, for the purpose of directly reducing school district property tax rates, do not count against the constitutional state spending limit.

(b) Provides that the amendment to Section 1-b(d), Article VIII, of this constitution takes effect on the date of the official canvass of returns showing adoption of the amendment and applies beginning with the tax year that begins January 1, 2007. Authorizes the legislature to enact a general law authorized by the constitutional amendment that applies to the entire 2007 tax year, notwithstanding that the constitutional amendment was adopted after the beginning of that tax year. Provides that a general law applicable to the entire 2007 tax year is not considered to be a retroactive law.

(c) Provides that the amendment to Section 22, Article VIII, of this constitution takes effect on the date of the official canvass of returns showing adoption of the amendment.

SECTION 4. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held May 12, 2007. Sets forth the required language for the ballot.