

1 SENATE JOINT RESOLUTION

2 proposing a constitutional amendment to increase the amount of the
3 exemption from ad valorem taxation by a school district applicable
4 to residence homesteads, to adjust the amount of the limitation on
5 school district ad valorem taxes imposed on the residence
6 homesteads of the elderly or disabled to reflect increases in
7 certain exemption amounts, and to except certain appropriations to
8 pay for school district ad valorem tax relief from the
9 constitutional limitation on the rate of growth of appropriations.

10 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

11 SECTION 1. Sections 1-b(c) and (d), Article VIII, Texas
12 Constitution, are amended to read as follows:

13 (c) The amount of \$100,000 [~~\$40,000~~] of the market value of
14 the residence homestead of a married or unmarried adult, including
15 one living alone, is exempt from ad valorem taxation for general
16 elementary and secondary public school purposes. The legislature
17 by general law may provide that all or part of the exemption does
18 not apply to a district or political subdivision that imposes ad
19 valorem taxes for public education purposes but is not the
20 principal school district providing general elementary and
21 secondary public education throughout its territory. In addition
22 to this exemption, the legislature by general law may exempt an
23 amount not to exceed \$10,000 of the market value of the residence
24 homestead of a person who is disabled as defined in Subsection (b)

1 of this section and of a person 65 years of age or older from ad
2 valorem taxation for general elementary and secondary public school
3 purposes. The legislature by general law may base the amount of and
4 condition eligibility for the additional exemption authorized by
5 this subsection for disabled persons and for persons 65 years of age
6 or older on economic need. An eligible disabled person who is 65
7 years of age or older may not receive both exemptions from a school
8 district but may choose either. An eligible person is entitled to
9 receive both the exemption required by this subsection for all
10 residence homesteads and any exemption adopted pursuant to
11 Subsection (b) of this section, but the legislature shall provide
12 by general law whether an eligible disabled or elderly person may
13 receive both the additional exemption for the elderly and disabled
14 authorized by this subsection and any exemption for the elderly or
15 disabled adopted pursuant to Subsection (b) of this section. Where
16 ad valorem tax has previously been pledged for the payment of debt,
17 the taxing officers of a school district may continue to levy and
18 collect the tax against the value of homesteads exempted under this
19 subsection until the debt is discharged if the cessation of the levy
20 would impair the obligation of the contract by which the debt was
21 created. The legislature shall provide for formulas to protect
22 school districts against all or part of the revenue loss incurred by
23 the implementation of this subsection, Subsection (d) of this
24 section, and Section 1-d-1 of this article. The legislature by
25 general law may define residence homestead for purposes of this
26 section.

27 (d) Except as otherwise provided by this subsection, if a

1 person receives a residence homestead exemption prescribed by
2 Subsection (c) of this section for homesteads of persons who are 65
3 years of age or older or who are disabled, the total amount of ad
4 valorem taxes imposed on that homestead for general elementary and
5 secondary public school purposes may not be increased while it
6 remains the residence homestead of that person or that person's
7 spouse who receives the exemption. If a person who is 65 years of
8 age or older or who is disabled dies in a year in which the person
9 received the exemption, the total amount of ad valorem taxes
10 imposed on the homestead for general elementary and secondary
11 public school purposes may not be increased while it remains the
12 residence homestead of that person's surviving spouse if the spouse
13 is 55 years of age or older at the time of the person's death,
14 subject to any exceptions provided by general law. The
15 legislature, by general law, may provide for the transfer of all or
16 a proportionate amount of a limitation provided by this subsection
17 for a person who qualifies for the limitation and establishes a
18 different residence homestead. However, taxes otherwise limited
19 by this subsection may be increased to the extent the value of the
20 homestead is increased by improvements other than repairs or
21 improvements made to comply with governmental requirements and
22 except as may be consistent with the transfer of a limitation under
23 this subsection. For a residence homestead subject to the
24 limitation provided by this subsection in the 1996 tax year or an
25 earlier tax year, the legislature shall provide for a reduction in
26 the amount of the limitation for the 1997 tax year and subsequent
27 tax years in an amount equal to \$10,000 multiplied by the 1997 tax

1 rate for general elementary and secondary public school purposes
2 applicable to the residence homestead. For a residence homestead
3 subject to the limitation provided by this subsection in the 2014
4 tax year or an earlier tax year, the legislature shall provide for a
5 reduction in the amount of the limitation for the 2015 tax year and
6 subsequent tax years in an amount equal to \$10,000 multiplied by the
7 2015 tax rate for general elementary and secondary public school
8 purposes applicable to the residence homestead. For a residence
9 homestead subject to the limitation provided by this subsection in
10 the 2021 tax year or an earlier tax year, the legislature shall
11 provide for a reduction in the amount of the limitation for the 2023
12 tax year and subsequent tax years in an amount equal to \$15,000
13 multiplied by the 2022 tax rate for general elementary and
14 secondary public school purposes applicable to the residence
15 homestead. Beginning with the 2023 tax year, for any tax year in
16 which the amount of the exemption provided by Subsection (c) of this
17 section applicable to the residence homestead of a married or
18 unmarried adult, including one living alone, or the amount of the
19 exemption provided by Subsection (c) of this section applicable to
20 the residence homestead of a person who is disabled as defined by
21 Subsection (b) of this section and of a person 65 years of age or
22 older is increased, the legislature shall provide for a reduction
23 for that tax year and subsequent tax years in the amount of the
24 limitation provided by this subsection applicable to a residence
25 homestead that was subject to the limitation in the tax year
26 preceding the tax year in which the amount of the exemption is
27 increased in an amount equal to the amount by which the amount of

1 the exemption is increased multiplied by the tax rate for general
2 elementary and secondary public school purposes applicable to the
3 residence homestead for the tax year in which the amount of the
4 exemption is increased.

5 SECTION 2. Section 22, Article VIII, Texas Constitution, is
6 amended by adding Subsection (a-1) to read as follows:

7 (a-1) Appropriations from state tax revenues not dedicated
8 by this constitution that are made for the purpose of paying for
9 school district ad valorem tax relief as identified by the
10 legislature by general law are not included as appropriations for
11 purposes of determining whether the rate of growth of
12 appropriations exceeds the limitation prescribed by Subsection (a)
13 of this section.

14 SECTION 3. The following temporary provision is added to
15 the Texas Constitution:

16 TEMPORARY PROVISION. (a) This temporary provision applies
17 to the constitutional amendment proposed by the 88th Legislature,
18 1st Called Session, 2023, to increase the amount of the exemption
19 from ad valorem taxation by a school district applicable to
20 residence homesteads, to adjust the amount of the limitation on
21 school district ad valorem taxes imposed on the residence
22 homesteads of the elderly or disabled to reflect increases in
23 certain exemption amounts, and to except certain appropriations to
24 pay for school district ad valorem tax relief from the
25 constitutional limitation on the rate of growth of appropriations.

26 (b) The amendments to Sections 1-b(c) and (d), Article VIII,
27 of this constitution take effect for the tax year beginning January

1 1, 2023.

2 (c) The amendment to Section 22, Article VIII, of this
3 constitution applies to appropriations made for the state fiscal
4 biennium beginning September 1, 2023, and subsequent state fiscal
5 bienniums.

6 (d) This temporary provision expires January 1, 2025.

7 SECTION 4. This proposed constitutional amendment shall be
8 submitted to the voters at an election to be held November 7, 2023.
9 The ballot shall be printed to provide for voting for or against the
10 proposition: "The constitutional amendment to increase the amount
11 of the residence homestead exemption from ad valorem taxation for
12 public school purposes from \$40,000 to \$100,000; to adjust the
13 amount of the limitation on ad valorem taxes for public school
14 purposes imposed on the residence homestead of a person who is
15 disabled or is 65 years of age or older to reflect increases in
16 certain exemption amounts; and to except certain appropriations to
17 pay for school district ad valorem tax relief from the
18 constitutional limitation on the rate of growth of appropriations."