

By: Allison

H.J.R. No. 87

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature
2 to limit the maximum appraised value of residential real property
3 for ad valorem tax purposes to 105 percent or more of the appraised
4 value of the property for the preceding tax year, to exempt from ad
5 valorem taxation the total appraised value of property purchased by
6 an individual for the first tax year the individual qualifies the
7 property as the individual's residence homestead if the property is
8 the individual's first residence homestead and has an appraised
9 value of less than \$300,000, and to limit the total amount of ad
10 valorem taxes that a political subdivision may impose on the
11 residence homestead of an individual and the surviving spouse of
12 the individual if the individual qualifies the property as the
13 individual's residence homestead for at least 25 consecutive tax
14 years.

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

16 SECTION 1. Section 1(i), Article VIII, Texas Constitution,
17 is amended to read as follows:

18 (i) Notwithstanding Subsections (a) and (b) of this
19 section, the Legislature by general law may limit the maximum
20 appraised value of residential real property, as defined by the
21 Legislature, [~~a residence homestead~~] for ad valorem tax purposes in
22 a tax year to the lesser of the most recent market value of the
23 property [~~residence homestead~~] as determined by the appraisal
24 entity or 105 [~~110~~] percent, or a greater percentage, of the

1 appraised value of the property [~~residence homestead~~] for the
2 preceding tax year. A limitation on appraised values authorized by
3 this subsection:

4 (1) takes effect in the tax year following the first
5 tax year in which the owner owns the property on January 1 [~~as to a~~
6 ~~residence homestead on the later of the effective date of the law~~
7 ~~imposing the limitation or January 1 of the tax year following the~~
8 ~~first tax year the owner qualifies the property for an exemption~~
9 ~~under Section 1-b of this article~~]; and

10 (2) expires on January 1 of the [~~first~~] tax year
11 following the tax year in which [~~that neither~~] the owner of the
12 property when the limitation took effect ceases to own the
13 property, except that the Legislature by general law may provide
14 for the limitation applicable to a residence homestead to continue
15 during ownership of the property by [~~nor~~] the owner's spouse or
16 surviving spouse [~~qualifies for an exemption under Section 1-b of~~
17 ~~this article~~].

18 SECTION 2. Section 1-b, Article VIII, Texas Constitution,
19 is amended by adding Subsection (w) to read as follows:

20 (w) The legislature by general law may provide that an
21 individual who purchases property and qualifies the property as the
22 individual's residence homestead is entitled to an exemption from
23 ad valorem taxation of the total appraised value of the property for
24 the first tax year the individual qualifies the property as the
25 individual's residence homestead if the property is the first
26 property the individual has ever qualified as the individual's
27 residence homestead and has an appraised value of less than

1 \$300,000 for that first tax year. Where ad valorem tax of a
2 political subdivision has previously been pledged for the payment
3 of debt, the taxing officers of the political subdivision may
4 continue to levy and collect the tax against the value of residence
5 homesteads exempted under this subsection until the debt is
6 discharged if the cessation of the levy would impair the obligation
7 of the contract by which the debt was created. The legislature
8 shall provide for formulas to protect school districts against all
9 or part of the revenue loss incurred by the implementation of this
10 subsection. The legislature by general law may prescribe
11 procedures for the administration of this subsection.

12 SECTION 3. Article VIII, Texas Constitution, is amended by
13 adding Section 1-b-1 to read as follows:

14 Sec. 1-b-1. (a) The legislature by general law may limit
15 the total amount of ad valorem taxes imposed by a political
16 subdivision on the residence homestead of an individual who
17 qualifies the property as the individual's residence homestead for
18 at least 25 consecutive tax years. A law enacted under this section
19 may provide that the taxes imposed by the political subdivision on
20 the residence homestead after that 25th tax year may not exceed the
21 amount of taxes imposed by the political subdivision on the
22 property in that 25th tax year.

23 (b) A law enacted under this section may provide that if the
24 first tax year an individual qualified property as the individual's
25 residence homestead was a tax year before the 24th tax year before
26 the tax year in which the law took effect, the individual is
27 considered to have qualified the property as the individual's

1 residence homestead for the first time in the 24th tax year before
2 the tax year in which the law took effect.

3 (c) A law enacted under this section may provide that the
4 total amount of ad valorem taxes imposed by a political subdivision
5 on a residence homestead may not be increased while the property
6 remains the residence homestead of the surviving spouse of an
7 individual who dies in a tax year in which the taxes on the property
8 are subject to the limitation authorized by Subsection (a) of this
9 section.

10 (d) Notwithstanding Subsection (a) or (c) of this section, a
11 law enacted under this section may provide that taxes on a residence
12 homestead subject to the limitation authorized by this section may
13 be increased to the extent the value of the residence homestead is
14 increased by an improvement made to the property, other than:

15 (1) a repair; or

16 (2) an improvement made to comply with a governmental
17 requirement.

18 (e) A law enacted under this section may prescribe:

19 (1) additional eligibility requirements for the tax
20 limitation authorized by this section; and

21 (2) procedures for the administration of the
22 limitation.

23 SECTION 4. This proposed constitutional amendment shall be
24 submitted to the voters at an election to be held November 7, 2023.
25 The ballot shall be printed to permit voting for or against the
26 proposition: "The constitutional amendment authorizing the
27 legislature to limit the maximum appraised value of residential

1 real property for ad valorem tax purposes to 105 percent or more of
2 the appraised value of the property for the preceding tax year, to
3 exempt from ad valorem taxation the total appraised value of
4 property purchased by an individual for the first tax year the
5 individual qualifies the property as the individual's residence
6 homestead if the property is the individual's first residence
7 homestead and has an appraised value of less than \$300,000, and to
8 limit the total amount of ad valorem taxes that a political
9 subdivision may impose on the residence homestead of an individual
10 and the surviving spouse of the individual if the individual
11 qualifies the property as the individual's residence homestead for
12 at least 25 consecutive tax years."