

By: Elkins

H.J.R. No. 81

A JOINT RESOLUTION

1 proposing a constitutional amendment to require automatic annual
2 adjustments of the amount of the residence homestead exemption from
3 ad valorem taxation for public school purposes to correspond to
4 annual increases in the market value of the residence homestead for
5 ad valorem tax purposes.

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

7 SECTION 1. Section 1-b(c), Article VIII, Texas
8 Constitution, is amended to read as follows:

9 (c) Fifteen Thousand Dollars (\$15,000) of the market value
10 of the residence homestead of a married or unmarried adult,
11 including one living alone, is exempt from ad valorem taxation for
12 general elementary and secondary public school purposes. For any
13 tax year that begins on or after January 1, 2004, the amount of this
14 exemption for a person's residence homestead is increased by an
15 amount equal to any increase in the market value of that residence
16 homestead on January 1 of that tax year over the market value of
17 that residence homestead on January 1 of the preceding tax year not
18 attributable to new improvements to the property, as determined by
19 the tax officials who appraise the property; provided that on
20 January 1 of the first tax year for which a person qualifies
21 property as the person's residence homestead, the amount of the
22 exemption provided by this subsection is \$15,000. In each
23 subsequent tax year, the amount of the exemption is increased as
24 otherwise provided by this subsection. The comptroller of public

1 accounts shall adopt rules to be used by the appropriate tax
2 officials to implement the residence homestead exemption provided
3 by this subsection and shall prescribe forms to be used to report
4 the sales and sales prices of property that qualifies as a residence
5 homestead to the tax officials. The legislature by general law may
6 provide that all or part of the exemption does not apply to a
7 district or political subdivision that imposes ad valorem taxes for
8 public education purposes but is not the principal school district
9 providing general elementary and secondary public education
10 throughout its territory. In addition to this exemption, the
11 legislature by general law may exempt an amount not to exceed Ten
12 Thousand Dollars (\$10,000) of the market value of the residence
13 homestead of a person who is disabled as defined in Subsection (b)
14 of this section and of a person sixty-five (65) years of age or
15 older from ad valorem taxation for general elementary and secondary
16 public school purposes. The legislature by general law may base the
17 amount of and condition eligibility for the additional exemption
18 authorized by this subsection for disabled persons and for persons
19 sixty-five (65) years of age or older on economic need. An eligible
20 disabled person who is sixty-five (65) years of age or older may not
21 receive both exemptions from a school district but may choose
22 either. An eligible person is entitled to receive both the
23 exemption required by this subsection for all residence homesteads
24 and any exemption adopted pursuant to Subsection (b) of this
25 section, but the legislature shall provide by general law whether
26 an eligible disabled or elderly person may receive both the
27 additional exemption for the elderly and disabled authorized by

1 this subsection and any exemption for the elderly or disabled
2 adopted pursuant to Subsection (b) of this section. Where ad
3 valorem tax has previously been pledged for the payment of debt, the
4 taxing officers of a school district may continue to levy and
5 collect the tax against the value of homesteads exempted under this
6 subsection until the debt is discharged if the cessation of the levy
7 would impair the obligation of the contract by which the debt was
8 created. The legislature shall provide for formulas to protect
9 school districts against all or part of the revenue loss incurred by
10 the implementation of Article VIII, Sections 1-b(c), 1-b(d), and
11 1-d-1, of this constitution. The legislature by general law may
12 define residence homestead for purposes of this section.

13 SECTION 2. This proposed constitutional amendment shall be
14 submitted to the voters at an election to be held November 4, 2003.
15 The ballot shall be printed to permit voting for or against the
16 proposition: "The constitutional amendment to require automatic
17 annual adjustments of the amount of the residence homestead
18 exemption from ad valorem taxation for public school purposes to
19 correspond to annual increases in the market value of the residence
20 homestead for ad valorem tax purposes."