

By: Keffer of Eastland

H.J.R. No. 25

A JOINT RESOLUTION

1 proposing a constitutional amendment increasing the amount of the  
2 residence homestead exemption from ad valorem taxation for public  
3 school purposes and providing for a corresponding adjustment of the  
4 limitation on the amount of ad valorem taxes that may be imposed for  
5 those purposes on the homesteads of certain persons.

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

7 SECTION 1. Section 1-b, Article VIII, Texas Constitution,  
8 is amended by amending Subsections (c) and (d) and adding  
9 Subsection (h-1) to read as follows:

10 (c) The amount of \$22,500 [~~Fifteen Thousand Dollars~~  
11 ~~(\$15,000)~~] of the market value of the residence homestead of a  
12 married or unmarried adult, including one living alone, is exempt  
13 from ad valorem taxation for general elementary and secondary  
14 public school purposes. The legislature by general law may provide  
15 that all or part of the exemption does not apply to a district or  
16 political subdivision that imposes ad valorem taxes for public  
17 education purposes but is not the principal school district  
18 providing general elementary and secondary public education  
19 throughout its territory. In addition to this exemption, the  
20 legislature by general law may exempt an amount not to exceed [~~Ten~~  
21 ~~Thousand Dollars~~+] \$10,000[+] of the market value of the residence  
22 homestead of a person who is disabled as defined in Subsection (b)  
23 of this section and of a person sixty-five (65) years of age or  
24 older from ad valorem taxation for general elementary and secondary

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

25 (d) Except as otherwise provided by this subsection, if a  
26 person receives a residence homestead exemption prescribed by  
27 Subsection (c) of this section for homesteads of persons who are

1 sixty-five (65) years of age or older or who are disabled, the total  
2 amount of ad valorem taxes imposed on that homestead for general  
3 elementary and secondary public school purposes may not be  
4 increased while it remains the residence homestead of that person  
5 or that person's spouse who receives the exemption. If a person  
6 sixty-five (65) years of age or older dies in a year in which the  
7 person received the exemption, the total amount of ad valorem taxes  
8 imposed on the homestead for general elementary and secondary  
9 public school purposes may not be increased while it remains the  
10 residence homestead of that person's surviving spouse if the spouse  
11 is fifty-five (55) years of age or older at the time of the person's  
12 death, subject to any exceptions provided by general law. The  
13 legislature, by general law, may provide for the transfer of all or  
14 a proportionate amount of a limitation provided by this subsection  
15 for a person who qualifies for the limitation and establishes a  
16 different residence homestead. However, taxes otherwise limited by  
17 this subsection may be increased to the extent the value of the  
18 homestead is increased by improvements other than repairs or  
19 improvements made to comply with governmental requirements and  
20 except as may be consistent with the transfer of a limitation under  
21 this subsection. For a residence homestead subject to the  
22 limitation provided by this subsection in the 2006 [~~1996~~] tax year  
23 or an earlier tax year, the legislature shall reduce [~~provide for a~~  
24 ~~reduction in~~] the amount of the limitation for the 2007 [~~1997~~] tax  
25 year and subsequent tax years in an amount equal to \$7,500 [~~\$10,000~~]  
26 multiplied by the 2007 [~~1997~~] tax rate for general elementary and  
27 secondary public school purposes applicable to the residence

1 homestead.

2 (h-1) TEMPORARY PROVISION. (a) This temporary provision  
3 applies to the constitutional amendment proposed by the 79th  
4 Legislature, 1st Called Session, 2005, increasing the amount of the  
5 residence homestead exemption from ad valorem taxation for public  
6 school purposes and providing for a corresponding adjustment of the  
7 limitation on the amount of ad valorem taxes that may be imposed for  
8 those purposes on the homesteads of certain persons and expires  
9 January 1, 2008.

10 (b) The amendment to Section 1-b(c), Article VIII, of this  
11 constitution takes effect January 1, 2007, and applies only to a tax  
12 year beginning on or after that date.

13 SECTION 2. This proposed constitutional amendment shall be  
14 submitted to the voters at an election to be held November 8, 2005.  
15 The ballot shall be printed to permit voting for or against the  
16 proposition: "The constitutional amendment increasing the amount  
17 of the residence homestead exemption from ad valorem taxation for  
18 public school purposes from \$15,000 to \$22,500 and providing for an  
19 adjustment of the limitation on the amount of ad valorem taxes that  
20 may be imposed for those purposes on the homestead of a disabled  
21 person, an elderly person, or an elderly person's surviving spouse  
22 to reflect the increased exemption amount."