

By: Edwards

H.J.R. No. 26

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature  
2 to exempt from ad valorem taxation the full value of the residence  
3 homesteads of persons 65 years of age or older.

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

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

8 (b) The governing body of any county, city, town, school  
9 district, or other political subdivision of the State may exempt by  
10 its own action not less than Three Thousand Dollars (\$3,000) of the  
11 market value of residence homesteads of persons, married or  
12 unmarried, including those living alone, who are under a disability  
13 for purposes of payment of disability insurance benefits under  
14 Federal Old-Age, Survivors, and Disability Insurance or its  
15 successor [~~or of married or unmarried persons sixty-five (65) years~~  
16 ~~of age or older, including those living alone,~~] from all ad valorem  
17 taxes thereafter levied by the political subdivision. As an  
18 alternative, upon receipt of a petition signed by twenty percent  
19 (20%) of the voters who voted in the last preceding election held by  
20 the political subdivision, the governing body of the subdivision  
21 shall call an election to determine by majority vote whether an  
22 amount not less than Three Thousand Dollars (\$3,000) as provided in  
23 the petition, of the market value of residence homesteads of  
24 disabled persons [~~or of persons sixty-five (65) years of age or~~

1 ~~over~~] shall be exempt from ad valorem taxes thereafter levied by the  
2 political subdivision. ~~[An eligible disabled person who is~~  
3 ~~sixty-five (65) years of age or older may not receive both~~  
4 ~~exemptions from the same political subdivision in the same year but~~  
5 ~~may choose either if the subdivision has adopted both.]~~ Where any  
6 ad valorem tax has theretofore been pledged for the payment of any  
7 debt, the taxing officers of the political subdivision shall have  
8 authority to continue to levy and collect the tax against the  
9 homestead property at the same rate as the tax so pledged until the  
10 debt is discharged, if the cessation of the levy would impair the  
11 obligation of the contract by which the debt was created.

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

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

24 (d) Except as otherwise provided by this subsection, if a  
25 person receives a residence homestead exemption prescribed by  
26 Subsection (c) of this section for homesteads of persons who are  
27 [~~sixty-five (65) years of age or older or who are~~] disabled, the

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

27 (d-1) The legislature by general law may exempt from ad

1 valorem taxation the full value of the residence homestead of a  
2 person who is sixty-five (65) years of age or older. The  
3 legislature by general law may provide that if a person sixty-five  
4 (65) years of age or older dies in a year in which the person  
5 received the exemption, the total amount of ad valorem taxes  
6 imposed on the homestead by a political subdivision may not be  
7 increased beyond the amount of taxes imposed in the first tax year  
8 after the year in which the person dies while it remains the  
9 residence homestead of that person's surviving spouse if the spouse  
10 is fifty-five (55) years of age or older at the time of the person's  
11 death, subject to any exceptions provided by general law.

12 (h) The governing body of a county, a city or town, or a  
13 junior college district by official action may provide that if a  
14 person who is disabled [~~or is sixty-five (65) years of age or older~~]  
15 receives a residence homestead exemption prescribed or authorized  
16 by this section, the total amount of ad valorem taxes imposed on  
17 that homestead by the county, the city or town, or the junior  
18 college district may not be increased while it remains the  
19 residence homestead of that person or that person's spouse who is  
20 disabled [~~or sixty-five (65) years of age or older~~] and receives a  
21 residence homestead exemption on the homestead. As an alternative,  
22 on receipt of a petition signed by five percent (5%) of the  
23 registered voters of the county, the city or town, or the junior  
24 college district, the governing body of the county, the city or  
25 town, or the junior college district shall call an election to  
26 determine by majority vote whether to establish a tax limitation  
27 provided by this subsection. If a county, a city or town, or a

1 junior college district establishes a tax limitation provided by  
2 this subsection and a disabled person [~~or a person sixty-five (65)~~  
3 ~~years of age or older~~] dies in a year in which the person received a  
4 residence homestead exemption, the total amount of ad valorem taxes  
5 imposed on the homestead by the county, the city or town, or the  
6 junior college district may not be increased while it remains the  
7 residence homestead of that person's surviving spouse if the spouse  
8 is fifty-five (55) years of age or older at the time of the person's  
9 death, subject to any exceptions provided by general law. The  
10 legislature, by general law, may provide for the transfer of all or  
11 a proportionate amount of a tax limitation provided by this  
12 subsection for a person who qualifies for the limitation and  
13 establishes a different residence homestead within the same county,  
14 within the same city or town, or within the same junior college  
15 district. A county, a city or town, or a junior college district  
16 that establishes a tax limitation under this subsection must comply  
17 with a law providing for the transfer of the limitation, even if the  
18 legislature enacts the law subsequent to the county's, the city's or  
19 town's, or the junior college district's establishment of the  
20 limitation. Taxes otherwise limited by a county, a city or town, or  
21 a junior college district under this subsection may be increased to  
22 the extent the value of the homestead is increased by improvements  
23 other than repairs and other than improvements made to comply with  
24 governmental requirements and except as may be consistent with the  
25 transfer of a tax limitation under a law authorized by this  
26 subsection. The governing body of a county, a city or town, or a  
27 junior college district may not repeal or rescind a tax limitation

1 established under this subsection.

2 SECTION 2. Section 1-b(f), Article VIII, Texas  
3 Constitution, is repealed.

4 SECTION 3. This proposed constitutional amendment shall be  
5 submitted to the voters at an election to be held November 8, 2005.  
6 The ballot shall be printed to provide for voting for or against the  
7 proposition: "The constitutional amendment authorizing the  
8 legislature to exempt from ad valorem taxation the full value of the  
9 residence homesteads of persons 65 years of age or older."