

By: Wentworth

S.J.R. No. 13

1 SENATE JOINT RESOLUTION

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

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

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

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

1 older from ad valorem taxation for general elementary and secondary  
2 public school purposes. The legislature by general law may base the  
3 amount of and condition eligibility for the additional exemption  
4 authorized by this subsection for disabled persons and for persons  
5 sixty-five (65) years of age or older on economic need. An eligible  
6 disabled person who is sixty-five (65) years of age or older may not  
7 receive both exemptions from a school district but may choose  
8 either. An eligible person is entitled to receive both the  
9 exemption required by this subsection for all residence homesteads  
10 and any exemption adopted pursuant to Subsection (b) of this  
11 section, but the legislature shall provide by general law whether  
12 an eligible disabled or elderly person may receive both the  
13 additional exemption for the elderly and disabled authorized by  
14 this subsection and any exemption for the elderly or disabled  
15 adopted pursuant to Subsection (b) of this section. Where ad  
16 valorem tax has previously been pledged for the payment of debt, the  
17 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 Article VIII, Sections 1-b(c), 1-b(d), and  
24 1-d-1, of this constitution. The legislature by general law may  
25 define residence homestead for purposes of this section.

26 (d) Except as otherwise provided by this subsection, if a  
27 person receives a residence homestead exemption prescribed by

1 Subsection (c) of this section for homesteads of persons who are  
2 sixty-five (65) years of age or older or who are disabled, the total  
3 amount of ad valorem taxes imposed on that homestead for general  
4 elementary and secondary public school purposes may not be  
5 increased while it remains the residence homestead of that person  
6 or that person's spouse who receives the exemption. If a person  
7 sixty-five (65) years of age or older dies in a year in which the  
8 person received the exemption, the total amount of ad valorem taxes  
9 imposed on the homestead for general elementary and secondary  
10 public school purposes may not be increased while it remains the  
11 residence homestead of that person's surviving spouse if the spouse  
12 is fifty-five (55) years of age or older at the time of the person's  
13 death, subject to any exceptions provided by general law. If a  
14 person receives the limitation provided by this subsection for the  
15 person's residence homestead and the person or the person's spouse  
16 received the limitation in the preceding tax year for that  
17 homestead and the tax rate for general elementary and secondary  
18 public school purposes applicable to the homestead for the current  
19 tax year is higher or lower than the tax rate for those purposes  
20 applicable to that homestead for the preceding tax year, the  
21 limitation provided by this subsection on the total amount of ad  
22 valorem taxes that may be imposed for those purposes on the  
23 homestead is increased or reduced, as applicable, in proportion to  
24 the increase or reduction in the tax rate, except that the total  
25 amount of ad valorem taxes that may be imposed for those purposes on  
26 the homestead may not exceed the amount of taxes imposed for those  
27 purposes for the tax year in which the limitation took effect. The

1 legislature, by general law, may provide for the transfer of all or  
 2 a proportionate amount of a limitation provided by this subsection  
 3 for a person who qualifies for the limitation and establishes a  
 4 different residence homestead. However, taxes otherwise limited by  
 5 this subsection may be increased to the extent the value of the  
 6 homestead is increased by improvements other than repairs or  
 7 improvements made to comply with governmental requirements and  
 8 except as may be consistent with the transfer of a limitation under  
 9 this subsection. For a residence homestead subject to the  
 10 limitation provided by this subsection in the 2005 [~~1996~~] tax year  
 11 or an earlier tax year, the legislature shall reduce [~~provide for a~~  
 12 ~~reduction in~~] the amount of the limitation for the 2006 [~~1997~~] tax  
 13 year and subsequent tax years in an amount equal to \$7,500 [~~\$10,000~~]  
 14 multiplied by the 2006 [~~1997~~] tax rate for general elementary and  
 15 secondary public school purposes applicable to the residence  
 16 homestead.

17 (h-1) TEMPORARY PROVISION. (a) This temporary provision  
 18 applies to the constitutional amendment proposed by the 79th  
 19 Legislature, 1st Called Session, 2005, increasing the amount of the  
 20 residence homestead exemption from ad valorem taxation for public  
 21 school purposes and providing for a corresponding adjustment of the  
 22 limitation on the amount of ad valorem taxes that may be imposed for  
 23 those purposes on the homesteads of certain persons and increasing  
 24 or reducing, as applicable, the amount of the limitation on the  
 25 total amount of ad valorem taxes that may be imposed by a school  
 26 district on the residence homestead of an elderly or disabled  
 27 person in proportion to any increase or reduction in the tax rate of

1 the school district but not to exceed the amount of the limitation  
2 for the tax year in which the limitation took effect and expires  
3 January 1, 2007.

4 (b) The amendment to Sections 1-b(c) and (d), Article VIII,  
5 of this constitution takes effect January 1, 2006, and applies only  
6 to a tax year beginning on or after that date.

7 SECTION 2. This proposed constitutional amendment shall be  
8 submitted to the voters at an election to be held November 8, 2005,  
9 but only if House Bill No. 3, Acts of the 79th Legislature, 1st  
10 Called Session, 2005, is enacted and becomes law. If House Bill No.  
11 3, Acts of the 79th Legislature, 1st Called Session, 2005, does not  
12 become law, this proposed constitutional amendment shall not be  
13 submitted to the voters. If House Bill No. 3, Acts of the 79th  
14 Legislature, 1st Called Session, 2005, becomes law, the ballot for  
15 the election 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 and increasing or  
23 reducing, as applicable, the amount of the limitation on the total  
24 amount of ad valorem taxes that may be imposed by a school district  
25 on the residence homestead of an elderly or disabled person in  
26 proportion to any increase or reduction in the tax rate of the  
27 school district but not to exceed the amount of the limitation for

1 the tax year in which the limitation took effect."