

1-1 By: Wentworth S.J.R. No. 13
1-2 (In the Senate - Filed June 28, 2005; June 30, 2005, read
1-3 first time and referred to Committee on Finance; July 17, 2005,
1-4 reported favorably by the following vote: Yeas 14, Nays 1;
1-5 July 17, 2005, sent to printer.)

1-6 SENATE JOINT RESOLUTION

1-7 proposing a constitutional amendment increasing the amount of the
1-8 residence homestead exemption from ad valorem taxation for public
1-9 school purposes and providing for a corresponding adjustment of the
1-10 limitation on the amount of ad valorem taxes that may be imposed for
1-11 those purposes on the homesteads of certain persons.

1-12 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 1-b, Article VIII, Texas Constitution,
1-14 is amended by amending Subsections (c) and (d) and adding
1-15 Subsection (h-1) to read as follows:

1-16 (c) The amount of \$22,500 [~~Fifteen Thousand Dollars~~
1-17 ~~(\$15,000)] of the market value of the residence homestead of a
1-18 married or unmarried adult, including one living alone, is exempt
1-19 from ad valorem taxation for general elementary and secondary
1-20 public school purposes. The legislature by general law may provide
1-21 that all or part of the exemption does not apply to a district or
1-22 political subdivision that imposes ad valorem taxes for public
1-23 education purposes but is not the principal school district
1-24 providing general elementary and secondary public education
1-25 throughout its territory. In addition to this exemption, the
1-26 legislature by general law may exempt an amount not to exceed [~~Ten~~
1-27 ~~Thousand Dollars~~] \$10,000 [→] of the market value of the residence
1-28 homestead of a person who is disabled as defined in Subsection (b)
1-29 of this section and of a person sixty-five (65) years of age or
1-30 older from ad valorem taxation for general elementary and secondary
1-31 public school purposes. The legislature by general law may base the
1-32 amount of and condition eligibility for the additional exemption
1-33 authorized by this subsection for disabled persons and for persons
1-34 sixty-five (65) years of age or older on economic need. An eligible
1-35 disabled person who is sixty-five (65) years of age or older may not
1-36 receive both exemptions from a school district but may choose
1-37 either. An eligible person is entitled to receive both the
1-38 exemption required by this subsection for all residence homesteads
1-39 and any exemption adopted pursuant to Subsection (b) of this
1-40 section, but the legislature shall provide by general law whether
1-41 an eligible disabled or elderly person may receive both the
1-42 additional exemption for the elderly and disabled authorized by
1-43 this subsection and any exemption for the elderly or disabled
1-44 adopted pursuant to Subsection (b) of this section. Where ad
1-45 valorem tax has previously been pledged for the payment of debt, the
1-46 taxing officers of a school district may continue to levy and
1-47 collect the tax against the value of homesteads exempted under this
1-48 subsection until the debt is discharged if the cessation of the levy
1-49 would impair the obligation of the contract by which the debt was
1-50 created. The legislature shall provide for formulas to protect
1-51 school districts against all or part of the revenue loss incurred by
1-52 the implementation of Article VIII, Sections 1-b(c), 1-b(d), and
1-53 1-d-1, of this constitution. The legislature by general law may
1-54 define residence homestead for purposes of this section.~~

1-55 (d) Except as otherwise provided by this subsection, if a
1-56 person receives a residence homestead exemption prescribed by
1-57 Subsection (c) of this section for homesteads of persons who are
1-58 sixty-five (65) years of age or older or who are disabled, the total
1-59 amount of ad valorem taxes imposed on that homestead for general
1-60 elementary and secondary public school purposes may not be
1-61 increased while it remains the residence homestead of that person
1-62 or that person's spouse who receives the exemption. If a person
1-63 sixty-five (65) years of age or older dies in a year in which the
1-64 person received the exemption, the total amount of ad valorem taxes

2-1 imposed on the homestead for general elementary and secondary
2-2 public school purposes may not be increased while it remains the
2-3 residence homestead of that person's surviving spouse if the spouse
2-4 is fifty-five (55) years of age or older at the time of the person's
2-5 death, subject to any exceptions provided by general law. The
2-6 legislature, by general law, may provide for the transfer of all or
2-7 a proportionate amount of a limitation provided by this subsection
2-8 for a person who qualifies for the limitation and establishes a
2-9 different residence homestead. However, taxes otherwise limited by
2-10 this subsection may be increased to the extent the value of the
2-11 homestead is increased by improvements other than repairs or
2-12 improvements made to comply with governmental requirements and
2-13 except as may be consistent with the transfer of a limitation under
2-14 this subsection. For a residence homestead subject to the
2-15 limitation provided by this subsection in the 2005 [1996] tax year
2-16 or an earlier tax year, the legislature shall reduce [~~provide for a~~
2-17 ~~reduction in~~] the amount of the limitation for the 2006 [1997] tax
2-18 year and subsequent tax years in an amount equal to \$7,500 [~~\$10,000~~]
2-19 multiplied by the 2006 [1997] tax rate for general elementary and
2-20 secondary public school purposes applicable to the residence
2-21 homestead.

2-22 (h-1) TEMPORARY PROVISION. (a) This temporary provision
2-23 applies to the constitutional amendment proposed by the 79th
2-24 Legislature, 1st Called Session, 2005, increasing the amount of the
2-25 residence homestead exemption from ad valorem taxation for public
2-26 school purposes and providing for a corresponding adjustment of the
2-27 limitation on the amount of ad valorem taxes that may be imposed for
2-28 those purposes on the homesteads of certain persons and expires
2-29 January 1, 2007.

2-30 (b) The amendment to Section 1-b(c), Article VIII, of this
2-31 constitution takes effect January 1, 2006, and applies only to a tax
2-32 year beginning on or after that date.

2-33 SECTION 2. This proposed constitutional amendment shall be
2-34 submitted to the voters at an election to be held November 8, 2005.
2-35 The ballot shall be printed to permit voting for or against the
2-36 proposition: "The constitutional amendment increasing the amount
2-37 of the residence homestead exemption from ad valorem taxation for
2-38 public school purposes from \$15,000 to \$22,500 and providing for an
2-39 adjustment of the limitation on the amount of ad valorem taxes that
2-40 may be imposed for those purposes on the homestead of a disabled
2-41 person, an elderly person, or an elderly person's surviving spouse
2-42 to reflect the increased exemption amount."

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