

By: Merritt

H.J.R. No. 24

A JOINT RESOLUTION

1 proposing a constitutional amendment increasing the amount of the
2 school district residence homestead property tax exemption to
3 \$22,500 and providing for a corresponding reduction of the
4 limitation on school taxes on residence homesteads of elderly and
5 disabled persons.

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

7 SECTION 1. Sections 1-b(c) and (d), Article VIII, Texas
8 Constitution, are amended to read as follows:

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

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

1 amount of ad valorem taxes imposed on that homestead for general
2 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 2005 [~~1996~~] tax year
22 or an earlier tax year, the legislature shall reduce [~~provide for a~~
23 ~~reduction in~~] the amount of the limitation for the 2006 [~~1997~~] tax
24 year and subsequent tax years in an amount equal to \$7,500 [~~\$10,000~~]
25 multiplied by the 2006 [~~1997~~] tax rate for general elementary and
26 secondary public school purposes applicable to the residence
27 homestead.

1 SECTION 2. The following temporary provision is added to
2 the Texas Constitution:

3 TEMPORARY PROVISION. (a) This temporary provision applies
4 to the constitutional amendment proposed by the 79th Legislature,
5 2nd Called Session, 2005, increasing the amount of the residence
6 homestead property tax exemption from school taxes and providing
7 for a corresponding reduction of the limitation on school taxes on
8 residence homesteads of elderly and disabled persons and expires
9 January 1, 2007.

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

13 SECTION 3. 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 school district residence homestead property tax exemption
18 to \$22,500 and providing for a corresponding reduction of the
19 limitation on school taxes on residence homesteads of elderly and
20 disabled persons."