

1-1 By: Barrientos S.J.R. No. 8
1-2 (In the Senate - Filed July 26, 2005; July 29, 2005, read
1-3 first time and referred to Committee on Finance; August 5, 2005,
1-4 reported favorably by the following vote: Yeas 10, Nays 0;
1-5 August 5, 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 to \$30,000 and providing for an adjustment of the
1-10 limitation on the total amount of taxes that may be imposed for
1-11 those purposes on the homesteads of the elderly or disabled to
1-12 reflect the increased exemption amount and changes in school
1-13 district ad valorem tax rates.

1-14 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-15 SECTION 1. Subsections (c) and (d), Section 1-b, Article
1-16 VIII, Texas Constitution, are amended to read as follows:

1-17 (c) The amount of \$30,000 [~~Fifteen Thousand Dollars~~
1-18 ~~(\$15,000)] of the market value of the residence homestead of a
1-19 married or unmarried adult, including one living alone, is exempt
1-20 from ad valorem taxation for general elementary and secondary
1-21 public school purposes. The legislature by general law may provide
1-22 that all or part of the exemption does not apply to a district or
1-23 political subdivision that imposes ad valorem taxes for public
1-24 education purposes but is not the principal school district
1-25 providing general elementary and secondary public education
1-26 throughout its territory. In addition to this exemption, the
1-27 legislature by general law may exempt an amount not to exceed [~~Ten~~
1-28 ~~Thousand Dollars~~] \$10,000[+] of the market value of the residence
1-29 homestead of a person who is disabled as defined in Subsection (b)
1-30 of this section and of a person sixty-five (65) years of age or
1-31 older from ad valorem taxation for general elementary and secondary
1-32 public school purposes. The legislature by general law may base the
1-33 amount of and condition eligibility for the additional exemption
1-34 authorized by this subsection for disabled persons and for persons
1-35 sixty-five (65) years of age or older on economic need. An eligible
1-36 disabled person who is sixty-five (65) years of age or older may not
1-37 receive both exemptions from a school district but may choose
1-38 either. An eligible person is entitled to receive both the
1-39 exemption required by this subsection for all residence homesteads
1-40 and any exemption adopted pursuant to Subsection (b) of this
1-41 section, but the legislature shall provide by general law whether
1-42 an eligible disabled or elderly person may receive both the
1-43 additional exemption for the elderly and disabled authorized by
1-44 this subsection and any exemption for the elderly or disabled
1-45 adopted pursuant to Subsection (b) of this section. Where ad
1-46 valorem tax has previously been pledged for the payment of debt, the
1-47 taxing officers of a school district may continue to levy and
1-48 collect the tax against the value of homesteads exempted under this
1-49 subsection until the debt is discharged if the cessation of the levy
1-50 would impair the obligation of the contract by which the debt was
1-51 created. The legislature shall provide for formulas to protect
1-52 school districts against all or part of the revenue loss incurred by
1-53 the implementation of Article VIII, Sections 1-b(c), 1-b(d), and
1-54 1-d-1, of this constitution. The legislature by general law may
1-55 define residence homestead for purposes of this section.~~

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

2-1 person received the exemption, the total amount of ad valorem taxes
 2-2 imposed on the homestead for general elementary and secondary
 2-3 public school purposes may not be increased while it remains the
 2-4 residence homestead of that person's surviving spouse if the spouse
 2-5 is fifty-five (55) years of age or older at the time of the person's
 2-6 death, subject to any exceptions provided by general law. If a
 2-7 person receives the limitation provided by this subsection for the
 2-8 person's residence homestead and the person or the person's spouse
 2-9 received the limitation in the preceding tax year for that
 2-10 homestead and the tax rate for general elementary and secondary
 2-11 public school purposes applicable to the homestead for the current
 2-12 tax year is higher or lower than the tax rate for those purposes
 2-13 applicable to that homestead for the preceding tax year, the
 2-14 limitation provided by this subsection on the total amount of ad
 2-15 valorem taxes that may be imposed for those purposes on the
 2-16 homestead is increased or reduced, as applicable, in proportion to
 2-17 the increase or reduction in the tax rate, except that the total
 2-18 amount of ad valorem taxes that may be imposed for those purposes on
 2-19 the homestead may not exceed the amount of taxes imposed for those
 2-20 purposes for the later of the 2005 tax year or the tax year in which
 2-21 the limitation took effect, as that limitation may have been
 2-22 increased in subsequent tax years or may be increased for the
 2-23 current tax year because of improvements as authorized by this
 2-24 subsection. The legislature, by general law, may provide for the
 2-25 transfer of all or a proportionate amount of a limitation provided
 2-26 by this subsection for a person who qualifies for the limitation and
 2-27 establishes a different residence homestead. However, taxes
 2-28 otherwise limited by this subsection may be increased to the extent
 2-29 the value of the homestead is increased by improvements other than
 2-30 repairs or improvements made to comply with governmental
 2-31 requirements and except as may be consistent with the transfer of a
 2-32 limitation under this subsection. For a residence homestead
 2-33 subject to the limitation provided by this subsection in the 2005
 2-34 [1996] tax year or an earlier tax year, the legislature shall reduce
 2-35 [provide for a reduction in] the amount of the limitation for the
 2-36 2006 [1997] tax year and subsequent tax years in an amount equal to
 2-37 \$15,000 [\$10,000] multiplied by the 2006 [1997] tax rate for
 2-38 general elementary and secondary public school purposes applicable
 2-39 to the residence homestead.

2-40 SECTION 2. The following temporary provision is added to
 2-41 the Texas Constitution:

2-42 TEMPORARY PROVISION. (a) This temporary provision applies
 2-43 to the constitutional amendment proposed by the 79th Legislature,
 2-44 2nd Called Session, 2005, increasing the amount of the residence
 2-45 homestead exemption from ad valorem taxation for public school
 2-46 purposes and providing for an adjustment of the limitation on the
 2-47 total amount of ad valorem taxes that may be imposed for those
 2-48 purposes on the homesteads of the elderly or disabled to reflect the
 2-49 increased exemption amount and changes in school district ad
 2-50 valorem tax rates and expires January 1, 2007.

2-51 (b) The amendment to Sections 1-b(c) and (d), Article VIII,
 2-52 of this constitution takes effect January 1, 2006, and applies only
 2-53 to a tax year beginning on or after that date.

2-54 SECTION 3. This proposed constitutional amendment shall be
 2-55 submitted to the voters at an election to be held November 8, 2005.
 2-56 The ballot shall be printed to permit voting for or against the
 2-57 proposition: "The constitutional amendment increasing the amount
 2-58 of the residence homestead exemption from ad valorem taxation for
 2-59 public school purposes from \$15,000 to \$30,000, providing for an
 2-60 adjustment of the limitation on the total amount of ad valorem taxes
 2-61 that may be imposed for those purposes on the homestead of an
 2-62 elderly or disabled person to reflect the increased exemption
 2-63 amount, and increasing or reducing, as applicable, the amount of
 2-64 the limitation on the total amount of ad valorem taxes that may be
 2-65 imposed by a school district on the homestead of an elderly or
 2-66 disabled person in proportion to any increase or reduction in the
 2-67 tax rate of the school district but not to exceed the amount of the
 2-68 limitation for the later of the 2005 tax year or the tax year in
 2-69 which the limitation took effect, subject to increases for

3-1 improvements."

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