

By: Ogden

S.J.R. No. 11

1 SENATE JOINT RESOLUTION

2 proposing a constitutional amendment establishing a maximum tax
3 rate of \$1.25 per \$100 of taxable value for school district ad
4 valorem taxes imposed for maintenance purposes, providing that an
5 ad valorem tax imposed by a school district is not a state ad
6 valorem tax, increasing the amount of the residence homestead
7 exemption from ad valorem taxation for public school purposes to
8 \$22,500, and reducing the limitation on the total amount of taxes
9 that may be imposed for those purposes on the homesteads of the
10 elderly or disabled to reflect the increased exemption amount and
11 reductions in school district ad valorem tax rates.

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

13 SECTION 1. Section 3, Article VII, Texas Constitution, is
14 amended by amending Subsections (d) and (e) and adding Subsections
15 (f) and (g) to read as follows:

16 (d) The Legislature may provide for the formation of school
17 districts by general laws, and all such school districts may
18 embrace parts of two or more counties.

19 [~~(e)~~] The Legislature by general law may provide [~~shall be~~
20 ~~authorized to pass laws for the assessment and collection of taxes~~
21 ~~in all school districts and~~] for the management and control of the
22 public [~~school or~~] schools of such districts.

23 (e) The [~~, whether such districts are composed of territory~~
24 ~~wholly within a county or in parts of two or more counties, and the~~]

1 Legislature may authorize an ~~[additional]~~ ad valorem tax to be
2 levied and collected within all school districts for the ~~[further]~~
3 maintenance of public free schools at a rate not to exceed \$1.25 for
4 each \$100 of taxable value of property in the district, and may
5 authorize an additional ad valorem tax for the erection and
6 equipment of school buildings. A school district may not levy or
7 collect a tax under this subsection unless the tax is approved by
8 ~~[therein; provided that]~~ a majority of the qualified voters of the
9 district voting at an election to be held for that purpose~~[, shall~~
10 ~~approve the tax]~~. A tax levied and collected by a school district
11 under this subsection is not a state ad valorem tax within the
12 meaning of Section 1-e, Article VIII, of this constitution.

13 (f) The Legislature may pass laws for the creation of junior
14 college districts, the management and control of those districts,
15 and the imposition of ad valorem taxes in those districts. A junior
16 college district may not impose a tax under this subsection unless
17 the tax is approved by a majority of the qualified voters of the
18 district voting at an election held for that purpose. A junior
19 college district is not a school district for purposes of this
20 section.

21 (g) An ad valorem tax approved by the voters of a junior
22 college district under this section on or before January 1, 2007,
23 is not affected by the amendment of this section approved by the
24 voters at an election held on November 8, 2005, and the junior
25 college district is not required to hold a new election to authorize
26 the existing tax. This subsection expires January 1, 2008.

27 SECTION 2. Subsections (c) and (d), Sections 1-b, Article

1 VIII, Texas Constitution, are amended to read as follows:

2 (c) The amount of \$22,500 [~~Fifteen Thousand Dollars~~
3 ~~(\$15,000)~~] of the market value of the residence homestead of a
4 married or unmarried adult, including one living alone, is exempt
5 from ad valorem taxation for general elementary and secondary
6 public school purposes. The legislature by general law may provide
7 that all or part of the exemption does not apply to a district or
8 political subdivision that imposes ad valorem taxes for public
9 education purposes but is not the principal school district
10 providing general elementary and secondary public education
11 throughout its territory. In addition to this exemption, the
12 legislature by general law may exempt an amount not to exceed [~~Ten~~
13 ~~Thousand Dollars (-)~~ \$10,000[~~+~~] of the market value of the residence
14 homestead of a person who is disabled as defined in Subsection (b)
15 of this section and of a person sixty-five (65) years of age or
16 older from ad valorem taxation for general elementary and secondary
17 public school purposes. The legislature by general law may base the
18 amount of and condition eligibility for the additional exemption
19 authorized by this subsection for disabled persons and for persons
20 sixty-five (65) years of age or older on economic need. An eligible
21 disabled person who is sixty-five (65) years of age or older may not
22 receive both exemptions from a school district but may choose
23 either. An eligible person is entitled to receive both the
24 exemption required by this subsection for all residence homesteads
25 and any exemption adopted pursuant to Subsection (b) of this
26 section, but the legislature shall provide by general law whether
27 an eligible disabled or elderly person may receive both the

1 additional exemption for the elderly and disabled authorized by
2 this subsection and any exemption for the elderly or disabled
3 adopted pursuant to Subsection (b) of this section. Where ad
4 valorem tax has previously been pledged for the payment of debt, the
5 taxing officers of a school district may continue to levy and
6 collect the tax against the value of homesteads exempted under this
7 subsection until the debt is discharged if the cessation of the levy
8 would impair the obligation of the contract by which the debt was
9 created. The legislature shall provide for formulas to protect
10 school districts against all or part of the revenue loss incurred by
11 the implementation of Article VIII, Sections 1-b(c), 1-b(d), and
12 1-d-1, of this constitution. The legislature by general law may
13 define residence homestead for purposes of this section.

14 (d) Except as otherwise provided by this subsection, if a
15 person receives a residence homestead exemption prescribed by
16 Subsection (c) of this section for homesteads of persons who are
17 sixty-five (65) years of age or older or who are disabled, the total
18 amount of ad valorem taxes imposed on that homestead for general
19 elementary and secondary public school purposes may not be
20 increased while it remains the residence homestead of that person
21 or that person's spouse who receives the exemption. If a person
22 sixty-five (65) years of age or older dies in a year in which the
23 person received the exemption, the total amount of ad valorem taxes
24 imposed on the homestead for general elementary and secondary
25 public school purposes may not be increased while it remains the
26 residence homestead of that person's surviving spouse if the spouse
27 is fifty-five (55) years of age or older at the time of the person's

1 death, subject to any exceptions provided by general law. If a
2 person receives the limitation provided by this subsection for the
3 person's residence homestead and the person or the person's spouse
4 received the limitation in the preceding tax year for that
5 homestead and the tax rate for general elementary and secondary
6 public school purposes applicable to the homestead for the current
7 tax year is lower than the tax rate for those purposes applicable to
8 that homestead for the preceding tax year, the limitation provided
9 by this subsection on the total amount of ad valorem taxes that may
10 be imposed for those purposes on the homestead is reduced in
11 proportion to the reduction in the tax rate. The legislature, by
12 general law, may provide for the transfer of all or a proportionate
13 amount of a limitation provided by this subsection for a person who
14 qualifies for the limitation and establishes a different residence
15 homestead. However, taxes otherwise limited by this subsection may
16 be increased to the extent the value of the homestead is increased
17 by improvements other than repairs or improvements made to comply
18 with governmental requirements and except as may be consistent with
19 the transfer of a limitation under this subsection. For a residence
20 homestead subject to the limitation provided by this subsection in
21 the 2006 [~~1996~~] tax year or an earlier tax year, the legislature
22 shall reduce [~~provide for a reduction in~~] the amount of the
23 limitation for the 2007 [~~1997~~] tax year and subsequent tax years in
24 an amount equal to \$7,500 [~~\$10,000~~] multiplied by the 2007 [~~1997~~]
25 tax rate for general elementary and secondary public school
26 purposes applicable to the residence homestead.

27 SECTION 3. The following temporary provision is added to

1 the Texas Constitution:

2 TEMPORARY PROVISION. (a) Except as provided by Subsection
3 (b) of this temporary provision, the amendment to Section 3,
4 Article VII, of this constitution proposed by the 79th Legislature,
5 2nd Called Session, 2005, limiting school district ad valorem taxes
6 for maintenance purposes, providing that an ad valorem tax imposed
7 by a school district is not a state ad valorem tax, increasing the
8 amount of the residence homestead exemption from ad valorem
9 taxation for public school purposes to \$22,500, and reducing the
10 limitation on the total amount of taxes that may be imposed for
11 those purposes on the homesteads of the elderly or disabled to
12 reflect the increased exemption amount and reductions in school
13 district ad valorem tax rates takes effect December 1, 2005.

14 (b) The limitation on the maximum school district tax rate
15 for the maintenance of public free schools prescribed by Section
16 3(e), Article VII, of this constitution takes effect January 1,
17 2007, and applies only to a tax year that begins on or after that
18 date.

19 (c) The amendment to Sections 1-b(c) and (d), Article VIII,
20 of this constitution takes effect January 1, 2007, and applies only
21 to a tax year that begins on or after that date.

22 SECTION 4. This proposed constitutional amendment shall be
23 submitted to the voters at an election to be held November 8, 2005.
24 The ballot shall be printed to permit voting for or against the
25 proposition: "The constitutional amendment establishing a maximum
26 tax rate of \$1.25 per \$100 of taxable value for school district ad
27 valorem taxes imposed for maintenance purposes, providing that an

1 ad valorem tax imposed by a school district is not a state ad
2 valorem tax, increasing the amount of the residence homestead
3 exemption from ad valorem taxation for public school purposes to
4 \$22,500, and reducing the limitation on the total amount of taxes
5 that may be imposed for those purposes on the homesteads of the
6 elderly or disabled to reflect the increased exemption amount and
7 reductions in school district tax rates."