

By: Ogden

S.J.R. No. 7

A JOINT RESOLUTION

1 proposing a constitutional amendment establishing a maximum school  
2 district ad valorem tax rate for maintenance purposes, providing  
3 that an ad valorem tax imposed by a school district is not a state ad  
4 valorem tax, authorizing the legislature to set a lower limit on  
5 increases in the appraised value of a residence homestead for  
6 purposes of ad valorem taxation by a school district, and  
7 increasing the residence homestead exemption from ad valorem  
8 taxation for public school purposes and correspondingly adjusting  
9 the limitation on ad valorem taxes imposed for those purposes on the  
10 homesteads of the elderly or disabled.

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

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

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

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

22 (e) The ~~[, whether such districts are composed of territory~~  
23 ~~wholly within a county or in parts of two or more counties, and the]~~  
24 Legislature may authorize an ~~[additional]~~ ad valorem tax to be

1 levied and collected within all school districts for the ~~[further]~~  
2 maintenance of public free schools at a rate not to exceed \$1.15 for  
3 each \$100 of taxable value of property in the district, and may  
4 authorize an additional ad valorem tax for the erection and  
5 equipment of school buildings. A school district may not levy or  
6 collect a tax under this subsection unless the tax is approved by  
7 ~~[therein; provided that]~~ a majority of the qualified voters of the  
8 district voting at an election to be held for that purpose~~[, shall~~  
9 ~~approve the tax]~~. A tax levied and collected by a school district  
10 under this subsection is not a state ad valorem tax within the  
11 meaning of Section 1-e, Article VIII, of this constitution.

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

20 (g) The approval of an ad valorem tax by the voters of a  
21 junior college district under this section before January 1, 2007,  
22 is not affected by the amendment of this section approved by the  
23 voters at an election held November 7, 2006, and the junior college  
24 district may continue to impose the tax in 2007 and subsequent years  
25 without holding a new election to authorize the tax. This  
26 subsection expires January 1, 2008.

27 SECTION 2. Section 1(i), Article VIII, Texas Constitution,

1 is amended to read as follows:

2 (i) Notwithstanding Subsections (a) and (b) of this  
3 section, the Legislature by general law may limit the maximum  
4 average annual percentage increase in the appraised value of  
5 residence homesteads for purposes of ad valorem taxation by a  
6 school district other than a junior college district [~~tax purposes~~]  
7 to five percent, or a greater percentage, and for purposes of ad  
8 valorem taxation by other political subdivisions to 10 percent, or  
9 a greater percentage, for each year since the most recent tax  
10 appraisal. A limitation on appraisal increases authorized by this  
11 subsection:

12 (1) takes effect as to a residence homestead on the  
13 later of the effective date of the law imposing the limitation or  
14 January 1 of the tax year following the first tax year the owner  
15 qualifies the property for an exemption under Section 1-b of this  
16 article; and

17 (2) expires on January 1 of the first tax year that  
18 neither the owner of the property when the limitation took effect  
19 nor the owner's spouse or surviving spouse qualifies for an  
20 exemption under Section 1-b of this article.

21 SECTION 3. Sections 1-b(c) and (d), Article VIII, Texas  
22 Constitution, are amended to read as follows:

23 (c) The amount of \$22,500 [~~Fifteen Thousand Dollars~~  
24 ~~(\$15,000)]~~ of the market value of the residence homestead of a  
25 married or unmarried adult, including one living alone, is exempt  
26 from ad valorem taxation for general elementary and secondary  
27 public school purposes. The legislature by general law may provide

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

1 subsection until the debt is discharged if the cessation of the levy  
2 would impair the obligation of the contract by which the debt was  
3 created. The legislature shall provide for formulas to protect  
4 school districts against all or part of the revenue loss incurred by  
5 the implementation of Article VIII, Sections 1-b(c), 1-b(d), and  
6 1-d-1, of this constitution. The legislature by general law may  
7 define residence homestead for purposes of this section.

8 (d) Except as otherwise provided by this subsection, if a  
9 person receives a residence homestead exemption prescribed by  
10 Subsection (c) of this section for homesteads of persons who are  
11 sixty-five (65) years of age or older or who are disabled, the total  
12 amount of ad valorem taxes imposed on that homestead for general  
13 elementary and secondary public school purposes may not be  
14 increased while it remains the residence homestead of that person  
15 or that person's spouse who receives the exemption. If a person  
16 sixty-five (65) years of age or older dies in a year in which the  
17 person received the exemption, the total amount of ad valorem taxes  
18 imposed on the homestead for general elementary and secondary  
19 public school purposes may not be increased while it remains the  
20 residence homestead of that person's surviving spouse if the spouse  
21 is fifty-five (55) years of age or older at the time of the person's  
22 death, subject to any exceptions provided by general law. The  
23 legislature, by general law, may provide for the transfer of all or  
24 a proportionate amount of a limitation provided by this subsection  
25 for a person who qualifies for the limitation and establishes a  
26 different residence homestead. However, taxes otherwise limited by  
27 this subsection may be increased to the extent the value of the

1 homestead is increased by improvements other than repairs or  
 2 improvements made to comply with governmental requirements and  
 3 except as may be consistent with the transfer of a limitation under  
 4 this subsection. For a residence homestead subject to the  
 5 limitation provided by this subsection in the 2006 [~~1996~~] tax year  
 6 or an earlier tax year, the legislature shall reduce [~~provide for a~~  
 7 ~~reduction in~~] the amount of the limitation for the 2007 [~~1997~~] tax  
 8 year and subsequent tax years in an amount equal to \$7,500 [~~\$10,000~~]  
 9 multiplied by the 2007 [~~1997~~] tax rate for general elementary and  
 10 secondary public school purposes applicable to the residence  
 11 homestead.

12 SECTION 4. The following temporary provision is added to  
 13 the Texas Constitution:

14 TEMPORARY PROVISION. (a) This temporary provision applies  
 15 to the constitutional amendment proposed by the 79th Legislature,  
 16 3rd Called Session, 2006, establishing a maximum school district ad  
 17 valorem tax rate for maintenance purposes, providing that an ad  
 18 valorem tax imposed by a school district is not a state ad valorem  
 19 tax, authorizing the legislature to set a lower limit on increases  
 20 in the appraised value of a residence homestead for purposes of ad  
 21 valorem taxation by a school district, and increasing the residence  
 22 homestead exemption from ad valorem taxation for public school  
 23 purposes and correspondingly adjusting the limitation on ad valorem  
 24 taxes imposed for those purposes on the homesteads of the elderly or  
 25 disabled and expires January 1, 2008.

26 (b) The amendments to Section 3, Article VII, and Sections  
 27 1(i) and 1-b(c) and (d), Article VIII, of this constitution take

1 effect January 1, 2007, and apply only to a tax year beginning on or  
2 after that date.

3       SECTION 5. This proposed constitutional amendment shall be  
4 submitted to the voters at an election to be held November 7, 2006.  
5 The ballot shall be printed to permit voting for or against the  
6 proposition: "The constitutional amendment establishing a maximum  
7 school district ad valorem tax rate for maintenance purposes,  
8 providing that an ad valorem tax imposed by a school district is not  
9 a state ad valorem tax, authorizing the legislature to set a lower  
10 limit on increases in the appraised value of a residence homestead  
11 for purposes of ad valorem taxation by a school district, and  
12 increasing the residence homestead exemption from ad valorem  
13 taxation for public school purposes and correspondingly adjusting  
14 the limitation on ad valorem taxes imposed for those purposes on the  
15 homesteads of the elderly or disabled."