

By: Leibowitz

H.J.R. No. 55

A JOINT RESOLUTION

1 proposing a constitutional amendment increasing the amount of the
2 residence homestead exemption from ad valorem taxation for public
3 school purposes to \$45,000 and providing for a reduction of the
4 limitation on the total amount of taxes that may be imposed for
5 those purposes on the homesteads of the elderly or disabled to
6 reflect the increased exemption amount and any reduction in the
7 rate of the tax imposed for those purposes.

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

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

11 (c) The amount of \$45,000 [~~Fifteen Thousand Dollars~~
12 ~~(\$15,000)~~] of the market value of the residence homestead of a
13 married or unmarried adult, including one living alone, is exempt
14 from ad valorem taxation for general elementary and secondary
15 public school purposes. The legislature by general law may provide
16 that all or part of the exemption does not apply to a district or
17 political subdivision that imposes ad valorem taxes for public
18 education purposes but is not the principal school district
19 providing general elementary and secondary public education
20 throughout its territory. In addition to this exemption, the
21 legislature by general law may exempt an amount not to exceed [~~Ten~~
22 ~~Thousand Dollars~~ (-) \$10,000(+)] of the market value of the residence
23 homestead of a person who is disabled as defined in Subsection (b)
24 of this section and of a person sixty-five (65) years of age or

1 older from ad valorem taxation for general elementary and secondary
2 public school purposes. The legislature by general law may base the
3 amount of and condition eligibility for the additional exemption
4 authorized by this subsection for disabled persons and for persons
5 sixty-five (65) years of age or older on economic need. An eligible
6 disabled person who is sixty-five (65) years of age or older may not
7 receive both exemptions from a school district but may choose
8 either. An eligible person is entitled to receive both the
9 exemption required by this subsection for all residence homesteads
10 and any exemption adopted pursuant to Subsection (b) of this
11 section, but the legislature shall provide by general law whether
12 an eligible disabled or elderly person may receive both the
13 additional exemption for the elderly and disabled authorized by
14 this subsection and any exemption for the elderly or disabled
15 adopted pursuant to Subsection (b) of this section. Where ad
16 valorem tax has previously been pledged for the payment of debt, the
17 taxing officers of a school district may continue to levy and
18 collect the tax against the value of homesteads exempted under this
19 subsection until the debt is discharged if the cessation of the levy
20 would impair the obligation of the contract by which the debt was
21 created. The legislature shall provide for formulas to protect
22 school districts against all or part of the revenue loss incurred by
23 the implementation of this subsection, Subsection (d) of this
24 section, and Section 1-d-1 of this article [~~Article VIII, Sections~~
25 ~~1-b(c), 1-b(d), and 1-d-1, of this constitution~~]. The legislature
26 by general law may define residence homestead for purposes of this
27 section.

1 (d) Except as otherwise provided by this subsection, if a
2 person receives a residence homestead exemption prescribed by
3 Subsection (c) of this section for homesteads of persons who are
4 sixty-five (65) years of age or older or who are disabled, the total
5 amount of ad valorem taxes imposed on that homestead for general
6 elementary and secondary public school purposes may not be
7 increased while it remains the residence homestead of that person
8 or that person's spouse who receives the exemption. If a person
9 sixty-five (65) years of age or older dies in a year in which the
10 person received the exemption, the total amount of ad valorem taxes
11 imposed on the homestead for general elementary and secondary
12 public school purposes may not be increased while it remains the
13 residence homestead of that person's surviving spouse if the spouse
14 is fifty-five (55) years of age or older at the time of the person's
15 death, subject to any exceptions provided by general law. The
16 legislature by general law may provide for the reduction of the
17 amount of a limitation provided by this subsection to reflect any
18 reduction from the preceding year in the tax rate for general
19 elementary and secondary public school purposes applicable to a
20 residence homestead. A general law providing for the reduction of
21 the amount of a limitation provided by this subsection to reflect
22 any reduction from the preceding year in the tax rate for general
23 elementary and secondary public school purposes applicable to a
24 residence homestead may, for purposes of computing the amount of
25 the limitation for the 2008 tax year and subsequent tax years, also
26 take into account any reduction in the tax rate for those purposes
27 from the 2005 tax year to the 2006 tax year if the homestead was

1 subject to the limitation in the 2006 tax year and any reduction in
2 the tax rate for those purposes from the 2006 tax year to the 2007
3 tax year if the homestead was subject to the limitation in the 2007
4 tax year. The legislature, by general law, may provide for the
5 transfer of all or a proportionate amount of a limitation provided
6 by this subsection for a person who qualifies for the limitation and
7 establishes a different residence homestead. However, taxes
8 otherwise limited by this subsection may be increased to the extent
9 the value of the homestead is increased by improvements other than
10 repairs or improvements made to comply with governmental
11 requirements and except as may be consistent with the transfer of a
12 limitation under this subsection. For a residence homestead
13 subject to the limitation provided by this subsection in the 1996
14 tax year or an earlier tax year, the legislature shall provide for a
15 reduction in the amount of the limitation for the 1997 tax year and
16 subsequent tax years in an amount equal to \$10,000 multiplied by the
17 1997 tax rate for general elementary and secondary public school
18 purposes applicable to the residence homestead. For a residence
19 homestead subject to the limitation provided by this subsection in
20 the 2007 tax year or an earlier tax year, the legislature shall
21 provide for a reduction in the amount of the limitation for the 2008
22 tax year and subsequent tax years in an amount equal to \$30,000
23 multiplied by the 2008 tax rate for general elementary and
24 secondary public school purposes applicable to the residence
25 homestead.

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

1 TEMPORARY PROVISION. (a) This temporary provision applies
2 to the constitutional amendment proposed by the 80th Legislature,
3 Regular Session, 2007, increasing the amount of the residence
4 homestead exemption from ad valorem taxation for public school
5 purposes and providing for a reduction of the limitation on the
6 total amount of ad valorem taxes that may be imposed for those
7 purposes on the homesteads of the elderly or disabled to reflect the
8 increased exemption amount and any reduction in the rate of the tax
9 imposed for those purposes and expires January 1, 2009.

10 (b) The amendment to Sections 1-b(c) and (d), Article VIII,
11 of this constitution takes effect January 1, 2008, and applies only
12 to a tax year beginning 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 6, 2007.
15 The ballot shall be printed to permit voting for or against the
16 proposition: "The constitutional amendment increasing the amount
17 of the residence homestead exemption from ad valorem taxation for
18 public school purposes from \$15,000 to \$45,000, providing for a
19 reduction of the limitation on the total amount of ad valorem taxes
20 that may be imposed for those purposes on the homestead of an
21 elderly or disabled person to reflect the increased exemption
22 amount, and authorizing the legislature to provide for the
23 reduction of that limitation to reflect any reduction in the rate of
24 those school taxes."