

1-1 By: Averitt S.J.R. No. 13  
1-2 (In the Senate - Filed January 26, 2007; January 29, 2007,  
1-3 read first time and referred to Committee on Finance;  
1-4 February 7, 2007, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 10, Nays 0, 3 present not  
1-6 voting; February 7, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.J.R. No. 13 By: Averitt

1-8 SENATE JOINT RESOLUTION

1-9 proposing a constitutional amendment authorizing the legislature  
1-10 to provide for a reduction of the limitation on the total amount of  
1-11 ad valorem taxes that may be imposed for public school purposes on  
1-12 the residence homesteads of the elderly or disabled to reflect any  
1-13 reduction in the rate of those taxes and providing that state  
1-14 appropriations made for the state fiscal biennium beginning  
1-15 September 1, 2007, for the purpose of directly reducing school  
1-16 district property tax rates do not count against the constitutional  
1-17 state spending limit.

1-18 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-19 SECTION 1. Subsection (d), Section 1-b, Article VIII, Texas  
1-20 Constitution, is amended to read as follows:

1-21 (d) Except as otherwise provided by this subsection, if a  
1-22 person receives a residence homestead exemption prescribed by  
1-23 Subsection (c) of this section for homesteads of persons who are  
1-24 sixty-five (65) years of age or older or who are disabled, the total  
1-25 amount of ad valorem taxes imposed on that homestead for general  
1-26 elementary and secondary public school purposes may not be  
1-27 increased while it remains the residence homestead of that person  
1-28 or that person's spouse who receives the exemption. If a person  
1-29 sixty-five (65) years of age or older dies in a year in which the  
1-30 person received the exemption, the total amount of ad valorem taxes  
1-31 imposed on the homestead for general elementary and secondary  
1-32 public school purposes may not be increased while it remains the  
1-33 residence homestead of that person's surviving spouse if the spouse  
1-34 is fifty-five (55) years of age or older at the time of the person's  
1-35 death, subject to any exceptions provided by general law. The  
1-36 legislature by general law may provide for the reduction of the  
1-37 amount of a limitation provided by this subsection to reflect any  
1-38 reduction from the preceding year in the tax rate for general  
1-39 elementary and secondary public school purposes applicable to a  
1-40 residence homestead. A general law providing for the reduction of  
1-41 the amount of a limitation provided by this subsection may, for  
1-42 purposes of computing the amount of the limitation for the 2007 tax  
1-43 year, also take into account any reduction in the tax rate for those  
1-44 purposes from the 2005 tax year to the 2006 tax year if the  
1-45 homestead was subject to the limitation in the 2006 tax year.  
1-46 Except as otherwise provided by this subsection, if a limitation  
1-47 provided by this subsection is reduced under a general law  
1-48 providing for the reduction of the amount of the limitation, the  
1-49 limitation as reduced continues to apply to the residence homestead  
1-50 in subsequent tax years until the limitation expires. The  
1-51 legislature, by general law, may provide for the transfer of all or  
1-52 a proportionate amount of a limitation provided by this subsection  
1-53 for a person who qualifies for the limitation and establishes a  
1-54 different residence homestead. However, taxes otherwise limited by  
1-55 this subsection may be increased to the extent the value of the  
1-56 homestead is increased by improvements other than repairs or  
1-57 improvements made to comply with governmental requirements and  
1-58 except as may be consistent with the transfer of a limitation under  
1-59 this subsection. For a residence homestead subject to the  
1-60 limitation provided by this subsection in the 1996 tax year or an  
1-61 earlier tax year, the legislature shall provide for a reduction in  
1-62 the amount of the limitation for the 1997 tax year and subsequent  
1-63 tax years in an amount equal to \$10,000 multiplied by the 1997 tax

rate for general elementary and secondary public school purposes applicable to the residence homestead.

SECTION 2. Section 22, Article VIII, Texas Constitution, is amended by adding Subsection (d) to read as follows:

(d) An appropriation from state tax revenues not dedicated by this constitution for the state fiscal biennium beginning September 1, 2007, made for the purpose of directly reducing school district property tax rates is not counted in determining for purposes of this section whether the amount of appropriations from state tax revenues not dedicated by this constitution for that biennium exceeds the maximum amount authorized by Subsection (a) of this section. In determining the maximum amount of appropriations from state tax revenues not dedicated by this constitution authorized by Subsection (a) of this section for the state fiscal biennium beginning September 1, 2009, appropriations to directly reduce school district property tax rates are included in establishing the level of appropriations made from state tax revenues not dedicated by this constitution for the state fiscal biennium beginning September 1, 2007. This subsection expires September 1, 2011.

SECTION 3. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) This temporary provision applies to the constitutional amendment proposed by the 80th Legislature, Regular Session, 2007, authorizing the legislature to provide for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for public school purposes on the residence homesteads of the elderly or disabled to reflect any reduction in the rate of those taxes and providing that state appropriations made for the state fiscal biennium beginning September 1, 2007, for the purpose of directly reducing school district property tax rates do not count against the constitutional state spending limit. This temporary provision expires January 1, 2009.

(b) The amendment to Section 1-b(d), Article VIII, of this constitution takes effect on the date of the official canvass of returns showing adoption of the amendment and applies beginning with the tax year that begins January 1, 2007. The legislature may enact a general law authorized by the constitutional amendment that applies to the entire 2007 tax year, notwithstanding that the constitutional amendment was adopted after the beginning of that tax year, and a general law applicable to the entire 2007 tax year is not considered to be a retroactive law.

(c) The amendment to Section 22, Article VIII, of this constitution takes effect on the date of the official canvass of returns showing adoption of the amendment.

SECTION 4. This proposed constitutional amendment shall be submitted to the voters at an election to be held May 12, 2007. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the legislature to provide for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for public school purposes on the residence homesteads of the elderly or disabled to reflect any reduction in the rate of those taxes; and providing that state appropriations made for the state fiscal biennium beginning September 1, 2007, for the purpose of directly reducing school district property tax rates do not count against the constitutional state spending limit."

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