

By: Nichols

S.R. No. 827

R E S O L U T I O N

1 WHEREAS, Texas has long protected the family homestead, and  
2 the homestead exemption, now a feature of law in many states and  
3 recognized by the federal tax code, is a Texas creation; and

4 WHEREAS, In 1839, following the economic depression of the  
5 late 1830s, during which many families lost their homes and farms to  
6 foreclosures, the Texas Legislature enacted a general exemption  
7 that prevented creditors from taking a person's homestead to  
8 satisfy a debt; the exemption was deemed of such importance that it  
9 was enshrined in the Texas Constitution in 1845 to prevent its  
10 demise at the hands of future legislatures; and

11 WHEREAS, Similarly, in response to the state fiscal crisis  
12 wrought by the Great Depression, the Texas Constitution was amended  
13 in 1932 to exempt \$3,000 of the value of a homestead from the state  
14 property tax; although the tax structure changed over time and the  
15 state property tax was eventually abolished, the \$3,000 exemption  
16 was retained and shifted to the property taxes imposed by local  
17 authorities; and

18 WHEREAS, Seventy-five years later, the amount of homestead  
19 exemption from local taxation remains \$3,000; in 1978, amid a  
20 number of measures to provide property tax relief, the Texas  
21 Legislature created an additional \$5,000 homestead exemption for  
22 school tax purposes only; and

23 WHEREAS, Almost 20 years passed before the next increase in  
24 the exemption, when, as part of the 1997 reforms of the state's tax

1 structure and school finance system, the homestead exemption for  
2 school tax purposes only was increased to \$15,000; and

3 WHEREAS, The amount of this homestead exemption remains  
4 unchanged 10 years later, despite the fact that during the same  
5 period property values have increased sharply; according to the  
6 office of the Texas Comptroller of Public Accounts, the taxable  
7 value of single-family residences increased by 12 percent in 2002,  
8 another 11 percent in 2003, and again by seven percent in 2004; and

9 WHEREAS, This dramatic rise in taxable values along with  
10 property tax rate increases and the escalating number of taxing  
11 jurisdictions have combined to proportionally diminish the  
12 effective value of the \$15,000 homestead exemption; and

13 WHEREAS, Texas is not currently experiencing a devastating  
14 economic depression similar to those that fostered the birth of the  
15 original exemptions, but the current situation is no less dire for  
16 homeowners who are finding it increasingly difficult to keep their  
17 homes due to ever-rising property taxes; though the legislature  
18 recently enacted property tax relief measures, an increase in the  
19 amount of the homestead exemption was not included; now, therefore,  
20 be it

21 RESOLVED, That the Senate of the 80th Texas Legislature  
22 hereby express the need for the legislature to consider an  
23 additional increase of \$7,500 in the homestead exemption for  
24 property taxation for public education purposes.