

By: Paxton

H.J.R. No. 83

A JOINT RESOLUTION

1 proposing a constitutional amendment to phase out ad valorem taxes
2 on the residence homesteads of elderly persons by 2021.

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

4 SECTION 1. Section 1-b, Article VIII, Texas Constitution,
5 is amended by amending Subsections (b), (c), (d), and (h) and adding
6 Subsections (j) and (j-1) to read as follows:

7 (b) The governing body of any county, city, town, school
8 district, or other political subdivision of the State may exempt by
9 its own action not less than Three Thousand Dollars (\$3,000) of the
10 market value of residence homesteads of persons, married or
11 unmarried, including those living alone, who are under a disability
12 for purposes of payment of disability insurance benefits under
13 Federal Old-Age, Survivors, and Disability Insurance or its
14 successor [~~or of married or unmarried persons sixty-five (65) years~~
15 ~~of age or older, including those living alone,~~] from all ad valorem
16 taxes thereafter levied by the political subdivision. As an
17 alternative, upon receipt of a petition signed by twenty percent
18 (20%) of the voters who voted in the last preceding election held by
19 the political subdivision, the governing body of the subdivision
20 shall call an election to determine by majority vote whether an
21 amount not less than Three Thousand Dollars (\$3,000) as provided in
22 the petition, of the market value of residence homesteads of
23 disabled persons [~~or of persons sixty-five (65) years of age or~~
24 ~~over~~] shall be exempt from ad valorem taxes thereafter levied by the

1 political subdivision. ~~[An eligible disabled person who is~~
2 ~~sixty-five (65) years of age or older may not receive both~~
3 ~~exemptions from the same political subdivision in the same year but~~
4 ~~may choose either if the subdivision has adopted both.]~~ Where any
5 ad valorem tax has theretofore been pledged for the payment of any
6 debt, the taxing officers of the political subdivision shall have
7 authority to continue to levy and collect the tax against the
8 homestead property at the same rate as the tax so pledged until the
9 debt is discharged, if the cessation of the levy would impair the
10 obligation of the contract by which the debt was created.

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

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

23 (d) Except as otherwise provided by this subsection, if a
24 person receives a residence homestead exemption prescribed by
25 Subsection (c) of this section for homesteads of persons who are
26 [~~sixty-five (65) years of age or older or who are~~] disabled, the
27 total amount of ad valorem taxes imposed on that homestead for

1 general elementary and secondary public school purposes may not be
2 increased while it remains the residence homestead of that person
3 or that person's spouse who receives the exemption. [~~If a person
4 sixty-five (65) years of age or older dies in a year in which the
5 person received the exemption, the total amount of ad valorem taxes
6 imposed on the homestead for general elementary and secondary
7 public school purposes may not be increased while it remains the
8 residence homestead of that person's surviving spouse if the spouse
9 is fifty-five (55) years of age or older at the time of the person's
10 death, subject to any exceptions provided by general law.~~] The
11 legislature, by general law, may provide for the transfer of all or
12 a proportionate amount of a limitation provided by this subsection
13 for a person who qualifies for the limitation and establishes a
14 different residence homestead. However, taxes otherwise limited by
15 this subsection may be increased to the extent the value of the
16 homestead is increased by improvements other than repairs or
17 improvements made to comply with governmental requirements and
18 except as may be consistent with the transfer of a limitation under
19 this subsection. [~~For a residence homestead subject to the
20 limitation provided by this subsection in the 1996 tax year or an
21 earlier tax year, the legislature shall provide for a reduction in
22 the amount of the limitation for the 1997 tax year and subsequent
23 tax years in an amount equal to \$10,000 multiplied by the 1997 tax
24 rate for general elementary and secondary public school purposes
25 applicable to the residence homestead.~~]

26 (h) The governing body of a county, a city or town, or a
27 junior college district by official action may provide that if a

1 person who is disabled [~~or is sixty-five (65) years of age or older~~]
2 receives a residence homestead exemption prescribed or authorized
3 by this section, the total amount of ad valorem taxes imposed on
4 that homestead by the county, the city or town, or the junior
5 college district may not be increased while it remains the
6 residence homestead of that person or that person's spouse who is
7 disabled [~~or sixty-five (65) years of age or older~~] and receives a
8 residence homestead exemption on the homestead. As an alternative,
9 on receipt of a petition signed by five percent (5%) of the
10 registered voters of the county, the city or town, or the junior
11 college district, the governing body of the county, the city or
12 town, or the junior college district shall call an election to
13 determine by majority vote whether to establish a tax limitation
14 provided by this subsection. If a county, a city or town, or a
15 junior college district establishes a tax limitation provided by
16 this subsection and a disabled person [~~or a person sixty-five (65)
17 years of age or older~~] dies in a year in which the person received a
18 residence homestead exemption, the total amount of ad valorem taxes
19 imposed on the homestead by the county, the city or town, or the
20 junior college district may not be increased while it remains the
21 residence homestead of that person's surviving spouse if the spouse
22 is fifty-five (55) years of age or older at the time of the person's
23 death, subject to any exceptions provided by general law. The
24 legislature, by general law, may provide for the transfer of all or
25 a proportionate amount of a tax limitation provided by this
26 subsection for a person who qualifies for the limitation and
27 establishes a different residence homestead within the same county,

1 within the same city or town, or within the same junior college
2 district. A county, a city or town, or a junior college district
3 that establishes a tax limitation under this subsection must comply
4 with a law providing for the transfer of the limitation, even if the
5 legislature enacts the law subsequent to the county's, the city's or
6 town's, or the junior college district's establishment of the
7 limitation. Taxes otherwise limited by a county, a city or town, or
8 a junior college district under this subsection may be increased to
9 the extent the value of the homestead is increased by improvements
10 other than repairs and other than improvements made to comply with
11 governmental requirements and except as may be consistent with the
12 transfer of a tax limitation under a law authorized by this
13 subsection. The governing body of a county, a city or town, or a
14 junior college district may not repeal or rescind a tax limitation
15 established under this subsection.

16 (j) A person 65 years of age or older is entitled to an
17 exemption from ad valorem taxation of the total market value of the
18 person's residence homestead. The surviving spouse of a person who
19 received an exemption under this subsection for the residence
20 homestead of a person 65 years of age or older is entitled to an
21 exemption from ad valorem taxation of the total market value of the
22 same property if the deceased spouse died in a year in which the
23 deceased spouse received the exemption, the surviving spouse was 55
24 years of age or older when the deceased spouse died, the property
25 was the residence homestead of the surviving spouse when the
26 deceased spouse died and remains the residence homestead of the
27 surviving spouse, and the surviving spouse has not remarried since

1 the death of the deceased spouse. Where ad valorem tax of a school
2 district has previously been pledged for the payment of debt, the
3 taxing officers of the school district may continue to levy and
4 collect the tax against the value of homesteads exempted under this
5 subsection until the debt is discharged if the cessation of the levy
6 would impair the obligation of the contract by which the debt was
7 created. The legislature shall provide for formulas to protect
8 school districts against all or part of the revenue loss incurred by
9 the implementation of this subsection. The legislature by general
10 law may prescribe procedures for the administration of this
11 subsection.

12 (j-1) Subsection (j) of this section applies to the ad
13 valorem taxation of the residence homestead of a person 65 years of
14 age or older only for the 2021 and subsequent tax years. The ad
15 valorem taxation of the residence homestead of a person 65 years of
16 age or older for the 2017, 2018, 2019, and 2020 tax years is
17 governed by this subsection. In addition to any exemptions
18 authorized by Subsections (b) and (c) of this section, the
19 legislature by general law may exempt from ad valorem taxation a
20 percentage of the market value of the residence homestead of a
21 person 65 years of age or older. For the 2017 tax year, the amount
22 of the exemption may not exceed 20 percent of the market value of
23 the homestead. For the 2018 tax year, the amount of the exemption
24 may not exceed 40 percent of the market value of the homestead. For
25 the 2019 tax year, the amount of the exemption may not exceed 60
26 percent of the market value of the homestead. For the 2020 tax
27 year, the amount of the exemption may not exceed 80 percent of the

1 market value of the homestead. The legislature by general law may
2 provide that the surviving spouse of a person who received an
3 exemption under this subsection for the residence homestead of a
4 person 65 years of age or older is entitled to an exemption for the
5 same property in an amount equal to that of the exemption for which
6 the deceased spouse would have qualified had the deceased spouse
7 continued to qualify for the exemption if the deceased spouse died
8 in a year in which the deceased spouse received the exemption, the
9 surviving spouse was 55 years of age or older when the deceased
10 spouse died, the property was the residence homestead of the
11 surviving spouse when the deceased spouse died and remains the
12 residence homestead of the surviving spouse, and the surviving
13 spouse has not remarried since the death of the deceased spouse. A
14 person who receives an exemption under this subsection for a person
15 65 years of age or older is not entitled to an exemption under this
16 subsection for the surviving of a person 65 years of age or older.
17 Where ad valorem tax of a school district has previously been
18 pledged for the payment of debt, the taxing officers of the school
19 district may continue to levy and collect the tax against the value
20 of homesteads exempted under this subsection until the debt is
21 discharged if the cessation of the levy would impair the obligation
22 of the contract by which the debt was created. The legislature
23 shall provide for formulas to protect school districts against all
24 or part of the revenue loss incurred by the implementation of this
25 subsection. The legislature by general law may prescribe
26 procedures for the administration of this subsection. This
27 subsection expires January 1, 2021.

1 SECTION 2. Section 1-b(f), Article VIII, Texas
2 Constitution, is repealed.

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

5 TEMPORARY PROVISION. (a) This temporary provision applies
6 to the constitutional amendment proposed by the 82nd Legislature,
7 Regular Session, 2011, to phase out ad valorem taxes on the
8 residence homesteads of elderly persons by 2021.

9 (b) Except as provided by Subsection (c) of this section,
10 the amendments to Section 1-b, Article VIII, of this constitution
11 and the repeal of Section 1-b(f), Article VIII, of this
12 constitution take effect January 1, 2021.

13 (c) Section 1-b(j-1), Article VIII, of this constitution
14 takes effect January 1, 2017.

15 (d) This temporary provision expires January 1, 2022.

16 SECTION 4. This proposed constitutional amendment shall be
17 submitted to the voters at an election to be held November 8, 2011.
18 The ballot shall be printed to permit voting for or against the
19 proposition: "The constitutional amendment to phase out ad valorem
20 taxes on the residence homesteads of elderly persons by 2021."