

By: Christian

H.J.R. No. 93

A JOINT RESOLUTION

1 proposing a constitutional amendment exempting residential real
2 property from ad valorem taxation.

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

4 SECTION 1. Section 1(d), Article VIII, Texas Constitution,
5 is amended to read as follows:

6 (d) The Legislature by general law shall exempt from ad
7 valorem taxation household goods not held or used for the
8 production of income and personal effects not held or used for the
9 production of income. The Legislature by general law may exempt
10 from ad valorem taxation:

11 (1) all or part of the personal property homestead of a
12 family or single adult, "personal property homestead" meaning that
13 personal property exempt by law from forced sale for debt;

14 (2) subject to Subsections (e) and (g) of this
15 section, all other tangible personal property, except [~~structures~~
16 ~~which are substantially affixed to real estate and are used or~~
17 ~~occupied as residential dwellings and except~~] property held or used
18 for the production of income;

19 (3) subject to Subsection (e) of this section, a
20 leased motor vehicle that is not held primarily for the production
21 of income by the lessee and that otherwise qualifies under general
22 law for exemption; and

23 (4) one motor vehicle, as defined by general law,
24 owned by an individual that is used in the course of the

1 individual's occupation or profession and is also used for personal
2 activities of the owner that do not involve the production of
3 income.

4 SECTION 2. Section 1-a, Article VIII, Texas Constitution,
5 is amended to read as follows:

6 Sec. 1-a. The several counties of the State are authorized
7 to levy ad valorem taxes upon all property within their respective
8 boundaries for county purposes, [~~except the first Three Thousand~~
9 ~~Dollars (\$3,000) value of residential homesteads of married or~~
10 ~~unmarried adults, including those living alone,]~~ not to exceed
11 thirty cents (30¢) on each One Hundred Dollars (\$100) valuation, in
12 addition to all other ad valorem taxes authorized by the
13 Constitution of this State, provided the revenue derived therefrom
14 shall be used for construction and maintenance of Farm to Market
15 Roads or for Flood Control, except as herein otherwise provided.

16 SECTION 3. Section 1-b, Article VIII, Texas Constitution,
17 is amended to read as follows:

18 Sec. 1-b. A person is entitled to an exemption from ad
19 valorem taxation of the total appraised value of real property
20 owned by the person that is designed or adapted for residential
21 purposes and is used primarily for residential purposes. The
22 assessor and collector for a political subdivision of this state
23 may disregard the exemption authorized by this section and assess
24 and collect an ad valorem tax pledged for payment of debt without
25 deduction if, prior to the adoption of the exemption, the political
26 subdivision pledged the taxes for the payment of a debt and granting
27 the exemption would impair the obligation of the contract creating

1 the debt. [~~(a) Three Thousand Dollars (\$3,000) of the assessed~~
2 ~~taxable value of all residence homesteads of married or unmarried~~
3 ~~adults, male or female, including those living alone, shall be~~
4 ~~exempt from all taxation for all State purposes.~~

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

1 ~~debt, the taxing officers of the political subdivision shall have~~
2 ~~authority to continue to levy and collect the tax against the~~
3 ~~homestead property at the same rate as the tax so pledged until the~~
4 ~~debt is discharged, if the cessation of the levy would impair the~~
5 ~~obligation of the contract by which the debt was created.~~

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

1 ~~residence homesteads and any exemption adopted pursuant to~~
2 ~~Subsection (b) of this section, but the legislature shall provide~~
3 ~~by general law whether an eligible disabled or elderly person may~~
4 ~~receive both the additional exemption for the elderly and disabled~~
5 ~~authorized by this subsection and any exemption for the elderly or~~
6 ~~disabled adopted pursuant to Subsection (b) of this section. Where~~
7 ~~ad valorem tax has previously been pledged for the payment of debt,~~
8 ~~the taxing officers of a school district may continue to levy and~~
9 ~~collect the tax against the value of homesteads exempted under this~~
10 ~~subsection until the debt is discharged if the cessation of the levy~~
11 ~~would impair the obligation of the contract by which the debt was~~
12 ~~created. The legislature shall provide for formulas to protect~~
13 ~~school districts against all or part of the revenue loss incurred by~~
14 ~~the implementation of Article VIII, Sections 1-b(c), 1-b(d), and~~
15 ~~1-d-1, of this constitution. The legislature by general law may~~
16 ~~define residence homestead for purposes of this section.~~

17 ~~[(d) Except as otherwise provided by this subsection, if a~~
18 ~~person receives a residence homestead exemption prescribed by~~
19 ~~Subsection (c) of this section for homesteads of persons who are~~
20 ~~sixty-five (65) years of age or older or who are disabled, the total~~
21 ~~amount of ad valorem taxes imposed on that homestead for general~~
22 ~~elementary and secondary public school purposes may not be~~
23 ~~increased while it remains the residence homestead of that person~~
24 ~~or that person's spouse who receives the exemption. If a person~~
25 ~~sixty-five (65) years of age or older dies in a year in which the~~
26 ~~person received the exemption, the total amount of ad valorem taxes~~
27 ~~imposed on the homestead for general elementary and secondary~~

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

20 ~~[(d-1) Notwithstanding Subsection (d) of this section, the~~
21 ~~legislature by general law may provide for the reduction of the~~
22 ~~amount of a limitation provided by that subsection and applicable~~
23 ~~to a residence homestead for the 2007 tax year to reflect any~~
24 ~~reduction from the 2006 tax year in the tax rate for general~~
25 ~~elementary and secondary public school purposes applicable to the~~
26 ~~homestead. A general law enacted under this subsection may also~~
27 ~~take into account any reduction in the tax rate for those purposes~~

1 ~~from the 2005 tax year to the 2006 tax year if the homestead was~~
2 ~~subject to the limitation in the 2006 tax year. A general law~~
3 ~~enacted under this subsection may provide that, except as otherwise~~
4 ~~provided by Subsection (d) of this section, a limitation provided~~
5 ~~by that subsection that is reduced under the general law continues~~
6 ~~to apply to the residence homestead in subsequent tax years until~~
7 ~~the limitation expires.~~

8 ~~[(e) The governing body of a political subdivision, other~~
9 ~~than a county education district, may exempt from ad valorem~~
10 ~~taxation a percentage of the market value of the residence~~
11 ~~homestead of a married or unmarried adult, including one living~~
12 ~~alone. In the manner provided by law, the voters of a county~~
13 ~~education district at an election held for that purpose may exempt~~
14 ~~from ad valorem taxation a percentage of the market value of the~~
15 ~~residence homestead of a married or unmarried adult, including one~~
16 ~~living alone. The percentage may not exceed twenty percent.~~
17 ~~However, the amount of an exemption authorized pursuant to this~~
18 ~~subsection may not be less than Five Thousand Dollars (\$5,000)~~
19 ~~unless the legislature by general law prescribes other monetary~~
20 ~~restrictions on the amount of the exemption. An eligible adult is~~
21 ~~entitled to receive other applicable exemptions provided by law.~~
22 ~~Where ad valorem tax has previously been pledged for the payment of~~
23 ~~debt, the governing body of a political subdivision may continue to~~
24 ~~levy and collect the tax against the value of the homesteads~~
25 ~~exempted under this subsection until the debt is discharged if the~~
26 ~~cessation of the levy would impair the obligation of the contract by~~
27 ~~which the debt was created. The legislature by general law may~~

1 ~~prescribe procedures for the administration of residence homestead~~
2 ~~exemptions.~~

3 ~~[(f) The surviving spouse of a person who received an~~
4 ~~exemption under Subsection (b) of this section for the residence~~
5 ~~homestead of a person sixty-five (65) years of age or older is~~
6 ~~entitled to an exemption for the same property from the same~~
7 ~~political subdivision in an amount equal to that of the exemption~~
8 ~~received by the deceased spouse if the deceased spouse died in a~~
9 ~~year in which the deceased spouse received the exemption, the~~
10 ~~surviving spouse was fifty-five (55) years of age or older when the~~
11 ~~deceased spouse died, and the property was the residence homestead~~
12 ~~of the surviving spouse when the deceased spouse died and remains~~
13 ~~the residence homestead of the surviving spouse. A person who~~
14 ~~receives an exemption under Subsection (b) of this section is not~~
15 ~~entitled to an exemption under this subsection. The legislature by~~
16 ~~general law may prescribe procedures for the administration of this~~
17 ~~subsection.~~

18 ~~[(g) If the legislature provides for the transfer of all or~~
19 ~~a proportionate amount of a tax limitation provided by Subsection~~
20 ~~(d) of this section for a person who qualifies for the limitation~~
21 ~~and subsequently establishes a different residence homestead, the~~
22 ~~legislature by general law may authorize the governing body of a~~
23 ~~school district to elect to apply the law providing for the transfer~~
24 ~~of the tax limitation to a change of a person's residence homestead~~
25 ~~that occurred before that law took effect, subject to any~~
26 ~~restrictions provided by general law. The transfer of the~~
27 ~~limitation may apply only to taxes imposed in a tax year that begins~~

1 ~~after the tax year in which the election is made.~~

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

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

19 ~~[(i) The legislature by general law may exempt from ad~~
20 ~~valorem taxation all or part of the market value of the residence~~
21 ~~homestead of a disabled veteran who is certified as having a~~
22 ~~service-connected disability with a disability rating of 100~~
23 ~~percent or totally disabled and may provide additional eligibility~~
24 ~~requirements for the exemption. For purposes of this subsection,~~
25 ~~"disabled veteran" means a disabled veteran as described by Section~~
26 ~~2(b) of this article.]~~

27 SECTION 4. Sections 13(c) and (d), Article VIII, Texas

1 Constitution, are amended to read as follows:

2 (c) The former owner of [~~a residence homestead,~~] land
3 designated for agricultural use[~~7~~] or a mineral interest sold for
4 unpaid taxes shall within two years from date of the filing for
5 record of the Purchaser's Deed have the right to redeem the property
6 on the following basis:

7 (1) Within the first year of the redemption period,
8 upon the payment of the amount of money paid for the property,
9 including the Tax Deed Recording Fee and all taxes, penalties,
10 interest, and costs paid plus an amount not exceeding 25 percent of
11 the aggregate total; and

12 (2) Within the last year of the redemption period,
13 upon the payment of the amount of money paid for the property,
14 including the Tax Deed Recording Fee and all taxes, penalties,
15 interest, and costs paid plus an amount not exceeding 50 percent of
16 the aggregate total.

17 (d) If the [~~residence homestead or~~] land designated for
18 agricultural use is sold pursuant to a suit to enforce the
19 collection of the unpaid taxes, the Legislature may limit the
20 application of Subsection (c) of this section to [~~property used as a~~
21 ~~residence homestead when the suit was filed and to~~] land designated
22 for agricultural use when the suit was filed.

23 SECTION 5. Sections 1(i) and (j), Article VIII, Texas
24 Constitution, are repealed.

25 SECTION 6. The following temporary provision is added to
26 the Texas Constitution:

27 TEMPORARY PROVISION. (a) This temporary provision applies

1 to the constitutional amendment proposed by the 82nd Legislature,
2 Regular Session, 2011, exempting residential real property from ad
3 valorem taxation.

4 (b) The amendments to Sections 1(d), 1-a, 1-b, and 13(c) and
5 (d), Article VIII, of this constitution and the repeal of Sections
6 1(i) and (j), Article VIII, of this constitution take effect
7 January 1, 2012, and apply only to a tax year beginning on or after
8 that date.

9 (c) This temporary provision expires January 1, 2013.

10 SECTION 7. This proposed constitutional amendment shall be
11 submitted to the voters at an election to be held November 8, 2011.
12 The ballot shall be printed to permit voting for or against the
13 proposition: "The constitutional amendment exempting residential
14 real property from ad valorem taxation."