SENATE JOINT RESOLUTION

proposing a constitutional amendment increasing the amount of the residence homestead exemption from ad valorem taxation for public school purposes and providing for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for those purposes on the homestead of an elderly or disabled person to reflect the increased exemption amount, authorizing the legislature to prohibit a political subdivision that has adopted an optional residence homestead exemption from ad valorem taxation from reducing the amount of or repealing the exemption, and prohibiting the enactment of a law that imposes a transfer tax on a transaction that conveys fee simple title to real property.

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

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

(c) The amount of $25,000 [Fifteen Thousand Dollars ($15,000)] of the market value of the residence homestead of a married or unmarried adult, including one living alone, is exempt from ad valorem taxation for general elementary and secondary public school purposes. The legislature by general law may provide that all or part of the exemption does not apply to a district or political subdivision that imposes ad valorem taxes for public education purposes but is not the principal school district providing general elementary and secondary public education
throughout its territory. In addition to this exemption, the legislature by general law may exempt an amount not to exceed $10,000 of the market value of the residence homestead of a person who is disabled as defined in Subsection (b) of this section and of a person 65 years of age or older from ad valorem taxation for general elementary and secondary public school purposes. The legislature by general law may base the amount of and condition eligibility for the additional exemption authorized by this subsection for disabled persons and for persons 65 years of age or older on economic need. An eligible disabled person who is 65 years of age or older may not receive both exemptions from a school district but may choose either. An eligible person is entitled to receive both the exemption required by this subsection for all residence homesteads and any exemption adopted pursuant to Subsection (b) of this section, but the legislature shall provide by general law whether an eligible disabled or elderly person may receive both the additional exemption for the elderly and disabled authorized by this subsection and any exemption for the elderly or disabled adopted pursuant to Subsection (b) of this section. Where ad valorem tax has previously been pledged for the payment of debt, the taxing officers of a school district may continue to levy and collect the tax against the value of homesteads exempted under this subsection until the debt is discharged if the cessation of the levy would impair the obligation of the contract by which the debt was created. The legislature shall provide for formulas to protect school districts against all or part of the revenue loss incurred by
the implementation of this subsection, Subsection (d) of this section, and Section 1-d-1 of this article [Article VIII, Sections 1-b(c), 1-b(d), and 1-d-1, of this constitution]. The legislature by general law may define residence homestead for purposes of this section.

(d) Except as otherwise provided by this subsection, if a person receives a residence homestead exemption prescribed by Subsection (c) of this section for homesteads of persons who are [sixty-five (65) years of age or older or who are disabled, the total amount of ad valorem taxes imposed on that homestead for general elementary and secondary public school purposes may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption. If a person [sixty-five (65) years of age or older dies in a year in which the person received the exemption, the total amount of ad valorem taxes imposed on the homestead for general elementary and secondary public school purposes may not be increased while it remains the residence homestead of that person's surviving spouse if the spouse is [fifty-five (55) years of age or older at the time of the person's death, subject to any exceptions provided by general law. The legislature, by general law, may provide for the transfer of all or a proportionate amount of a limitation provided by this subsection for a person who qualifies for the limitation and establishes a different residence homestead. However, taxes otherwise limited by this subsection may be increased to the extent the value of the homestead is increased by improvements other than repairs or improvements made to comply with governmental
requirements and except as may be consistent with the transfer of a
limitation under this subsection. For a residence homestead
subject to the limitation provided by this subsection in the 1996
tax year or an earlier tax year, the legislature shall provide for a
reduction in the amount of the limitation for the 1997 tax year and
subsequent 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. For a residence
homestead subject to the limitation provided by this subsection in
the 2014 tax year or an earlier tax year, the legislature shall
provide for a reduction in the amount of the limitation for the 2015
tax year and subsequent tax years in an amount equal to $10,000
multiplied by the 2015 tax rate for general elementary and
secondary public school purposes applicable to the residence
homestead.

(e) The governing body of a political subdivision, other
than a county education district, may exempt from ad valorem
taxation a percentage of the market value of the residence
homestead of a married or unmarried adult, including one living
alone. In the manner provided by law, the voters of a county
education district at an election held for that purpose may exempt
from ad valorem taxation a percentage of the market value of the
residence homestead of a married or unmarried adult, including one
living alone. The percentage may not exceed twenty percent.
However, the amount of an exemption authorized pursuant to this
subsection may not be less than [Five Thousand Dollars ($5,000)]
unless the legislature by general law prescribes other monetary
restrictions on the amount of the exemption. The legislature by general law may prohibit the governing body of a political subdivision that adopts an exemption under this subsection from reducing the amount of or repealing the exemption. An eligible adult is entitled to receive other applicable exemptions provided by law. Where ad valorem tax has previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect the tax against the value of the homesteads exempted under this subsection until the debt is discharged if the cessation of the levy would impair the obligation of the contract by which the debt was created. The legislature by general law may prescribe procedures for the administration of residence homestead exemptions.

SECTION 2. Article VIII, Texas Constitution, is amended by adding Section 29 to read as follows:

Sec. 29. (a) After January 1, 2016, no law may be enacted that imposes a transfer tax on a transaction that conveys fee simple title to real property.

(b) This section does not prohibit:

(1) the imposition of a general business tax measured by business activity;

(2) the imposition of a tax on the production of minerals;

(3) the imposition of a tax on the issuance of title insurance; or

(4) the change of a rate of a tax in existence on January 1, 2016.
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 S.J.R. 1, 84th Legislature, Regular Session, 2015.

(b) The amendments to Sections 1-b(c), (d), and (e), Article VIII, of this constitution take effect for the tax year beginning January 1, 2015.

(c) This temporary provision expires January 1, 2017.

SECTION 4. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 3, 2015. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment increasing the amount of the residence homestead exemption from ad valorem taxation for public school purposes from $15,000 to $25,000, providing for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for those purposes on the homestead of an elderly or disabled person to reflect the increased exemption amount, authorizing the legislature to prohibit a political subdivision that has adopted an optional residence homestead exemption from ad valorem taxation from reducing the amount of or repealing the exemption, and prohibiting the enactment of a law that imposes a transfer tax on a transaction that conveys fee simple title to real property."
S.J.R. No. 1

President of the Senate

I hereby certify that S.J.R. No. 1 was adopted by the Senate on March 25, 2015, by the following vote: Yeas 23, Nays 8; and that the Senate concurred in House amendments on May 29, 2015, by the following vote: Yeas 25, Nays 6.

Speaker of the House

Secretary of the Senate

I hereby certify that S.J.R. No. 1 was adopted by the House, with amendments, on May 24, 2015, by the following vote: Yeas 138, Nays 0, one present not voting.

Chief Clerk of the House