

1-1 By: Nelson, et al. S.J.R. No. 1
 1-2 (In the Senate - Filed February 24, 2015; February 24, 2015,
 1-3 read first time and referred to Committee on Finance;
 1-4 March 23, 2015, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 11, Nays 4; March 23, 2015,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Nelson	X			
1-9 Hinojosa	X			
1-10 Bettencourt	X			
1-11 Eltife		X		
1-12 Hancock	X			
1-13 Huffman	X			
1-14 Kolthorst	X			
1-15 Nichols	X			
1-16 Schwertner	X			
1-17 Seliger	X			
1-18 Taylor of Galveston	X			
1-19 Uresti	X			
1-20 Watson		X		
1-21 West		X		
1-22 Whitmire		X		

1-24 COMMITTEE SUBSTITUTE FOR S.J.R. No. 1 By: Nelson

1-25 SENATE JOINT RESOLUTION

1-26 proposing a constitutional amendment providing for an exemption
 1-27 from ad valorem taxation for public school purposes of a portion of
 1-28 the market value of a residence homestead based on the median market
 1-29 value of all residence homesteads in the state, providing for a
 1-30 reduction of the limitation on the total amount of ad valorem taxes
 1-31 that may be imposed for those purposes on the homestead of an
 1-32 elderly or disabled person to reflect the increased exemption
 1-33 amount, providing that an appropriation of state tax revenues to
 1-34 protect school districts against the resulting revenue loss is an
 1-35 appropriation of state tax revenues dedicated by the constitution
 1-36 for purposes of the restriction on the rate of growth of
 1-37 appropriations from undedicated state tax revenues, authorizing
 1-38 the legislature to prohibit a political subdivision that has
 1-39 adopted an optional residence homestead exemption from reducing the
 1-40 amount of or repealing the exemption, and prohibiting the
 1-41 imposition or collection of a tax on the conveyance of an interest
 1-42 in real property.

1-43 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-44 SECTION 1. Sections 1-b(c), (d), and (e), Article VIII,
 1-45 Texas Constitution, are amended to read as follows:

1-46 (c) A portion [Fifteen Thousand Dollars (\$15,000)] of the
 1-47 market value of the residence homestead of a married or unmarried
 1-48 adult, including one living alone, equal to 25 percent of the median
 1-49 market value of all residence homesteads in the state is exempt from
 1-50 ad valorem taxation for general elementary and secondary public
 1-51 school purposes. The legislature by general law shall specify the
 1-52 method for computing the median market value of residence
 1-53 homesteads for purposes of this subsection. The legislature by
 1-54 general law may provide that all or part of the exemption does not
 1-55 apply to a district or political subdivision that imposes ad
 1-56 valorem taxes for public education purposes but is not the
 1-57 principal school district providing general elementary and
 1-58 secondary public education throughout its territory. In addition
 1-59 to this exemption, the legislature by general law may exempt an
 1-60 amount not to exceed [Ten Thousand Dollars (+)\$10,000(+)] of the

2-1 market value of the residence homestead of a person who is disabled
 2-2 as defined in Subsection (b) of this section and of a person
 2-3 [~~sixty-five~~(-)65(+)] years of age or older from ad valorem taxation
 2-4 for general elementary and secondary public school purposes. The
 2-5 legislature by general law may base the amount of and condition
 2-6 eligibility for the additional exemption authorized by this
 2-7 subsection for disabled persons and for persons [~~sixty-five~~(-)65(+)]
 2-8 years of age or older on economic need. An eligible disabled person
 2-9 who is [~~sixty-five~~(-)65(+)] years of age or older may not receive
 2-10 both exemptions from a school district but may choose either. An
 2-11 eligible person is entitled to receive both the exemption required
 2-12 by this subsection for all residence homesteads and any exemption
 2-13 adopted pursuant to Subsection (b) of this section, but the
 2-14 legislature shall provide by general law whether an eligible
 2-15 disabled or elderly person may receive both the additional
 2-16 exemption for the elderly and disabled authorized by this
 2-17 subsection and any exemption for the elderly or disabled adopted
 2-18 pursuant to Subsection (b) of this section. Where ad valorem tax
 2-19 has previously been pledged for the payment of debt, the taxing
 2-20 officers of a school district may continue to levy and collect the
 2-21 tax against the value of homesteads exempted under this subsection
 2-22 until the debt is discharged if the cessation of the levy would
 2-23 impair the obligation of the contract by which the debt was created.
 2-24 The legislature shall provide for formulas to protect school
 2-25 districts against all or part of the revenue loss incurred by the
 2-26 implementation of this subsection, Subsection (d) of this section,
 2-27 and Section 1-d-1 of this article. An appropriation of state tax
 2-28 revenues made to fund formulas protecting school districts against
 2-29 all or part of the revenue loss resulting from the increase in the
 2-30 residence homestead exemption under this subsection and the
 2-31 additional limitation on tax increases under Subsection (d) of this
 2-32 section, as proposed by S.J.R. 1, 84th Legislature, Regular
 2-33 Session, 2015, is an appropriation of state tax revenues dedicated
 2-34 by this constitution for purposes of Section 22 of this article
 2-35 [Article VIII, Sections 1-b(c), 1-b(d), and 1-d-1, of this
 2-36 constitution]. The legislature by general law may define residence
 2-37 homestead for purposes of this section.

2-38 (d) Except as otherwise provided by this subsection, if a
 2-39 person receives a residence homestead exemption prescribed by
 2-40 Subsection (c) of this section for homesteads of persons who are
 2-41 [~~sixty-five~~(-)65(+)] years of age or older or who are disabled, the
 2-42 total amount of ad valorem taxes imposed on that homestead for
 2-43 general elementary and secondary public school purposes may not be
 2-44 increased while it remains the residence homestead of that person
 2-45 or that person's spouse who receives the exemption. If a person
 2-46 [~~sixty-five~~(-)65(+)] years of age or older dies in a year in which
 2-47 the person received the exemption, the total amount of ad valorem
 2-48 taxes imposed on the homestead for general elementary and secondary
 2-49 public school purposes may not be increased while it remains the
 2-50 residence homestead of that person's surviving spouse if the spouse
 2-51 is [~~fifty-five~~(-)55(+)] years of age or older at the time of the
 2-52 person's death, subject to any exceptions provided by general law.
 2-53 The legislature, by general law, may provide for the transfer of all
 2-54 or a proportionate amount of a limitation provided by this
 2-55 subsection for a person who qualifies for the limitation and
 2-56 establishes a different residence homestead. However, taxes
 2-57 otherwise limited by this subsection may be increased to the extent
 2-58 the value of the homestead is increased by improvements other than
 2-59 repairs or improvements made to comply with governmental
 2-60 requirements and except as may be consistent with the transfer of a
 2-61 limitation under this subsection. For a residence homestead
 2-62 subject to the limitation provided by this subsection in the 1996
 2-63 tax year or an earlier tax year, the legislature shall provide for a
 2-64 reduction in the amount of the limitation for the 1997 tax year and
 2-65 subsequent tax years in an amount equal to \$10,000 multiplied by the
 2-66 1997 tax rate for general elementary and secondary public school
 2-67 purposes applicable to the residence homestead. For a residence
 2-68 homestead subject to the limitation provided by this subsection in
 2-69 the 2014 tax year or an earlier tax year, the legislature shall

3-1 provide for a reduction in the amount of the limitation for the 2015
 3-2 tax year and subsequent tax years in an amount equal to the amount
 3-3 computed by subtracting \$15,000 from the amount equal to 25 percent
 3-4 of the median market value in the 2015 tax year of all residence
 3-5 homesteads in the state as determined in accordance with a general
 3-6 law enacted under Subsection (c) of this section and multiplying
 3-7 that amount by the 2015 tax rate for general elementary and
 3-8 secondary public school purposes applicable to the residence
 3-9 homestead.

3-10 (e) The governing body of a political subdivision, other
 3-11 than a county education district, may exempt from ad valorem
 3-12 taxation a percentage of the market value of the residence
 3-13 homestead of a married or unmarried adult, including one living
 3-14 alone. In the manner provided by law, the voters of a county
 3-15 education district at an election held for that purpose may exempt
 3-16 from ad valorem taxation a percentage of the market value of the
 3-17 residence homestead of a married or unmarried adult, including one
 3-18 living alone. The percentage may not exceed twenty percent.
 3-19 However, the amount of an exemption authorized pursuant to this
 3-20 subsection may not be less than [~~Five Thousand Dollars~~] \$5,000 [~~+~~]
 3-21 unless the legislature by general law prescribes other monetary
 3-22 restrictions on the amount of the exemption. The legislature by
 3-23 general law may prohibit the governing body of a political
 3-24 subdivision that adopts an exemption under this subsection from
 3-25 reducing the amount of or repealing the exemption. An eligible
 3-26 adult is entitled to receive other applicable exemptions provided
 3-27 by law. Where ad valorem tax has previously been pledged for the
 3-28 payment of debt, the governing body of a political subdivision may
 3-29 continue to levy and collect the tax against the value of the
 3-30 homesteads exempted under this subsection until the debt is
 3-31 discharged if the cessation of the levy would impair the obligation
 3-32 of the contract by which the debt was created. The legislature by
 3-33 general law may prescribe procedures for the administration of
 3-34 residence homestead exemptions.

3-35 SECTION 2. Article VIII, Texas Constitution, is amended by
 3-36 adding Section 29 to read as follows:

3-37 Sec. 29. A tax may not be imposed or collected on the
 3-38 conveyance of an interest in real property, including a conveyance
 3-39 by sale, lease, or other transfer of title to or interest in the
 3-40 property.

3-41 SECTION 3. The following temporary provision is added to
 3-42 the Texas Constitution:

3-43 TEMPORARY PROVISION. (a) This temporary provision applies
 3-44 to the constitutional amendment proposed by S.J.R. No. 1, 84th
 3-45 Legislature, Regular Session, 2015.

3-46 (b) The amendments to Sections 1-b(c), (d), and (e), Article
 3-47 VIII, of this constitution take effect for the tax year beginning
 3-48 January 1, 2015.

3-49 (c) This temporary provision expires January 1, 2017.

3-50 SECTION 4. This proposed constitutional amendment shall be
 3-51 submitted to the voters at an election to be held September 12,
 3-52 2015. The ballot shall be printed to permit voting for or against
 3-53 the proposition: "The constitutional amendment providing for an
 3-54 exemption from ad valorem taxation for public school purposes of a
 3-55 portion of the market value of a residence homestead equal to 25
 3-56 percent of the median market value of all residence homesteads in
 3-57 the state, providing for a reduction of the limitation on the total
 3-58 amount of ad valorem taxes that may be imposed for those purposes on
 3-59 the homestead of an elderly or disabled person to reflect the
 3-60 increased exemption amount, providing that an appropriation of
 3-61 state tax revenues to protect school districts against the
 3-62 resulting revenue loss is an appropriation of state tax revenues
 3-63 dedicated by the constitution for purposes of the restriction on
 3-64 the rate of growth of appropriations from undedicated state tax
 3-65 revenues, authorizing the legislature to prohibit a political
 3-66 subdivision that has adopted an optional residence homestead
 3-67 exemption from reducing the amount of or repealing the exemption,
 3-68 and prohibiting the imposition or collection of a tax on the
 3-69 conveyance, including by sale, lease, or other transfer, of an

4-1 interest in real property."

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