

By: Watson

S.J.R. No. 21

A JOINT RESOLUTION

1 proposing a constitutional amendment increasing the amount of the
2 residence homestead exemption from ad valorem taxation for public
3 school purposes, providing for the increase of the exemption amount
4 in subsequent years to reflect inflation, and providing for a
5 reduction of the limitation on the total amount of ad valorem taxes
6 that may be imposed for those purposes on the homestead of a
7 disabled or elderly person to reflect the increased exemption
8 amounts.

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

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

12 (c) A portion [~~Fifteen Thousand Dollars (\$15,000)~~] of the
13 market value of the residence homestead of a married or unmarried
14 adult, including one living alone, is exempt from ad valorem
15 taxation for general elementary and secondary public school
16 purposes. For the 2016 tax year, the amount of the exemption is
17 \$25,000. For each subsequent tax year, the amount of the exemption
18 shall be calculated by the Comptroller of Public Accounts by
19 multiplying the amount of the exemption under this subsection for
20 the preceding tax year by the inflation rate, as defined by general
21 law, and adding that amount to the amount of that exemption for the
22 preceding tax year. Each appraisal office shall use the amount of
23 the exemption as calculated by the comptroller to determine the
24 assessed value of residence homesteads appraised by that appraisal

1 office for ad valorem taxation for general elementary and secondary
2 public school purposes. The legislature by general law may provide
3 that all or part of the exemption does not apply to a district or
4 political subdivision that imposes ad valorem taxes for public
5 education purposes but is not the principal school district
6 providing general elementary and secondary public education
7 throughout its territory. In addition to this exemption, the
8 legislature by general law may exempt an amount not to exceed [~~Ten~~
9 ~~Thousand Dollars~~ ()\$10,000 ()] of the market value of the residence
10 homestead of a person who is disabled as defined in Subsection (b)
11 of this section and of a person [~~sixty-five~~ ()65 ()] years of age or
12 older from ad valorem taxation for general elementary and secondary
13 public school purposes. The legislature by general law may base the
14 amount of and condition eligibility for the additional exemption
15 authorized by this subsection for disabled persons and for persons
16 [~~sixty-five~~ ()65 ()] years of age or older on economic need. An
17 eligible disabled person who is [~~sixty-five~~ ()65 ()] years of age or
18 older may not receive both exemptions from a school district but may
19 choose either. An eligible person is entitled to receive both the
20 exemption required by this subsection for all residence homesteads
21 and any exemption adopted pursuant to Subsection (b) of this
22 section, but the legislature shall provide by general law whether
23 an eligible disabled or elderly person may receive both the
24 additional exemption for the elderly and disabled authorized by
25 this subsection and any exemption for the elderly or disabled
26 adopted pursuant to Subsection (b) of this section. Where ad
27 valorem tax has previously been pledged for the payment of debt, the

1 taxing officers of a school district may continue to levy and
2 collect the tax against the value of homesteads exempted under this
3 subsection until the debt is discharged if the cessation of the levy
4 would impair the obligation of the contract by which the debt was
5 created. The legislature shall provide for formulas to protect
6 school districts against all or part of the revenue loss incurred by
7 the implementation of this subsection, Subsection (d) of this
8 section, and Section 1-d-1 of this article [~~Article VIII, Sections~~
9 ~~1-b(c), 1-b(d), and 1-d-1, of this constitution~~]. The legislature
10 by general law may define residence homestead for purposes of this
11 section.

12 (d) Except as otherwise provided by this subsection, if a
13 person receives a residence homestead exemption prescribed by
14 Subsection (c) of this section for homesteads of persons who are
15 [~~sixty-five (65)~~]65[+] years of age or older or who are disabled, the
16 total amount of ad valorem taxes imposed on that homestead for
17 general elementary and secondary public school purposes may not be
18 increased while it remains the residence homestead of that person
19 or that person's spouse who receives the exemption. If a person
20 [~~sixty-five (65)~~]65[+] years of age or older dies in a year in which
21 the person received the exemption, the total amount of ad valorem
22 taxes imposed on the homestead for general elementary and secondary
23 public school purposes 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)~~]55[+] years of age or older at the time of the
26 person's death, subject to any exceptions provided by general law.
27 The legislature, by general law, may provide for the transfer of all

1 or a proportionate amount of a limitation provided by this
2 subsection for a person who qualifies for the limitation and
3 establishes a different residence homestead. However, taxes
4 otherwise limited by this subsection may be increased to the extent
5 the value of the homestead is increased by improvements other than
6 repairs or improvements made to comply with governmental
7 requirements and except as may be consistent with the transfer of a
8 limitation under this subsection. For a residence homestead
9 subject to the limitation provided by this subsection in the 1996
10 tax year or an earlier tax year, the legislature shall provide for a
11 reduction in the amount of the limitation for the 1997 tax year and
12 subsequent tax years in an amount equal to \$10,000 multiplied by the
13 1997 tax rate for general elementary and secondary public school
14 purposes applicable to the residence homestead. For a residence
15 homestead subject to the limitation provided by this subsection in
16 the 2015 tax year or an earlier tax year, the legislature shall
17 provide for a reduction in the amount of the limitation for the 2016
18 tax year and subsequent tax years in an amount equal to \$10,000
19 multiplied by the 2016 tax rate for general elementary and
20 secondary public school purposes applicable to the residence
21 homestead. For a residence homestead subject to the limitation
22 provided by this subsection in the tax year preceding a tax year in
23 which the amount of the exemption from ad valorem taxation for
24 general elementary and secondary public school purposes of a
25 portion of the market value of the residence homestead of a married
26 or unmarried adult provided by Subsection (c) of this section is
27 adjusted for inflation, the legislature shall provide for a

1 reduction in the amount of the limitation for the tax year in which
2 the amount of the exemption is adjusted and subsequent tax years in
3 an amount equal to the amount by which the amount of the exemption
4 is increased multiplied by the tax rate for general elementary and
5 secondary public school purposes applicable to the residence
6 homestead for the tax year in which the amount of the exemption is
7 increased.

8 SECTION 2. The following temporary provision is added to
9 the Texas Constitution:

10 TEMPORARY PROVISION. (a) This temporary provision applies to
11 the constitutional amendment proposed by the 84th Legislature,
12 Regular Session, 2015, increasing the amount of the residence
13 homestead exemption from ad valorem taxation for public school
14 purposes, providing for the increase of the exemption amount in
15 subsequent years to reflect inflation, and providing for a
16 reduction of the limitation on the total amount of ad valorem taxes
17 that may be imposed for those purposes on the homestead of a
18 disabled or elderly person to reflect the increased exemption
19 amounts.

20 (b) The amendment to Sections 1-b(c) and (d), Article VIII,
21 of this constitution takes effect January 1, 2016, and applies only
22 to a tax year beginning on or after that date.

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

24 SECTION 3. This proposed constitutional amendment shall be
25 submitted to the voters at an election to be held November 3, 2015.
26 The ballot shall be printed to permit voting for or against the
27 proposition: "The constitutional amendment increasing the amount

1 of the residence homestead exemption from ad valorem taxation for
2 public school purposes from \$15,000 to \$25,000, providing for the
3 increase of the exemption amount in subsequent years to reflect
4 inflation, and providing for a reduction of the limitation on the
5 total amount of ad valorem taxes that may be imposed for those
6 purposes on the homestead of a disabled or elderly person to reflect
7 the increased exemption amounts."