

By: White

H.J.R. No. 42

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for an exemption  
2 from ad valorem taxation for public school purposes of a portion of  
3 the market value of a residence homestead based on the median market  
4 value of all residence homesteads in the state 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 an  
7 elderly or disabled person to reflect the increased exemption  
8 amount.

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 [~~The amount of \$25,000~~] of the market value of  
13 the residence homestead of a married or unmarried adult, including  
14 one living alone, equal to 25 percent of the highest median market  
15 value for any tax year beginning with the 2017 tax year of all  
16 residence homesteads in the state is exempt from ad valorem  
17 taxation for general elementary and secondary public school  
18 purposes. The legislature by general law shall specify the method  
19 for computing the median market value of residence homesteads for  
20 purposes of this subsection. The legislature by general law may  
21 provide that all or part of the exemption does not apply to a  
22 district or political subdivision that imposes ad valorem taxes for  
23 public education purposes but is not the principal school district  
24 providing general elementary and secondary public education

1 throughout its territory. In addition to this exemption, the  
2 legislature by general law may exempt an amount not to exceed  
3 \$10,000 of the market value of the residence homestead of a person  
4 who is disabled as defined in Subsection (b) of this section and of  
5 a person 65 years of age or older from ad valorem taxation for  
6 general elementary and secondary public school purposes. The  
7 legislature by general law may base the amount of and condition  
8 eligibility for the additional exemption authorized by this  
9 subsection for disabled persons and for persons 65 years of age or  
10 older on economic need. An eligible disabled person who is 65 years  
11 of age or older may not receive both exemptions from a school  
12 district but may choose either. An eligible person is entitled to  
13 receive both the exemption required by this subsection for all  
14 residence homesteads and any exemption adopted pursuant to  
15 Subsection (b) of this section, but the legislature shall provide  
16 by general law whether an eligible disabled or elderly person may  
17 receive both the additional exemption for the elderly and disabled  
18 authorized by this subsection and any exemption for the elderly or  
19 disabled adopted pursuant to Subsection (b) of this section. Where  
20 ad valorem tax has previously been pledged for the payment of debt,  
21 the taxing officers of a school district may continue to levy and  
22 collect the tax against the value of homesteads exempted under this  
23 subsection until the debt is discharged if the cessation of the levy  
24 would impair the obligation of the contract by which the debt was  
25 created. The legislature shall provide for formulas to protect  
26 school districts against all or part of the revenue loss incurred by  
27 the implementation of this subsection, Subsection (d) of this

1 section, and Section 1-d-1 of this article. The legislature by  
2 general law may define residence homestead for purposes of this  
3 section.

4 (d) Except as otherwise provided by this subsection, if a  
5 person receives a residence homestead exemption prescribed by  
6 Subsection (c) of this section for homesteads of persons who are 65  
7 years of age or older or who are disabled, the total amount of ad  
8 valorem taxes imposed on that homestead for general elementary and  
9 secondary public school purposes may not be increased while it  
10 remains the residence homestead of that person or that person's  
11 spouse who receives the exemption. If a person 65 years of age or  
12 older dies in a year in which the person received the exemption, the  
13 total amount of ad valorem taxes imposed on the homestead for  
14 general elementary and secondary public school purposes may not be  
15 increased while it remains the residence homestead of that person's  
16 surviving spouse if the spouse is 55 years of age or older at the  
17 time of the person's death, subject to any exceptions provided by  
18 general law. The legislature, by general law, may provide for the  
19 transfer of all or a proportionate amount of a limitation provided  
20 by this subsection for a person who qualifies for the limitation and  
21 establishes a different residence homestead. However, taxes  
22 otherwise limited by this subsection may be increased to the extent  
23 the value of the homestead is increased by improvements other than  
24 repairs or improvements made to comply with governmental  
25 requirements and except as may be consistent with the transfer of a  
26 limitation under this subsection. For a residence homestead  
27 subject to the limitation provided by this subsection in the 1996

1 tax year or an earlier tax year, the legislature shall provide for a  
2 reduction in the amount of the limitation for the 1997 tax year and  
3 subsequent tax years in an amount equal to \$10,000 multiplied by the  
4 1997 tax rate for general elementary and secondary public school  
5 purposes applicable to the residence homestead. For a residence  
6 homestead subject to the limitation provided by this subsection in  
7 the 2014 tax year or an earlier tax year, the legislature shall  
8 provide for a reduction in the amount of the limitation for the 2015  
9 tax year and subsequent tax years in an amount equal to \$10,000  
10 multiplied by the 2015 tax rate for general elementary and  
11 secondary public school purposes applicable to the residence  
12 homestead. For a residence homestead subject to the limitation  
13 provided by this subsection in the 2017 tax year or an earlier tax  
14 year, the legislature shall provide for a reduction in the amount of  
15 the limitation for the 2018 tax year and subsequent tax years in an  
16 amount equal to the amount computed by subtracting \$25,000 from the  
17 amount equal to 25 percent of the median market value in the 2017  
18 tax year of all residence homesteads in the state, as determined in  
19 accordance with a general law enacted under Subsection (c) of this  
20 section, and multiplying that amount by the 2018 tax rate for  
21 general elementary and secondary public school purposes applicable  
22 to the residence homestead.

23 SECTION 2. The following temporary provision is added to  
24 the Texas Constitution:

25 TEMPORARY PROVISION. (a) This temporary provision applies  
26 to the constitutional amendment proposed by the 85th Legislature,  
27 1st Called Session, 2017, providing for an exemption from ad

1 valorem taxation for public school purposes of a portion of the  
2 market value of a residence homestead based on the median market  
3 value of all residence homesteads in the state and providing for a  
4 reduction of the limitation on the total amount of ad valorem taxes  
5 that may be imposed for those purposes on the homestead of an  
6 elderly or disabled person to reflect the increased exemption  
7 amount.

8 (b) The amendments to Sections 1-b(c) and (d), Article VIII,  
9 of this constitution take effect for the tax year beginning January  
10 1, 2018.

11 (c) This temporary provision expires January 1, 2019.

12 SECTION 3. This proposed constitutional amendment shall be  
13 submitted to the voters at an election to be held November 7, 2017.  
14 The ballot shall be printed to permit voting for or against the  
15 proposition: "The constitutional amendment providing for an  
16 exemption from ad valorem taxation for public school purposes of a  
17 portion of the market value of a residence homestead equal to 25  
18 percent of the median market value of all residence homesteads in  
19 the state and providing for a reduction of the limitation on the  
20 total amount of ad valorem taxes that may be imposed for those  
21 purposes on the homestead of an elderly or disabled person to  
22 reflect the increased exemption amount."