

By: Raymond

H.J.R. No. 75

A JOINT RESOLUTION

1 proposing a constitutional amendment to appropriate money from the  
2 economic stabilization fund to the foundation school fund and use  
3 the money to finance a temporary increase in the amount of the  
4 exemption of residence homesteads from ad valorem taxation by a  
5 school district and a temporary reduction in the amount of the  
6 limitation on school district ad valorem taxes imposed on the  
7 residence homesteads of the elderly or disabled to reflect the  
8 increased exemption amount.

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

10 SECTION 1. Section 49-g, Article III, Texas Constitution,  
11 is amended by adding Subsection (p) to read as follows:

12 (p) On December 1, 2017, \$3.05 billion of the unobligated  
13 and otherwise unappropriated balance of the economic stabilization  
14 fund is appropriated to the foundation school fund to finance a  
15 temporary increase in the amount of the exemption of residence  
16 homesteads from ad valorem taxation for general elementary and  
17 secondary public school purposes under Section 1-b(c), Article  
18 VIII, of this constitution, and a temporary reduction in the amount  
19 of the limitation on the total amount of ad valorem taxes for  
20 general elementary and secondary public school purposes imposed on  
21 the residence homesteads of the elderly or disabled under Section  
22 1-b(d), Article VIII, of this constitution to reflect the increased  
23 exemption amount. This subsection expires December 31, 2018.

24 SECTION 2. Sections 1-b(c) and (d), Article VIII, Texas

1 Constitution, are amended to read as follows:

2 (c) Except as otherwise provided by this subsection, the  
3 ~~[The]~~ amount of \$25,000 of the market value of the residence  
4 homestead of a married or unmarried adult, including one living  
5 alone, is exempt from ad valorem taxation for general elementary  
6 and secondary public school purposes. For the 2018 tax year, the  
7 amount of \$71,000 of the market value of the residence homestead of  
8 such a person is exempt from ad valorem taxation for those purposes.

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

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

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

1 surviving spouse if the spouse is 55 years of age or older at the  
2 time of the person's death, subject to any exceptions provided by  
3 general law. The legislature, by general law, may provide for the  
4 transfer of all or a proportionate amount of a limitation provided  
5 by this subsection for a person who qualifies for the limitation and  
6 establishes a different residence homestead. However, taxes  
7 otherwise limited by this subsection may be increased to the extent  
8 the value of the homestead is increased by improvements other than  
9 repairs or improvements made to comply with governmental  
10 requirements and except as may be consistent with the transfer of a  
11 limitation under this subsection. For a residence homestead  
12 subject to the limitation provided by this subsection in the 1996  
13 tax year or an earlier tax year, the legislature shall provide for a  
14 reduction in the amount of the limitation for the 1997 tax year and  
15 subsequent tax years in an amount equal to \$10,000 multiplied by the  
16 1997 tax rate for general elementary and secondary public school  
17 purposes applicable to the residence homestead. For a residence  
18 homestead subject to the limitation provided by this subsection in  
19 the 2014 tax year or an earlier tax year, the legislature shall  
20 provide for a reduction in the amount of the limitation for the 2015  
21 tax year and subsequent tax years in an amount equal to \$10,000  
22 multiplied by the 2015 tax rate for general elementary and  
23 secondary public school purposes applicable to the residence  
24 homestead. For a residence homestead subject to the limitation  
25 provided by this subsection in the 2017 tax year or an earlier tax  
26 year, the legislature shall provide for a reduction in the amount of  
27 the limitation for the 2018 tax year in an amount equal to \$46,000

1 multiplied by the 2018 tax rate for general elementary and  
2 secondary public school purposes applicable to the residence  
3 homestead. For a residence homestead subject to the limitation  
4 provided by this subsection in the 2018 tax year, the legislature  
5 shall provide for an increase in the amount of the limitation for  
6 the 2019 tax year and subsequent tax years in an amount equal to  
7 \$46,000 multiplied by the 2018 tax rate for general elementary and  
8 secondary public school purposes applicable to the residence  
9 homestead.

10 SECTION 3. The following temporary provision is added to  
11 the Texas Constitution:

12 TEMPORARY PROVISION. (a) This temporary provision applies  
13 to the constitutional amendment proposed by the 85th Legislature,  
14 Regular Session, 2017, to appropriate money from the economic  
15 stabilization fund to the foundation school fund and use the money  
16 to finance a temporary increase in the amount of the exemption of  
17 residence homesteads from ad valorem taxation by a school district  
18 and a temporary reduction in the amount of the limitation on school  
19 district ad valorem taxes imposed on the residence homesteads of  
20 the elderly or disabled to reflect the increased exemption amount.

21 (b) The amendments to Sections 1-b(c) and (d), Article VIII,  
22 of this constitution take effect for the tax year beginning January  
23 1, 2018.

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

25 SECTION 4. This proposed constitutional amendment shall be  
26 submitted to the voters at an election to be held November 7, 2017.  
27 The ballot shall be printed to permit voting for or against the

1 proposition: "The constitutional amendment to appropriate money  
2 from the economic stabilization fund to the foundation school fund  
3 and use the money to finance a temporary increase in the amount of  
4 the exemption of residence homesteads from ad valorem taxation by a  
5 school district and a temporary reduction in the amount of the  
6 limitation on school district ad valorem taxes imposed on the  
7 residence homesteads of the elderly or disabled to reflect the  
8 increased exemption amount."