By:  Menéndez, Johnson S.J.R. No. 50

A JOINT RESOLUTION

proposing a constitutional amendment increasing the amount of the residence homestead exemption from ad valorem taxation for public school purposes, providing for the increase of the exemption amount in subsequent years to reflect inflation in homestead values, 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 a disabled or elderly person to reflect the increased exemption amounts.

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

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

(c)  A portion [~~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. For the 2020 tax year, the amount of the exemption is $50,000. For each subsequent tax year, the amount of the exemption shall be calculated by the Comptroller of Public Accounts by multiplying the amount of the exemption under this subsection for the preceding tax year by the residence homestead inflation rate, as defined by general law, and adding that amount to the amount of that exemption for the preceding tax year. Each appraisal office shall use the amount of the exemption as calculated by the comptroller to determine the assessed value of residence homesteads appraised by that appraisal office for 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 [~~Ten Thousand Dollars (~~]$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 [~~sixty-five (~~]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 [~~sixty-five (~~]65[~~)~~] years of age or older on economic need. An eligible disabled person who is [~~sixty-five (~~]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 2019 tax year or an earlier tax year, the legislature shall provide for a reduction in the amount of the limitation for the 2020 tax year and subsequent tax years in an amount equal to $20,000 multiplied by the 2020 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 tax year preceding a tax year in which the amount of the exemption from ad valorem taxation for general elementary and secondary public school purposes of a portion of the market value of the residence homestead of a married or unmarried adult provided by Subsection (c) of this section is adjusted for inflation in residence homestead values, the legislature shall provide for a reduction in the amount of the limitation for the tax year in which the amount of the exemption is adjusted and subsequent tax years in an amount equal to the amount by which the amount of the exemption is increased multiplied by the tax rate for general elementary and secondary public school purposes applicable to the residence homestead for the tax year in which the amount of the exemption is increased.

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

TEMPORARY PROVISION. (a)  This temporary provision applies to the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, increasing the amount of the residence homestead exemption from ad valorem taxation for public school purposes, providing for the increase of the exemption amount in subsequent years to reflect inflation in homestead values, 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 a disabled or elderly person to reflect the increased exemption amounts.

(b)  The amendment to Sections 1-b(c) and (d), Article VIII, of this constitution takes effect January 1, 2020, and applies only to a tax year beginning on or after that date.

(c)  This temporary provision expires January 1, 2021.

SECTION 3.  This proposed constitutional amendment shall be submitted to the voters at an election to be held November 3, 2019. 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 $50,000, providing for the increase of the exemption amount in subsequent years to reflect inflation in homestead values, 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 a disabled or elderly person to reflect the increased exemption amounts."