

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

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

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

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

1 person's death, subject to any exceptions provided by general law.
2 The legislature, by general law, may provide for the transfer of all
3 or a proportionate amount of a limitation provided by this
4 subsection for a person who qualifies for the limitation and
5 establishes a different residence homestead. However, taxes
6 otherwise limited by this subsection may be increased to the extent
7 the value of the homestead is increased by improvements other than
8 repairs or improvements made to comply with governmental
9 requirements and except as may be consistent with the transfer of a
10 limitation under this subsection. For a residence homestead
11 subject to the limitation provided by this subsection in the 1996
12 tax year or an earlier tax year, the legislature shall provide for a
13 reduction in the amount of the limitation for the 1997 tax year and
14 subsequent tax years in an amount equal to \$10,000 multiplied by the
15 1997 tax rate for general elementary and secondary public school
16 purposes applicable to the residence homestead. For a residence
17 homestead subject to the limitation provided by this subsection in
18 the 2019 tax year or an earlier tax year, the legislature shall
19 provide for a reduction in the amount of the limitation for the 2020
20 tax year and subsequent tax years in an amount equal to \$20,000
21 multiplied by the 2020 tax rate for general elementary and
22 secondary public school purposes applicable to the residence
23 homestead. For a residence homestead subject to the limitation
24 provided by this subsection in the tax year preceding a tax year in
25 which the amount of the exemption from ad valorem taxation for
26 general elementary and secondary public school purposes of a
27 portion of the market value of the residence homestead of a married

1 or unmarried adult provided by Subsection (c) of this section is
2 adjusted for inflation in residence homestead values, the
3 legislature shall provide for a reduction in the amount of the
4 limitation for the tax year in which the amount of the exemption is
5 adjusted and subsequent tax years in an amount equal to the amount
6 by which the amount of the exemption is increased multiplied by the
7 tax rate for general elementary and secondary public school
8 purposes applicable to the residence homestead for the tax year in
9 which the amount of the exemption is increased.

10 SECTION 2. 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 86th Legislature,
14 Regular Session, 2019, increasing the amount of the residence
15 homestead exemption from ad valorem taxation for public school
16 purposes, providing for the increase of the exemption amount in
17 subsequent years to reflect inflation in homestead values, and
18 providing for a reduction of the limitation on the total amount of
19 ad valorem taxes that may be imposed for those purposes on the
20 homestead of a disabled or elderly person to reflect the increased
21 exemption amounts.

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

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

26 SECTION 3. This proposed constitutional amendment shall be
27 submitted to the voters at an election to be held November 3, 2019.

1 The ballot shall be printed to permit voting for or against the
2 proposition: "The constitutional amendment increasing the amount
3 of the residence homestead exemption from ad valorem taxation for
4 public school purposes from \$15,000 to \$50,000, providing for the
5 increase of the exemption amount in subsequent years to reflect
6 inflation in homestead values, and providing for a reduction of the
7 limitation on the total amount of ad valorem taxes that may be
8 imposed for those purposes on the homestead of a disabled or elderly
9 person to reflect the increased exemption amounts."