

By: Bettencourt, et al.

S.J.R. No. 71

A JOINT RESOLUTION

1 proposing a constitutional amendment to use revenue attributable to
2 oil and gas production taxes to increase the amount of the exemption
3 of residence homesteads from ad valorem taxation by a school
4 district and reduce the amount of the limitation on school district
5 ad valorem taxes imposed on the residence homesteads of the elderly
6 or disabled to reflect the increased exemption amount.

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

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

10 (s) Each state fiscal year, the comptroller of public
11 accounts shall determine the amount of the estimated lost revenue
12 for school districts in that state fiscal year attributable to the
13 increase in the amount of the exemption of residence homesteads
14 from ad valorem taxation for general elementary and secondary
15 public school purposes under Section 1-b(c), Article VIII, of this
16 constitution, proposed by the 86th Legislature, Regular Session,
17 2019, and approved by the voters, and the reduction in the amount of
18 the limitation on the total amount of ad valorem taxes for general
19 elementary and secondary public school purposes imposed on the
20 residence homesteads of the elderly or disabled under Section
21 1-b(d), Article VIII, of this constitution, proposed by the 86th
22 Legislature, Regular Session, 2019, and approved by the voters.
23 Notwithstanding any other provision of this section, in each state
24 fiscal year, the comptroller of public accounts shall reduce the

1 amount of the transfer from the general revenue fund to the economic
2 stabilization fund to be made under Subsection (c) of this section
3 by the amount of the estimated lost revenue determined under this
4 subsection and shall transfer to the foundation school fund or a
5 successor fund or account an amount of general revenue equal to the
6 amount of that reduction.

7 SECTION 2. Sections 1-b(c) and (d), Article VIII, Texas
8 Constitution, are amended to read as follows:

9 (c) The amount of \$35,000 [~~\$25,000~~] of the market value of
10 the residence homestead of a married or unmarried adult, including
11 one living alone, is exempt from ad valorem taxation for general
12 elementary and secondary public school purposes. The legislature
13 by general law may provide that all or part of the exemption does
14 not apply to a district or political subdivision that imposes ad
15 valorem taxes for public education purposes but is not the
16 principal school district providing general elementary and
17 secondary public education throughout its territory. In addition
18 to this exemption, the legislature by general law may exempt an
19 amount not to exceed \$10,000 of the market value of the residence
20 homestead of a person who is disabled as defined in Subsection (b)
21 of this section and of a person 65 years of age or older from ad
22 valorem taxation for general elementary and secondary public school
23 purposes. The legislature by general law may base the amount of and
24 condition eligibility for the additional exemption authorized by
25 this subsection for disabled persons and for persons 65 years of age
26 or older on economic need. An eligible disabled person who is 65
27 years of age or older may not receive both exemptions from a school

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

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

1 older dies in a year in which the person received the exemption, the
2 total amount of ad valorem taxes imposed on the homestead for
3 general elementary and secondary public school purposes may not be
4 increased while it remains the residence homestead of that person's
5 surviving spouse if the spouse is 55 years of age or older at the
6 time of the person's death, subject to any exceptions provided by
7 general law. The legislature, by general law, may provide for the
8 transfer of all or a proportionate amount of a limitation provided
9 by this subsection for a person who qualifies for the limitation and
10 establishes a different residence homestead. However, taxes
11 otherwise limited by this subsection may be increased to the extent
12 the value of the homestead is increased by improvements other than
13 repairs or improvements made to comply with governmental
14 requirements and except as may be consistent with the transfer of a
15 limitation under this subsection. For a residence homestead
16 subject to the limitation provided by this subsection in the 1996
17 tax year or an earlier tax year, the legislature shall provide for a
18 reduction in the amount of the limitation for the 1997 tax year and
19 subsequent tax years in an amount equal to \$10,000 multiplied by the
20 1997 tax rate for general elementary and secondary public school
21 purposes applicable to the residence homestead. For a residence
22 homestead subject to the limitation provided by this subsection in
23 the 2014 tax year or an earlier tax year, the legislature shall
24 provide for a reduction in the amount of the limitation for the 2015
25 tax year and subsequent tax years in an amount equal to \$10,000
26 multiplied by the 2015 tax rate for general elementary and
27 secondary public school purposes applicable to the residence

1 homestead. For a residence homestead subject to the limitation
2 provided by this subsection in the 2019 tax year or an earlier tax
3 year, the legislature shall provide for a reduction in the amount of
4 the limitation for the 2020 tax year in an amount equal to \$10,000
5 multiplied by the 2020 tax rate for general elementary and
6 secondary public school purposes applicable to the residence
7 homestead.

8 SECTION 3. The following temporary provision is added to
9 the Texas Constitution:

10 TEMPORARY PROVISION. (a) This temporary provision applies
11 to the constitutional amendment proposed by the 86th Legislature,
12 Regular Session, 2019, to use revenue attributable to oil and gas
13 production taxes to increase the amount of the exemption of
14 residence homesteads from ad valorem taxation by a school district
15 and reduce the amount of the limitation on school district ad
16 valorem taxes imposed on the residence homesteads of the elderly or
17 disabled to reflect the increased exemption amount.

18 (b) Section 49-g(s), Article III, of this constitution
19 applies beginning with the state fiscal year beginning September 1,
20 2020.

21 (c) 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, 2020.

24 (d) This temporary provision expires January 1, 2021.

25 SECTION 4. This proposed constitutional amendment shall be
26 submitted to the voters at an election to be held November 5, 2019.
27 The ballot shall be printed to permit voting for or against the

1 proposition: "The constitutional amendment to use revenue
2 attributable to oil and gas production taxes to increase the amount
3 of the exemption of residence homesteads from ad valorem taxation
4 by a school district and reduce the amount of the limitation on
5 school district ad valorem taxes imposed on the residence
6 homesteads of the elderly or disabled to reflect the increased
7 exemption amount."