

By: Powell

S.J.R. No. 2

A JOINT RESOLUTION

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

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

7 SECTION 1. 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

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

23 (d) Except as otherwise provided by this subsection, if a
24 person receives a residence homestead exemption prescribed by
25 Subsection (c) of this section for homesteads of persons who are 65
26 years of age or older or who are disabled, the total amount of ad
27 valorem taxes imposed on that homestead for general elementary and

1 secondary public school purposes may not be increased while it
2 remains the residence homestead of that person or that person's
3 spouse who receives the exemption. If a person 65 years of age or
4 older dies in a year in which the person received the exemption, the
5 total amount of ad valorem taxes imposed on the homestead for
6 general elementary and secondary public school purposes may not be
7 increased while it remains the residence homestead of that person's
8 surviving spouse if the spouse is 55 years of age or older at the
9 time of the person's death, subject to any exceptions provided by
10 general law. The legislature, by general law, may provide for the
11 transfer of all or a proportionate amount of a limitation provided
12 by this subsection for a person who qualifies for the limitation and
13 establishes a different residence homestead. However, taxes
14 otherwise limited by this subsection may be increased to the extent
15 the value of the homestead is increased by improvements other than
16 repairs or improvements made to comply with governmental
17 requirements and except as may be consistent with the transfer of a
18 limitation under this subsection. For a residence homestead
19 subject to the limitation provided by this subsection in the 1996
20 tax year or an earlier tax year, the legislature shall provide for a
21 reduction in the amount of the limitation for the 1997 tax year and
22 subsequent tax years in an amount equal to \$10,000 multiplied by the
23 1997 tax rate for general elementary and secondary public school
24 purposes applicable to the residence homestead. For a residence
25 homestead subject to the limitation provided by this subsection in
26 the 2014 tax year or an earlier tax year, the legislature shall
27 provide for a reduction in the amount of the limitation for the 2015

1 tax year and subsequent tax years in an amount equal to \$10,000
2 multiplied by the 2015 tax rate for general elementary and
3 secondary public school purposes applicable to the residence
4 homestead. For a residence homestead subject to the limitation
5 provided by this subsection in the 2021 tax year or an earlier tax
6 year, the legislature shall provide for a reduction in the amount of
7 the limitation for the 2022 tax year in an amount equal to \$10,000
8 multiplied by the 2022 tax rate for general elementary and
9 secondary public school purposes applicable to the residence
10 homestead.

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

13 TEMPORARY PROVISION. (a) This temporary provision applies
14 to the constitutional amendment proposed by the 87th Legislature,
15 1st Called Session, 2021, to increase the amount of the exemption of
16 residence homesteads from ad valorem taxation by a school district
17 and to reduce the amount of the limitation on school district ad
18 valorem taxes imposed on the residence homesteads of the elderly or
19 disabled to reflect the increased exemption amount.

20 (b) The amendments to Sections 1-b(c) and (d), Article VIII,
21 of this constitution take effect for the tax year beginning January
22 1, 2022.

23 (c) This temporary provision expires January 1, 2023.

24 SECTION 3. This proposed constitutional amendment shall be
25 submitted to the voters at an election to be held November 2, 2021.
26 The ballot shall be printed to permit voting for or against the
27 proposition: "The constitutional amendment to increase the amount

1 of the exemption of residence homesteads from ad valorem taxation
2 by a school district and to reduce the amount of the limitation on
3 school district ad valorem taxes imposed on the residence
4 homesteads of the elderly or disabled to reflect the increased
5 exemption amount."