

By: Raymond

H.J.R. No. 22

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, 2022, \$5 billion of the unobligated and
13 otherwise unappropriated balance of the economic stabilization
14 fund is appropriated to the foundation school fund to finance for
15 the 2023 tax year a temporary increase in the amount of the
16 exemption of residence homesteads from ad valorem taxation for
17 general elementary and secondary public school purposes under
18 Section 1-b(c), Article VIII, of this constitution, and a temporary
19 reduction in the amount of the limitation on the total amount of ad
20 valorem taxes for general elementary and secondary public school
21 purposes imposed on the residence homesteads of the elderly or
22 disabled under Section 1-b(d), Article VIII, of this constitution
23 to reflect the increased exemption amount. This subsection expires
24 December 31, 2023.

1 SECTION 2. Section 1-b(c), Article VIII, Texas
2 Constitution, is amended to read as follows:

3 (c) Except as otherwise provided by this subsection, the
4 ~~[The]~~ amount of \$25,000 of the market value of the residence
5 homestead of a married or unmarried adult, including one living
6 alone, is exempt from ad valorem taxation for general elementary
7 and secondary public school purposes. For the 2023 tax year, the
8 amount of \$105,000 of the market value of the residence homestead of
9 such a person is exempt from ad valorem taxation for those purposes.

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

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

17 SECTION 3. (a) This section takes effect only if the
18 constitutional amendment proposed by H.J.R. No. 125, 87th
19 Legislature, Regular Session, 2021, is approved by the voters. If
20 that amendment is not approved by the voters, this section has no
21 effect.

22 (b) Section 1-b(d), Article VIII, Texas Constitution, is
23 amended to read as follows:

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

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

1 tax year or an earlier tax year, the legislature shall provide for a
2 reduction in the amount of the limitation for the 2015 tax year and
3 subsequent tax years in an amount equal to \$10,000 multiplied by the
4 2015 tax rate for general elementary and secondary public school
5 purposes applicable to the residence homestead. For a residence
6 homestead subject to the limitation provided by this subsection in
7 the 2022 tax year or an earlier tax year, the legislature shall
8 provide for a reduction in the amount of the limitation for the 2023
9 tax year in an amount equal to \$80,000 multiplied by the 2023 tax
10 rate for general elementary and secondary public school purposes
11 applicable to the residence homestead. For a residence homestead
12 subject to the limitation provided by this subsection in the 2023
13 tax year, the legislature shall provide for an increase in the
14 amount of the limitation for the 2024 tax year and subsequent tax
15 years in an amount equal to \$80,000 multiplied by the 2023 tax rate
16 for general elementary and secondary public school purposes
17 applicable to the residence homestead.

18 SECTION 4. (a) This section takes effect only if the
19 constitutional amendment proposed by H.J.R. No. 125, 87th
20 Legislature, Regular Session, 2021, is not approved by the voters.
21 If that amendment is approved by the voters, this section has no
22 effect.

23 (b) Section 1-b(d), Article VIII, Texas Constitution, is
24 amended to read as follows:

25 (d) Except as otherwise provided by this subsection, if a
26 person receives a residence homestead exemption prescribed by
27 Subsection (c) of this section for homesteads of persons who are 65

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

1 the 2014 tax year or an earlier tax year, the legislature shall
2 provide for a reduction in the amount of the limitation for the 2015
3 tax year and subsequent tax years in an amount equal to \$10,000
4 multiplied by the 2015 tax rate for general elementary and
5 secondary public school purposes applicable to the residence
6 homestead. For a residence homestead subject to the limitation
7 provided by this subsection in the 2022 tax year or an earlier tax
8 year, the legislature shall provide for a reduction in the amount of
9 the limitation for the 2023 tax year in an amount equal to \$80,000
10 multiplied by the 2023 tax rate for general elementary and
11 secondary public school purposes applicable to the residence
12 homestead. For a residence homestead subject to the limitation
13 provided by this subsection in the 2023 tax year, the legislature
14 shall provide for an increase in the amount of the limitation for
15 the 2024 tax year and subsequent tax years in an amount equal to
16 \$80,000 multiplied by the 2023 tax rate for general elementary and
17 secondary public school purposes applicable to the residence
18 homestead.

19 SECTION 5. The following temporary provision is added to
20 the Texas Constitution:

21 TEMPORARY PROVISION. (a) This temporary provision applies
22 to the constitutional amendment proposed by the 87th Legislature,
23 3rd Called Session, 2021, to appropriate money from the economic
24 stabilization fund to the foundation school fund and use the money
25 to finance a temporary increase in the amount of the exemption of
26 residence homesteads from ad valorem taxation by a school district
27 and a temporary reduction in the amount of the limitation on school

1 district ad valorem taxes imposed on the residence homesteads of
2 the elderly or disabled to reflect the increased exemption amount.

3 (b) The amendments to Sections 1-b(c) and (d), Article VIII,
4 of this constitution take effect for the tax year beginning January
5 1, 2023.

6 (c) This temporary provision expires January 1, 2024.

7 SECTION 6. This proposed constitutional amendment shall be
8 submitted to the voters at an election to be held November 8, 2022.
9 The ballot shall be printed to permit voting for or against the
10 proposition: "The constitutional amendment to appropriate money
11 from the economic stabilization fund to the foundation school fund
12 and use the money to finance a temporary increase in the amount of
13 the exemption of residence homesteads from ad valorem taxation by a
14 school district and a temporary reduction in the amount of the
15 limitation on school district ad valorem taxes imposed on the
16 residence homesteads of the elderly or disabled to reflect the
17 increased exemption amount."