

By: Middleton

H.J.R. No. 75

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature
2 to provide for the appraisal of certain real property for ad valorem
3 tax purposes based on its purchase price, exempting all tangible
4 personal property in this state from ad valorem taxation, and
5 authorizing the legislature to permit legislators to appoint
6 members of the board of equalization for an appraisal entity.

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

8 SECTION 1. Section 1, Article VIII, Texas Constitution, is
9 amended by amending Subsection (b) and adding Subsections (k) and
10 (l) to read as follows:

11 (b) All real property [~~and tangible personal property~~] in
12 this State, unless exempt as required or permitted by this
13 Constitution, whether owned by natural persons or corporations,
14 other than municipal, shall be taxed in proportion to its value,
15 which shall be ascertained as may be provided by law. All tangible
16 personal property in this State is exempt from ad valorem taxation,
17 except as provided by Subsection (l) of this section.

18 (k) Notwithstanding Subsections (a), (b), and (i) of this
19 section, for each tax year following the year in which the property
20 was purchased until the end of the tax year in which the ownership
21 of the property changes, the legislature by general law may limit
22 the maximum appraised value of residential property consisting of
23 not more than four individual dwelling units, including a
24 single-family home, or of a tract of unimproved land for ad valorem

1 tax purposes to the lesser of the market value of the property as
2 determined by the appraisal entity or the sum of the amount the
3 owner of the property paid for the property and the initial market
4 value of each new improvement to the property. The applicability of
5 a general law enacted under this subsection must be limited to a
6 bona fide purchaser for value of a property who, in the manner
7 provided by law, applies for the limitation on appraised value
8 under this subsection not later than a date prescribed by general
9 law in the tax year following the year in which the person purchased
10 the property. The legislature may prescribe or delegate to an
11 appropriate public official or entity the authority to prescribe
12 standards and procedures to administer a law enacted under this
13 subsection, including criteria to be used to determine whether a
14 person was a bona fide purchaser for value.

15 (1) If before January 1, 2024, an ad valorem tax on tangible
16 personal property is pledged for the payment of a debt, the
17 appropriate tax authorities may continue to levy and collect the
18 tax against that tangible personal property at the same rate as the
19 pledged tax until the debt is discharged, if cessation of the levy
20 and collection of the tax would impair the obligation of the
21 contract by which the debt was created. This subsection applies to
22 tangible personal property that was taxable under the law in effect
23 on January 1, 2023, but that became exempt under Subsection (b) of
24 this section on January 1, 2024, as a result of the amendment of
25 this section adopted by the voters in 2021 to exempt all tangible
26 personal property from ad valorem taxation.

27 SECTION 2. Section 8, Article VIII, Texas Constitution, is

1 amended to read as follows:

2 Sec. 8. All real property of railroad companies shall be
3 assessed, and the taxes collected in the several counties in which
4 said real property is situated, including so much of the roadbed and
5 fixtures as shall be in each county. [~~The rolling stock may be
6 assessed in gross in the county where the principal office of the
7 company is located, and the county tax paid upon it shall be
8 apportioned as provided by general law in proportion to the
9 distance such road may run through any such county, among the
10 several counties through which the road passes, as a part of their
11 tax assets.~~]

12 SECTION 3. Section 18(c), Article VIII, Texas Constitution,
13 is amended to read as follows:

14 (c) The Legislature, by general law, shall provide for a
15 single board of equalization for each appraisal entity consisting
16 of qualified persons residing within the territory appraised by
17 that entity. The Legislature, by general law, may authorize a
18 single board of equalization for two or more adjoining appraisal
19 entities that elect to provide for consolidated equalizations.
20 Members of a board of equalization may not be elected officials of a
21 county or of the governing body of a taxing unit. Notwithstanding
22 Section 1, Article II, of this constitution, the Legislature, by
23 general law, may provide for the appointment of members of the board
24 of equalization for an appraisal entity by the state senators and
25 state representatives whose districts contain any part of the
26 territory appraised by that entity.

27 SECTION 4. The following temporary provision is added to

1 the Texas Constitution:

2 TEMPORARY PROVISION. The constitutional amendment
3 authorizing the legislature to provide for the appraisal of certain
4 real property for ad valorem tax purposes based on its purchase
5 price, exempting all tangible personal property in this state from
6 ad valorem taxation, and authorizing the legislature to permit
7 legislators to appoint members of the board of equalization for an
8 appraisal entity takes effect January 1, 2024, and applies only to
9 taxes imposed on or after that date. This temporary provision
10 expires January 1, 2025.

11 SECTION 5. The following provisions of Article VIII, Texas
12 Constitution, are repealed:

13 (1) Sections 1(d), (e), and (g);

14 (2) Section 1-i;

15 (3) Section 1-j;

16 (4) Section 1-n, as proposed by S.J.R. 47, 77th
17 Legislature, Regular Session, 2001;

18 (5) Section 1-n, as proposed by S.J.R. 6, 77th
19 Legislature, Regular Session, 2001;

20 (6) Section 1-p;

21 (7) Section 19; and

22 (8) Section 19a.

23 SECTION 6. This proposed constitutional amendment shall be
24 submitted to the voters at an election to be held November 2, 2021.

25 The ballot shall be printed to permit voting for or against the
26 proposition: "The constitutional amendment authorizing the

27 legislature to provide for the appraisal of certain residential or

1 unimproved real property for ad valorem tax purposes based on its
2 purchase price, exempting all tangible personal property in this
3 state from ad valorem taxation, and authorizing the legislature to
4 permit legislators to appoint members of the board of equalization
5 for an appraisal entity."