

By: Bryant

H.J.R. No. 14

A JOINT RESOLUTION

1 proposing a constitutional amendment to increase the amount of the
2 exemption from ad valorem taxation by a school district applicable
3 to residence homesteads, to adjust the amount of the limitation on
4 school district ad valorem taxes imposed on the residence
5 homesteads of the elderly or disabled to reflect increases in
6 certain exemption amounts, to establish the property tax relief to
7 rental households fund and authorize the legislature to provide
8 payments to rental households from that fund based on a proportion
9 of rent paid, and to except certain appropriations to pay for school
10 district ad valorem tax relief and property tax relief payments to
11 rental households from the constitutional limitation on the rate of
12 growth of appropriations.

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

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

16 (c) Subject to subsection (c-1), the greater of \$100,000, or
17 a greater amount prescribed by the legislature by general law, or 25
18 percent [~~amount of \$40,000~~] of the market value of the residence
19 homestead of a married or unmarried adult, including one living
20 alone, is exempt from ad valorem taxation for general elementary
21 and secondary public school purposes. The legislature by general
22 law may provide that all or part of the exemption does not apply to a
23 district or political subdivision that imposes ad valorem taxes for
24 public education purposes but is not the principal school district

1 providing general elementary and secondary public education
2 throughout its territory. In addition to this exemption, the
3 legislature by general law may exempt an amount not to exceed
4 \$10,000 of the market value of the residence homestead of a person
5 who is disabled as defined in Subsection (b) of this section and of
6 a person 65 years of age or older from ad valorem taxation for
7 general elementary and secondary public school purposes. The
8 legislature by general law may base the amount of and condition
9 eligibility for the additional exemption authorized by this
10 subsection for disabled persons and for persons 65 years of age or
11 older on economic need. An eligible disabled person who is 65 years
12 of age or older may not receive both exemptions from a school
13 district but may choose either. An eligible person is entitled to
14 receive both the exemption required by this subsection for all
15 residence homesteads and any exemption adopted pursuant to
16 Subsection (b) of this section, but the legislature shall provide
17 by general law whether an eligible disabled or elderly person may
18 receive both the additional exemption for the elderly and disabled
19 authorized by this subsection and any exemption for the elderly or
20 disabled adopted pursuant to Subsection (b) of this section. Where
21 ad valorem tax has previously been pledged for the payment of debt,
22 the taxing officers of a school district may continue to levy and
23 collect the tax against the value of homesteads exempted under this
24 subsection until the debt is discharged if the cessation of the levy
25 would impair the obligation of the contract by which the debt was
26 created. The legislature shall provide for formulas to protect
27 school districts against all or part of the revenue loss incurred by

1 the implementation of this subsection, Subsection (d) of this
2 section, and Section 1-d-1 of this article. The legislature by
3 general law may define residence homestead for purposes of this
4 section.

5 (c-1) An exemption of 25 percent of the appraised value of
6 the adult's residence homestead may not exceed \$200,000, or a
7 greater amount prescribed by the legislature by general law, of the
8 appraised value of the adult's residence homestead.

9 (d) Except as otherwise provided by this subsection, if a
10 person receives a residence homestead exemption prescribed by
11 Subsection (c) of this section for homesteads of persons who are 65
12 years of age or older or who are disabled, the total amount of ad
13 valorem taxes imposed on that homestead for general elementary and
14 secondary public school purposes may not be increased while it
15 remains the residence homestead of that person or that person's
16 spouse who receives the exemption. If a person who is 65 years of
17 age or older or who is disabled dies in a year in which the person
18 received the exemption, the total amount of ad valorem taxes
19 imposed on the homestead for general elementary and secondary
20 public school purposes may not be increased while it remains the
21 residence homestead of that person's surviving spouse if the spouse
22 is 55 years of age or older at the time of the person's death,
23 subject to any exceptions provided by general law. The
24 legislature, by general law, may provide for the transfer of all or
25 a proportionate amount of a limitation provided by this subsection
26 for a person who qualifies for the limitation and establishes a
27 different residence homestead. However, taxes otherwise limited by

1 this subsection may be increased to the extent the value of the
2 homestead is increased by improvements other than repairs or
3 improvements made to comply with governmental requirements and
4 except as may be consistent with the transfer of a limitation under
5 this subsection. For a residence homestead subject to the
6 limitation provided by this subsection in the 1996 tax year or an
7 earlier tax year, the legislature shall provide for a reduction in
8 the amount of the limitation for the 1997 tax year and subsequent
9 tax years in an amount equal to \$10,000 multiplied by the 1997 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 2014
13 tax year or an earlier tax year, the legislature shall provide for a
14 reduction in the amount of the limitation for the 2015 tax year and
15 subsequent tax years in an amount equal to \$10,000 multiplied by the
16 2015 tax rate for general elementary and secondary public school
17 purposes applicable to the residence homestead. For a residence
18 homestead subject to the limitation provided by this subsection in
19 the 2021 tax year or an earlier tax year, the legislature shall
20 provide for a reduction in the amount of the limitation for the 2023
21 tax year and subsequent tax years in an amount equal to \$15,000
22 multiplied by the 2022 tax rate for general elementary and
23 secondary public school purposes applicable to the residence
24 homestead. Beginning with the 2023 tax year, for any tax year in
25 which the amount of the exemption provided by Subsection (c) of this
26 section applicable to the residence homestead of a married or
27 unmarried adult, including one living alone, or the amount of the

1 exemption provided by Subsection (c) of this section applicable to
2 the residence homestead of a person who is disabled as defined by
3 Subsection (b) of this section and of a person 65 years of age or
4 older is increased, the legislature shall provide for a reduction
5 for that tax year and subsequent tax years in the amount of the
6 limitation provided by this subsection applicable to a residence
7 homestead that was subject to the limitation in the tax year
8 preceding the tax year in which the amount of the exemption is
9 increased in an amount equal to the amount by which the amount of
10 the exemption is increased multiplied by the tax rate for general
11 elementary and secondary public school purposes applicable to the
12 residence homestead for the tax year in which the amount of the
13 exemption is increased.

14 SECTION 2. Article VIII, Texas Constitution, is amended by
15 adding Section 30 to read as follows:

16 Sec. 30. (a) The property tax relief to rental households
17 fund is created, and the comptroller of public accounts shall
18 transfer into it \$3.8 billion for the fiscal biennium beginning
19 September 1, 2023. The Legislature may by general law direct
20 general revenue into the fund and authorize the comptroller of
21 public accounts to make direct payments from the fund to rental
22 households to provide property tax relief.

23 (c) The legislature by general law may prescribe additional
24 eligibility requirements for distributions from the fund.

25 (d) The legislature by general law may prescribe procedures
26 for the administration of this section.

27 SECTION 3. Section 22, Article VIII, Texas Constitution, is

1 amended by adding Subsection (a-1) to read as follows:

2 (a-1) Appropriations from state tax revenues not dedicated
3 by this constitution that are made for the purpose of paying for
4 school district ad valorem tax relief, and for the purpose of paying
5 for property tax relief to rental households through the
6 comptroller of public accounts as described in Article VIII, Texas
7 Constitution, Section 30, as identified by the legislature by
8 general law are not included as appropriations for purposes of
9 determining whether the rate of growth of appropriations exceeds
10 the limitation prescribed by Subsection (a) of this section.

11 SECTION 4. 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 88th Legislature,
15 2nd Called Session, 2023, to increase the amount of the exemption
16 from ad valorem taxation by a school district applicable to
17 residence homesteads, to adjust the amount of the limitation on
18 school district ad valorem taxes imposed on the residence
19 homesteads of the elderly or disabled to reflect increases in
20 certain exemption amounts, to establish the property tax relief to
21 rental households fund and authorize the legislature to provide
22 payments to rental households from that fund based on a proportion
23 of rent paid, and to except certain appropriations to pay for school
24 district ad valorem tax relief and property tax relief payments to
25 rental households from the constitutional limitation on the rate of
26 growth of appropriations.

27 (b) The amendments to Sections 1-b(c) and (d), Article VIII,

1 of this constitution take effect for the tax year beginning January
2 1, 2023.

3 (c) The amendment adding Section 30 to Article VIII of this
4 constitution takes effect beginning with the tax year beginning
5 January 1, 2024.

6 (d) The amendment to Section 22, Article VIII, of this
7 constitution applies to appropriations made for the state fiscal
8 biennium beginning September 1, 2023, and subsequent state fiscal
9 bienniums.

10 (e) This temporary provision expires January 1, 2025.

11 SECTION 5. This proposed constitutional amendment shall be
12 submitted to the voters at an election to be held November 7, 2023.
13 The ballot shall be printed to provide for voting for or against the
14 proposition: "The constitutional amendment to increase the amount
15 of the residence homestead exemption from ad valorem taxation for
16 public school purposes; to adjust the amount of the limitation on ad
17 valorem taxes for public school purposes imposed on the residence
18 homestead of a person who is disabled or is 65 years of age or older
19 to reflect increases in certain exemption amounts; to establish the
20 property tax relief to rental households fund and authorize the
21 legislature to provide payments to rental households from that fund
22 based on a proportion of rent paid, and to except certain
23 appropriations to pay for school district ad valorem tax relief and
24 property tax relief payments to rental households from the
25 constitutional limitation on the rate of growth of appropriations."