

By: Bettencourt, et al.

S.J.R. No. 1

1 SENATE JOINT RESOLUTION

2 proposing a constitutional amendment to increase the amount of the  
3 exemption from ad valorem taxation by a school district applicable  
4 to residence homesteads, to adjust 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 increases in  
7 certain exemption amounts, to provide supplemental payments to  
8 full-time classroom teachers in school districts, and to except  
9 certain appropriations to pay for school district ad valorem tax  
10 relief from the constitutional limitation on the rate of growth of  
11 appropriations.

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

13 SECTION 1. Article VII, Texas Constitution, is amended by  
14 adding Section 21 to read as follows:

15 Sec. 21. (a) A school district is entitled to state  
16 funding for the 2023-2024 and 2024-2025 school years for each  
17 full-time classroom teacher employed by the district in the  
18 applicable school year as follows:

19 (1) if the district has 20,000 or more students  
20 enrolled in the preceding school year, \$2,000 per full-time  
21 classroom teacher; and

22 (2) if the district has fewer than 20,000 students  
23 enrolled in the preceding school year, \$6,000 per full-time  
24 classroom teacher.

1        (b) A school district shall use money received under this  
2 section to provide a supplemental payment to each full-time  
3 classroom teacher in the district for the applicable school year in  
4 the amount received per full-time classroom teacher under  
5 Subsection (a) of this section.

6        (c) For each school year for which this section provides for  
7 supplemental payments for full-time classroom teachers, there is  
8 appropriated from the general revenue fund to the Texas Education  
9 Agency the amount necessary to fund the supplemental payments  
10 provided by this section. The agency shall distribute the money to  
11 school districts in the amount required to fund the supplemental  
12 payments.

13        (d) This section expires September 1, 2025.

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

16        (c) The amount of \$100,000 [~~\$40,000~~] of the market value of  
17 the residence homestead of a married or unmarried adult, including  
18 one living alone, is exempt from ad valorem taxation for general  
19 elementary and secondary public school purposes. The legislature  
20 by general law may provide that all or part of the exemption does  
21 not apply to a district or political subdivision that imposes ad  
22 valorem taxes for public education purposes but is not the  
23 principal school district providing general elementary and  
24 secondary public education throughout its territory. In addition  
25 to this exemption, the legislature by general law may exempt an  
26 amount not to exceed \$10,000 of the market value of the residence  
27 homestead of a person who is disabled as defined in Subsection (b)

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

27 (d) Except as otherwise provided by this subsection, if a

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

1 rate for general elementary and secondary public school purposes  
2 applicable to the residence homestead. For a residence homestead  
3 subject to the limitation provided by this subsection in the 2014  
4 tax year or an earlier tax year, the legislature shall provide for a  
5 reduction in the amount of the limitation for the 2015 tax year and  
6 subsequent tax years in an amount equal to \$10,000 multiplied by the  
7 2015 tax rate for general elementary and secondary public school  
8 purposes applicable to the residence homestead. For a residence  
9 homestead subject to the limitation provided by this subsection in  
10 the 2021 tax year or an earlier tax year, the legislature shall  
11 provide for a reduction in the amount of the limitation for the 2023  
12 tax year and subsequent tax years in an amount equal to \$15,000  
13 multiplied by the 2022 tax rate for general elementary and  
14 secondary public school purposes applicable to the residence  
15 homestead. Beginning with the 2023 tax year, for any tax year in  
16 which the amount of the exemption provided by Subsection (c) of this  
17 section applicable to the residence homestead of a married or  
18 unmarried adult, including one living alone, or the amount of the  
19 exemption provided by Subsection (c) of this section applicable to  
20 the residence homestead of a person who is disabled as defined by  
21 Subsection (b) of this section and of a person 65 years of age or  
22 older is increased, the legislature shall provide for a reduction  
23 for that tax year and subsequent tax years in the amount of the  
24 limitation provided by this subsection applicable to a residence  
25 homestead that was subject to the limitation in the tax year  
26 preceding the tax year in which the amount of the exemption is  
27 increased in an amount equal to the amount by which the amount of

1 the exemption is increased multiplied by the tax rate for general  
2 elementary and secondary public school purposes applicable to the  
3 residence homestead for the tax year in which the amount of the  
4 exemption is increased.

5 SECTION 3. Section 22, Article VIII, Texas Constitution, is  
6 amended by adding Subsection (a-1) to read as follows:

7 (a-1) Appropriations from state tax revenues not dedicated  
8 by this constitution that are made for the purpose of paying for  
9 school district ad valorem tax relief as identified by the  
10 legislature by general law are not included as appropriations for  
11 purposes of determining whether the rate of growth of  
12 appropriations exceeds the limitation prescribed by Subsection (a)  
13 of this section.

14 SECTION 4. The following temporary provision is added to  
15 the Texas Constitution:

16 TEMPORARY PROVISION. (a) This temporary provision applies  
17 to the constitutional amendment proposed by the 88th Legislature,  
18 2nd Called Session, 2023, to increase the amount of the exemption  
19 from ad valorem taxation by a school district applicable to  
20 residence homesteads, to adjust the amount of the limitation on  
21 school district ad valorem taxes imposed on the residence  
22 homesteads of the elderly or disabled to reflect increases in  
23 certain exemption amounts, and to except certain appropriations to  
24 pay for school district ad valorem tax relief from the  
25 constitutional limitation on the rate of growth of appropriations.

26 (b) The amendments to Sections 1-b(c) and (d), Article VIII,  
27 of this constitution take effect for the tax year beginning January

1 1, 2023.

2 (c) The amendment to Section 22, Article VIII, of this  
3 constitution applies to appropriations made for the state fiscal  
4 biennium beginning September 1, 2023, and subsequent state fiscal  
5 bienniums.

6 (d) This temporary provision expires January 1, 2025.

7 SECTION 5. This proposed constitutional amendment shall be  
8 submitted to the voters at an election to be held November 7, 2023.  
9 The ballot shall be printed to provide for voting for or against the  
10 proposition: "The constitutional amendment to increase the amount  
11 of the residence homestead exemption from ad valorem taxation for  
12 public school purposes from \$40,000 to \$100,000; to adjust the  
13 amount of the limitation on ad valorem taxes for public school  
14 purposes imposed on the residence homestead of a person who is  
15 disabled or is 65 years of age or older to reflect increases in  
16 certain exemption amounts; to provide supplemental payments to  
17 full-time classroom teachers in school districts; and to except  
18 certain appropriations to pay for school district ad valorem tax  
19 relief from the constitutional limitation on the rate of growth of  
20 appropriations."