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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. _____

BY: Martinez Fischer

1 Amend C.S.H.J.R. No. 1 (house committee report) as follows:

2 (1) On page 1, line 15, strike "105" and substitute "107.5".

3 (2) Strike SECTION 3 of the substitute (page 2, lines 20-27)

4 and substitute the following appropriately numbered SECTIONS:

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

7 (c) The amount of \$70,000 [~~\$40,000~~] of the market value of
8 the residence homestead of a married or unmarried adult, including
9 one living alone, is exempt from ad valorem taxation for general
10 elementary and secondary public school purposes. The legislature
11 by general law may provide that all or part of the exemption does
12 not apply to a district or political subdivision that imposes ad
13 valorem taxes for public education purposes but is not the
14 principal school district providing general elementary and
15 secondary public education throughout its territory. In addition
16 to this exemption, the legislature by general law may exempt an
17 amount not to exceed \$30,000 [~~\$10,000~~] of the market value of the
18 residence homestead of a person who is disabled as defined in
19 Subsection (b) of this section and of a person 65 years of age or
20 older from ad valorem taxation for general elementary and secondary
21 public school purposes. The legislature by general law may base the
22 amount of and condition eligibility for the additional exemption
23 authorized by this subsection for disabled persons and for persons
24 65 years of age or older on economic need. An eligible disabled
25 person who is 65 years of age or older may not receive both
26 exemptions from a school district but may choose either. An
27 eligible person is entitled to receive both the exemption required
28 by this subsection for all residence homesteads and any exemption
29 adopted pursuant to Subsection (b) of this section, but the

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

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

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

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

13 SECTION _____. The following temporary provision is added to
14 the Texas Constitution:

15 TEMPORARY PROVISION. (a) This temporary provision applies
16 to the constitutional amendment proposed by H.J.R. 1, 88th
17 Legislature, Regular Session, 2023.

18 (b) The amendments to Sections 1-b(c) and (d), Article VIII,
19 of this constitution take effect for the tax year beginning January
20 1, 2023.

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

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

26 SECTION _____. This proposed constitutional amendment shall
27 be submitted to the voters at an election to be held November 7,
28 2023. The ballot shall be printed to provide for voting for or
29 against the proposition: "The constitutional amendment to
30 authorize the legislature to limit the maximum appraised value of
31 real property for ad valorem tax purposes; to increase the amount of

1 the residence homestead exemption from ad valorem taxation for
2 public school purposes from \$40,000 to \$70,000 and increase the
3 amount of the exemption applicable to the residence homestead of a
4 person who is disabled or is 65 years of age or older from ad valorem
5 taxation for public school purposes from \$10,000 to \$30,000; to
6 adjust the amount of the limitation on ad valorem taxes for public
7 school purposes imposed on the residence homestead of a person who
8 is disabled or is 65 years of age or older to reflect increases in
9 the exemption amounts; and to except certain appropriations to pay
10 for ad valorem tax relief from the constitutional limitation on the
11 rate of growth of appropriations."

12 (3) Renumber the SECTIONS of the substitute as appropriate.