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By:  Toth H.J.R. No. 14

A JOINT RESOLUTION

proposing a constitutional amendment authorizing the legislature to provide that the appraised value of a residence homestead for ad valorem tax purposes for the first tax year that the owner of the property qualifies the property for a residence homestead exemption is the market value of the property and that, if the owner purchased the property, the purchase price of the property is considered to be the market value of the property for that tax year and to limit increases in the appraised value of the homestead for subsequent tax years based on the inflation rate.

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

SECTION 1.  Section 1, Article VIII, Texas Constitution, is amended by amending Subsection (i) and adding Subsections (i-1) and (i-2) to read as follows:

(i)  The legislature by general law may provide that the appraised value of a residence homestead for ad valorem tax purposes for the first tax year that the owner qualifies the property for an exemption under Section 1-b of this article is the market value of the property and that, if the owner acquired the property as a bona fide purchaser for value, the purchase price of the property paid by the owner is considered to be the market value of the property for that tax year. Notwithstanding Subsections (a) and (b) of this section, a general law enacted under this subsection may provide that the appraised value of the property for each subsequent tax year until the tax year in which the limitation authorized by the general law expires is equal to the appraised value of the property for ad valorem tax purposes for the preceding tax year as adjusted by the appraisal entity for the current tax year to reflect any positive change from the preceding tax year in the purchasing power of the dollar for consumers in this state [~~Notwithstanding Subsections (a) and (b) of this section, the Legislature by general law may limit the maximum appraised value of a residence homestead for ad valorem tax purposes in a tax year to the lesser of the most recent market value of the residence homestead as determined by the appraisal entity or 110 percent, or a greater percentage, of the appraised value of the residence homestead for the preceding tax year~~]. A limitation on appraised values authorized by this subsection:

(1)  takes effect as to a residence homestead on the later of the effective date of the law imposing the limitation or January 1 of the first tax year [~~following the first tax year~~] the owner qualifies the property for an exemption under Section 1-b of this article; and

(2)  expires on January 1 of the first tax year that neither the owner of the property when the limitation took effect nor the owner's spouse or surviving spouse qualifies for an exemption under Section 1-b of this article, except that a limitation established under this subsection does not expire if a change in ownership of the property occurs by inheritance or under a will as long as the person who acquires the property qualifies for an exemption under Section 1-b of this article.

(i-1)  A general law enacted under Subsection (i) of this section may provide that, for each tax year, using the index that the comptroller of public accounts considers to most accurately report changes in the purchasing power of the dollar for consumers in this state, the comptroller shall determine and publicize the percentage by which the appraised value of residence homesteads in this state may be increased under Subsection (i) of this section. Each appraisal entity shall use the percentage determined by the comptroller under this subsection to determine the appraised value under Subsection (i) of this section of residence homesteads appraised by that appraisal entity.

(i-2)  A general law enacted under Subsection (i) of this section may provide that if the first tax year an owner of real property qualified the property for an exemption under Section 1-b of this article was a tax year before the tax year in which the general law took effect:

(1)  the property owner is considered to have qualified the property for the exemption for the first time in the tax year preceding the tax year in which the general law took effect; and

(2)  the appraised value of the property as shown on the appraisal roll of the appraisal entity for the tax year preceding the tax year in which the general law took effect is considered to be the market value of the property for that tax year for purposes of Subsection (i) of this section.

SECTION 2.  This proposed constitutional amendment shall be submitted to the voters at an election to be held November 7, 2023. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the legislature to provide that the appraised value of a residence homestead for ad valorem tax purposes for the first tax year that the owner of the property qualifies the property for a residence homestead exemption is the market value of the property and that, if the owner purchased the property, the purchase price of the property is considered to be the market value of the property for that tax year and to limit increases in the appraised value of the homestead for subsequent tax years based on the inflation rate."