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By:  Allison H.J.R. No. 87

A JOINT RESOLUTION

proposing a constitutional amendment authorizing the legislature to limit the maximum appraised value of residential real property for ad valorem tax purposes to 105 percent or more of the appraised value of the property for the preceding tax year, to exempt from ad valorem taxation the total appraised value of property purchased by an individual for the first tax year the individual qualifies the property as the individual's residence homestead if the property is the individual's first residence homestead and has an appraised value of less than $300,000, and to limit the total amount of ad valorem taxes that a political subdivision may impose on the residence homestead of an individual and the surviving spouse of the individual if the individual qualifies the property as the individual's residence homestead for at least 25 consecutive tax years.

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

SECTION 1.  Section 1(i), Article VIII, Texas Constitution, is amended to read as follows:

(i)  Notwithstanding Subsections (a) and (b) of this section, the Legislature by general law may limit the maximum appraised value of residential real property, as defined by the Legislature, [~~a residence homestead~~] for ad valorem tax purposes in a tax year to the lesser of the most recent market value of the property [~~residence homestead~~] as determined by the appraisal entity or 105 [~~110~~] percent, or a greater percentage, of the appraised value of the property [~~residence homestead~~] for the preceding tax year. A limitation on appraised values authorized by this subsection:

(1)  takes effect in the tax year following the first tax year in which the owner owns the property on January 1 [~~as to a residence homestead on the later of the effective date of the law imposing the limitation or January 1 of the 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 following the tax year in which [~~that neither~~] the owner of the property when the limitation took effect ceases to own the property, except that the Legislature by general law may provide for the limitation applicable to a residence homestead to continue during ownership of the property by [~~nor~~] the owner's spouse or surviving spouse [~~qualifies for an exemption under Section 1-b of this article~~].

SECTION 2.  Section 1-b, Article VIII, Texas Constitution, is amended by adding Subsection (w) to read as follows:

(w)  The legislature by general law may provide that an individual who purchases property and qualifies the property as the individual's residence homestead is entitled to an exemption from ad valorem taxation of the total appraised value of the property for the first tax year the individual qualifies the property as the individual's residence homestead if the property is the first property the individual has ever qualified as the individual's residence homestead and has an appraised value of less than $300,000 for that first tax year. Where ad valorem tax of a political subdivision has previously been pledged for the payment of debt, the taxing officers of the political subdivision may continue to levy and collect the tax against the value of residence homesteads exempted under this subsection until the debt is discharged if the cessation of the levy would impair the obligation of the contract by which the debt was created. The legislature shall provide for formulas to protect school districts against all or part of the revenue loss incurred by the implementation of this subsection. The legislature by general law may prescribe procedures for the administration of this subsection.

SECTION 3.  Article VIII, Texas Constitution, is amended by adding Section 1-b-1 to read as follows:

Sec. 1-b-1.  (a)  The legislature by general law may limit the total amount of ad valorem taxes imposed by a political subdivision on the residence homestead of an individual who qualifies the property as the individual's residence homestead for at least 25 consecutive tax years. A law enacted under this section may provide that the taxes imposed by the political subdivision on the residence homestead after that 25th tax year may not exceed the amount of taxes imposed by the political subdivision on the property in that 25th tax year.

(b)  A law enacted under this section may provide that if the first tax year an individual qualified property as the individual's residence homestead was a tax year before the 24th tax year before the tax year in which the law took effect, the individual is considered to have qualified the property as the individual's residence homestead for the first time in the 24th tax year before the tax year in which the law took effect.

(c)  A law enacted under this section may provide that the total amount of ad valorem taxes imposed by a political subdivision on a residence homestead may not be increased while the property remains the residence homestead of the surviving spouse of an individual who dies in a tax year in which the taxes on the property are subject to the limitation authorized by Subsection (a) of this section.

(d)  Notwithstanding Subsection (a) or (c) of this section, a law enacted under this section may provide that taxes on a residence homestead subject to the limitation authorized by this section may be increased to the extent the value of the residence homestead is increased by an improvement made to the property, other than:

(1)  a repair; or

(2)  an improvement made to comply with a governmental requirement.

(e)  A law enacted under this section may prescribe:

(1)  additional eligibility requirements for the tax limitation authorized by this section; and

(2)  procedures for the administration of the limitation.

SECTION 4.  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 limit the maximum appraised value of residential real property for ad valorem tax purposes to 105 percent or more of the appraised value of the property for the preceding tax year, to exempt from ad valorem taxation the total appraised value of property purchased by an individual for the first tax year the individual qualifies the property as the individual's residence homestead if the property is the individual's first residence homestead and has an appraised value of less than $300,000, and to limit the total amount of ad valorem taxes that a political subdivision may impose on the residence homestead of an individual and the surviving spouse of the individual if the individual qualifies the property as the individual's residence homestead for at least 25 consecutive tax years."