By:  Blanco S.J.R. No. 31

A JOINT RESOLUTION

proposing a constitutional amendment authorizing the governing body of a political subdivision other than a school district to adopt an exemption from ad valorem taxation of a portion, expressed as a dollar amount, of the market value of an individual's residence homestead.

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

SECTION 1.  Section 1-b, Article VIII, Texas Constitution, is amended by adding Subsections (q), (r), and (s) to read as follows:

(q)  The governing body of a political subdivision other than a school district by official action may exempt from ad valorem taxation a portion of the market value of the residence homestead of an individual. The amount of the exemption is $14,000 except that if the average market value of residence homesteads in the political subdivision in the tax year in which the exemption is adopted exceeds $70,000, the governing body may authorize an exemption in a larger dollar amount not to exceed an amount equal to 20 percent of the average market value of residence homesteads in the political subdivision in the tax year in which the exemption is adopted. The legislature by general law shall specify the method for computing the average market value of residence homesteads for purposes of this subsection. The legislature by general law may prohibit the governing body of a political subdivision that adopts an exemption under this subsection from reducing the amount of or repealing the exemption. Where ad valorem tax has previously been pledged for the payment of debt, the governing body may continue to levy and collect the tax against the value of the 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.

(r)  The exemption amount and the average market value of residence homesteads amount described in Subsection (q) of this section apply to the 2024 tax year. For each subsequent tax year, the comptroller shall adjust those amounts to reflect inflation by using the index that the comptroller considers to most accurately report changes in the purchasing power of the dollar for consumers in this state and shall publicize the adjusted amounts.

(s)  This subsection applies only to a political subdivision the governing body of which has ceased granting an exemption under Subsection (e) of this section, if doing so is not prohibited by the legislature by general law, and has adopted an exemption under Subsection (q) of this section. An individual who would have been entitled to an exemption from ad valorem taxation by the political subdivision under Subsection (e) of this section had the governing body not ceased granting an exemption under that subsection is entitled to continue to receive an exemption under that subsection in lieu of the exemption under Subsection (q) of this section if the individual otherwise qualifies for the exemption under Subsection (e) of this section and the amount of the exemption under that subsection exceeds the amount of the exemption under Subsection (q) of this section. The exemption applies only to property for which the individual received an exemption under Subsection (e) of this section in the last tax year in which the governing body granted an exemption under that subsection. The exemption expires in the event of a change in ownership of the property or, if the property is owned by a trust and the trustor of the trust or a beneficiary of the trust has the right to use and occupy the property as the trustor's or beneficiary's principal residential property, a change in the trustor or beneficiary of the trust, respectively.

SECTION 2.  The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION.  (a) This temporary provision applies to the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, authorizing the governing body of a political subdivision other than a school district to adopt an exemption from ad valorem taxation of a portion, expressed as a dollar amount, of the market value of an individual's residence homestead.

(b)  The amendment to Section 1-b, Article VIII, of this constitution takes effect beginning with the tax year that begins January 1, 2024.

(c)  This temporary provision expires January 1, 2025.

SECTION 3.  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 governing body of a political subdivision other than a school district to adopt an exemption from ad valorem taxation of a portion, expressed as a dollar amount, of the market value of an individual's residence homestead."