88R6591 RDS-D

By:  Middleton S.J.R. No. 78

A JOINT RESOLUTION

proposing a constitutional amendment exempting tangible personal property from ad valorem taxation.

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

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

(b)  All real property [~~and tangible personal property~~] in this State, unless exempt as required or permitted by this Constitution, whether owned by natural persons or corporations, other than municipal, shall be taxed in proportion to its value, which shall be ascertained as may be provided by law. All tangible personal property in this State is exempt from ad valorem taxation, except as provided by Subsection (b-1) of this section.

(b-1)  If before January 1, 2024, an ad valorem tax on tangible personal property is pledged for the payment of a debt, the appropriate tax authorities may continue to levy and collect the tax against that tangible personal property at the same rate as the pledged tax until the debt is discharged, if cessation of the levy and collection of the tax would impair the obligation of the contract by which the debt was created. This subsection applies to tangible personal property that was taxable under the law in effect on January 1, 2023, but that became exempt under Subsection (b) of this section on January 1, 2024, as a result of the amendment of this section adopted by the voters in 2023 to exempt all tangible personal property from ad valorem taxation.

SECTION 2.  Section 8, Article VIII, Texas Constitution, is amended to read as follows:

Sec. 8.  All real property of railroad companies shall be assessed, and the taxes collected in the several counties in which said real property is situated, including so much of the roadbed and fixtures as shall be in each county. [~~The rolling stock may be assessed in gross in the county where the principal office of the company is located, and the county tax paid upon it shall be apportioned as provided by general law in proportion to the distance such road may run through any such county, among the several counties through which the road passes, as a part of their tax assets.~~]

SECTION 3.  The following provisions of Article VIII, Texas Constitution, are repealed:

(1)  Sections 1(d), (e), and (g);

(2)  Section 1-i;

(3)  Section 1-j;

(4)  Section 1-n, as proposed by S.J.R. 47, 77th Legislature, Regular Session, 2001;

(5)  Section 1-n, as proposed by S.J.R. 6, 77th Legislature, Regular Session, 2001;

(6)  Section 1-p;

(7)  Section 19; and

(8)  Section 19a.

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

TEMPORARY PROVISION. The constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, exempting tangible personal property from ad valorem taxation takes effect January 1, 2024, and applies only to taxes imposed on or after that date. This temporary provision expires January 1, 2025.

SECTION 5.  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 exempting all tangible personal property in this state from ad valorem taxation."