

By: Toth

H.J.R. No. 14

A JOINT RESOLUTION

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

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

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

14 (i) The legislature by general law may provide that the
15 appraised value of a residence homestead for ad valorem tax
16 purposes for the first tax year that the owner qualifies the
17 property for an exemption under Section 1-b of this article is the
18 market value of the property and that, if the owner acquired the
19 property as a bona fide purchaser for value, the purchase price of
20 the property paid by the owner is considered to be the market value
21 of the property for that tax year. Notwithstanding Subsections (a)
22 and (b) of this section, a general law enacted under this subsection
23 may provide that the appraised value of the property for each
24 subsequent tax year until the tax year in which the limitation

1 authorized by the general law expires is equal to the appraised
2 value of the property for ad valorem tax purposes for the preceding
3 tax year as adjusted by the appraisal entity for the current tax
4 year to reflect any positive change from the preceding tax year in
5 the purchasing power of the dollar for consumers in this state
6 ~~[Notwithstanding Subsections (a) and (b) of this section, the~~
7 ~~Legislature by general law may limit the maximum appraised value of~~
8 ~~a residence homestead for ad valorem tax purposes in a tax year to~~
9 ~~the lesser of the most recent market value of the residence~~
10 ~~homestead as determined by the appraisal entity or 110 percent, or a~~
11 ~~greater percentage, of the appraised value of the residence~~
12 ~~homestead for the preceding tax year].~~ A limitation on appraised
13 values authorized by this subsection:

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

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

27 (i-1) A general law enacted under Subsection (i) of this

1 section may provide that, for each tax year, using the index that
2 the comptroller of public accounts considers to most accurately
3 report changes in the purchasing power of the dollar for consumers
4 in this state, the comptroller shall determine and publicize the
5 percentage by which the appraised value of residence homesteads in
6 this state may be increased under Subsection (i) of this section.
7 Each appraisal entity shall use the percentage determined by the
8 comptroller under this subsection to determine the appraised value
9 under Subsection (i) of this section of residence homesteads
10 appraised by that appraisal entity.

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

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

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

24 SECTION 2. This proposed constitutional amendment shall be
25 submitted to the voters at an election to be held November 7, 2023.
26 The ballot shall be printed to permit voting for or against the
27 proposition: "The constitutional amendment authorizing the

1 legislature to provide that the appraised value of a residence
2 homestead for ad valorem tax purposes for the first tax year that
3 the owner of the property qualifies the property for a residence
4 homestead exemption is the market value of the property and that, if
5 the owner purchased the property, the purchase price of the
6 property is considered to be the market value of the property for
7 that tax year and to limit increases in the appraised value of the
8 homestead for subsequent tax years based on the inflation rate."