

By: Raymond

H.J.R. No. 44

A JOINT RESOLUTION

1 proposing a constitutional amendment to appropriate money from the
2 general revenue fund to the foundation school fund and use the money
3 to finance a temporary increase in the amount of the exemption of
4 residence homesteads from ad valorem taxation by a school district
5 and a temporary reduction in the amount of the limitation on school
6 district ad valorem taxes imposed on the residence homesteads of
7 the elderly or disabled to reflect the increased exemption amount.

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

9 SECTION 1. Section 1-b, Article VIII, Texas Constitution,
10 is amended by amending Subsections (c) and (d) and adding
11 Subsection (q) to read as follows:

12 (c) Except as otherwise provided by this subsection, the
13 [The] amount of \$40,000 of the market value of the residence
14 homestead of a married or unmarried adult, including one living
15 alone, is exempt from ad valorem taxation for general elementary
16 and secondary public school purposes. For the 2024 tax year, the
17 amount of \$360,000 of the market value of the residence homestead of
18 such a person is exempt from ad valorem taxation for those purposes.

19 The legislature by general law may provide that all or part of the
20 exemption does not apply to a district or political subdivision
21 that imposes ad valorem taxes for public education purposes but is
22 not the principal school district providing general elementary and
23 secondary public education throughout its territory. In addition
24 to this exemption, the legislature by general law may exempt an

1 amount not to exceed \$10,000 of the market value of the residence
2 homestead of a person who is disabled as defined in Subsection (b)
3 of this section and of a person 65 years of age or older from ad
4 valorem taxation for general elementary and secondary public school
5 purposes. The legislature by general law may base the amount of
6 and condition eligibility for the additional exemption authorized
7 by this subsection for disabled persons and for persons 65 years of
8 age or older on economic need. An eligible disabled person who is
9 65 years of age or older may not receive both exemptions from a
10 school district but may choose either. An eligible person is
11 entitled to receive both the exemption required by this subsection
12 for all residence homesteads and any exemption adopted pursuant to
13 Subsection (b) of this section, but the legislature shall provide
14 by general law whether an eligible disabled or elderly person may
15 receive both the additional exemption for the elderly and disabled
16 authorized by this subsection and any exemption for the elderly or
17 disabled adopted pursuant to Subsection (b) of this section. Where
18 ad valorem tax has previously been pledged for the payment of debt,
19 the taxing officers of a school district may continue to levy and
20 collect the tax against the value of homesteads exempted under this
21 subsection until the debt is discharged if the cessation of the levy
22 would impair the obligation of the contract by which the debt was
23 created. The legislature shall provide for formulas to protect
24 school districts against all or part of the revenue loss incurred by
25 the implementation of this subsection, Subsection (d) of this
26 section, and Section 1-d-1 of this article. The legislature by
27 general law may define residence homestead for purposes of this

1 section.

2 (d) Except as otherwise provided by this subsection, if a
3 person receives a residence homestead exemption prescribed by
4 Subsection (c) of this section for homesteads of persons who are 65
5 years of age or older or who are disabled, the total amount of ad
6 valorem taxes imposed on that homestead for general elementary and
7 secondary public school purposes may not be increased while it
8 remains the residence homestead of that person or that person's
9 spouse who receives the exemption. If a person who is 65 years of
10 age or older or who is disabled dies in a year in which the person
11 received the exemption, the total amount of ad valorem taxes
12 imposed on the homestead for general elementary and secondary
13 public school purposes may not be increased while it remains the
14 residence homestead of that person's surviving spouse if the spouse
15 is 55 years of age or older at the time of the person's death,
16 subject to any exceptions provided by general law. The
17 legislature, by general law, may provide for the transfer of all or
18 a proportionate amount of a limitation provided by this subsection
19 for a person who qualifies for the limitation and establishes a
20 different residence homestead. However, taxes otherwise limited by
21 this subsection may be increased to the extent the value of the
22 homestead is increased by improvements other than repairs or
23 improvements made to comply with governmental requirements and
24 except as may be consistent with the transfer of a limitation under
25 this subsection. For a residence homestead subject to the
26 limitation provided by this subsection in the 1996 tax year or an
27 earlier tax year, the legislature shall provide for a reduction in

1 the amount of the limitation for the 1997 tax year and subsequent
2 tax years in an amount equal to \$10,000 multiplied by the 1997 tax
3 rate for general elementary and secondary public school purposes
4 applicable to the residence homestead. For a residence homestead
5 subject to the limitation provided by this subsection in the 2014
6 tax year or an earlier tax year, the legislature shall provide for a
7 reduction in the amount of the limitation for the 2015 tax year and
8 subsequent tax years in an amount equal to \$10,000 multiplied by the
9 2015 tax rate for general elementary and secondary public school
10 purposes applicable to the residence homestead. For a residence
11 homestead subject to the limitation provided by this subsection in
12 the 2023 tax year or an earlier tax year, the legislature shall
13 provide for a reduction in the amount of the limitation for the 2024
14 tax year in an amount equal to \$320,000 multiplied by the 2024 tax
15 rate for general elementary and secondary public school purposes
16 applicable to the residence homestead. For a residence homestead
17 subject to the limitation provided by this subsection in the 2024
18 tax year, the legislature shall provide for an increase in the
19 amount of the limitation for the 2025 tax year and subsequent tax
20 years in an amount equal to \$320,000 multiplied by the 2024 tax rate
21 for general elementary and secondary public school purposes
22 applicable to the residence homestead.

23 (g) On December 1, 2023, \$20 billion of the unobligated and
24 otherwise unappropriated balance of the general revenue fund is
25 appropriated to the foundation school fund to finance for the 2024
26 tax year a temporary increase in the amount of the exemption of
27 residence homesteads from ad valorem taxation for general

1 elementary and secondary public school purposes under Subsection
2 (c) of this section and a temporary reduction in the amount of the
3 limitation on the total amount of ad valorem taxes for general
4 elementary and secondary public school purposes imposed on the
5 residence homesteads of the elderly or disabled under Subsection
6 (d) of this section to reflect the increased exemption amount. This
7 subsection expires December 31, 2024.

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

10 TEMPORARY PROVISION. (a) This temporary provision applies
11 to the constitutional amendment proposed by the 88th Legislature,
12 Regular Session, 2023, to appropriate money from the general
13 revenue fund to the foundation school fund and use the money to
14 finance a temporary increase in the amount of the exemption of
15 residence homesteads from ad valorem taxation by a school district
16 and a temporary reduction in the amount of the limitation on school
17 district ad valorem taxes imposed on the residence homesteads of
18 the elderly or disabled to reflect the increased exemption amount.

19 (b) The amendments to Sections 1-b(c) and (d), Article VIII,
20 of this constitution take effect for the tax year beginning January
21 1, 2024.

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

23 SECTION 3. This proposed constitutional amendment shall be
24 submitted to the voters at an election to be held November 7, 2023.
25 The ballot shall be printed to permit voting for or against the
26 proposition: "The constitutional amendment to appropriate money
27 from the general revenue fund to the foundation school fund and use

1 the money to finance a temporary increase in the amount of the
2 exemption of residence homesteads from ad valorem taxation by a
3 school district and a temporary reduction in the amount of the
4 limitation on school district ad valorem taxes imposed on the
5 residence homesteads of the elderly or disabled to reflect the
6 increased exemption amount."