

By: Bettencourt, et al.

S.J.R. No. 3

A JOINT RESOLUTION

1 proposing a constitutional amendment to increase the amount of the
2 exemption of residence homesteads from ad valorem taxation by a
3 school district and to adjust the amount of the limitation on school
4 district ad valorem taxes imposed on the residence homesteads of
5 the elderly or disabled to reflect increases in the exemption
6 amount.

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

8 SECTION 1. Sections 1-b(c) and (d), Article VIII, Texas
9 Constitution, are amended to read as follows:

10 (c) The amount of \$70,000 [~~\$40,000~~] of the market value of
11 the residence homestead of a married or unmarried adult, including
12 one living alone, is exempt from ad valorem taxation for general
13 elementary and secondary public school purposes. The legislature
14 by general law may provide that all or part of the exemption does
15 not apply to a district or political subdivision that imposes ad
16 valorem taxes for public education purposes but is not the
17 principal school district providing general elementary and
18 secondary public education throughout its territory. In addition
19 to this exemption, the legislature by general law may exempt an
20 amount not to exceed \$10,000 of the market value of the residence
21 homestead of a person who is disabled as defined in Subsection (b)
22 of this section and of a person 65 years of age or older from ad
23 valorem taxation for general elementary and secondary public school
24 purposes. The legislature by general law may base the amount of and

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

24 (d) Except as otherwise provided by this subsection, if a
25 person receives a residence homestead exemption prescribed by
26 Subsection (c) of this section for homesteads of persons who are 65
27 years of age or older or who are disabled, the total amount of ad

1 valorem taxes imposed on that homestead for general elementary and
2 secondary public school purposes may not be increased while it
3 remains the residence homestead of that person or that person's
4 spouse who receives the exemption. If a person who is 65 years of
5 age or older or who is disabled dies in a year in which the person
6 received the exemption, the total amount of ad valorem taxes
7 imposed on the homestead for general elementary and secondary
8 public school purposes may not be increased while it remains the
9 residence homestead of that person's surviving spouse if the spouse
10 is 55 years of age or older at the time of the person's death,
11 subject to any exceptions provided by general law. The
12 legislature, by general law, may provide for the transfer of all or
13 a proportionate amount of a limitation provided by this subsection
14 for a person who qualifies for the limitation and establishes a
15 different residence homestead. However, taxes otherwise limited
16 by this subsection may be increased to the extent the value of the
17 homestead is increased by improvements other than repairs or
18 improvements made to comply with governmental requirements and
19 except as may be consistent with the transfer of a limitation under
20 this subsection. For a residence homestead subject to the
21 limitation provided by this subsection in the 1996 tax year or an
22 earlier tax year, the legislature shall provide for a reduction in
23 the amount of the limitation for the 1997 tax year and subsequent
24 tax years in an amount equal to \$10,000 multiplied by the 1997 tax
25 rate for general elementary and secondary public school purposes
26 applicable to the residence homestead. For a residence homestead
27 subject to the limitation provided by this subsection in the 2014

1 tax year or an earlier tax year, the legislature shall provide for a
2 reduction in the amount of the limitation for the 2015 tax year and
3 subsequent tax years in an amount equal to \$10,000 multiplied by the
4 2015 tax rate for general elementary and secondary public school
5 purposes applicable to the residence homestead. For a residence
6 homestead subject to the limitation provided by this subsection in
7 the 2021 tax year or an earlier tax year, the legislature shall
8 provide for a reduction in the amount of the limitation for the 2024
9 tax year and subsequent tax years in an amount equal to \$15,000
10 multiplied by the 2022 tax rate for general elementary and
11 secondary public school purposes applicable to the residence
12 homestead. Beginning with the 2024 tax year, for any tax year in
13 which the amount of the exemption provided by Subsection (c) of this
14 section applicable to the residence homestead of a married or
15 unmarried adult, including one living alone, is increased, the
16 legislature shall provide for a reduction for that tax year and
17 subsequent tax years in the amount of the limitation provided by
18 this subsection applicable to a residence homestead that was
19 subject to the limitation in the tax year preceding the tax year in
20 which the amount of the exemption is increased in an amount equal to
21 the amount by which the amount of the exemption is increased
22 multiplied by the tax rate for general elementary and secondary
23 public school purposes applicable to the residence homestead for
24 the tax year in which the amount of the exemption is increased.

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

27 TEMPORARY PROVISION. (a) This temporary provision applies

1 to the constitutional amendment proposed by the 88th Legislature,
2 Regular Session, 2023, to increase the amount of the exemption of
3 residence homesteads from ad valorem taxation by a school district
4 and to adjust the amount of the limitation on school district ad
5 valorem taxes imposed on the residence homesteads of the elderly or
6 disabled to reflect increases in the exemption amount.

7 (b) The amendments to Sections 1-b(c) and (d), Article VIII,
8 of this constitution take effect for the tax year beginning January
9 1, 2024.

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

11 SECTION 3. This proposed constitutional amendment shall be
12 submitted to the voters at an election to be held November 7, 2023.
13 The ballot shall be printed to permit voting for or against the
14 proposition: "The constitutional amendment to increase the amount
15 of the exemption of residence homesteads from ad valorem taxation
16 by a school district and to adjust the amount of the limitation on
17 school district ad valorem taxes imposed on the residence
18 homesteads of the elderly or disabled to reflect increases in the
19 exemption amount."