

By: Luther

H.J.R. No. 39

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 market value of all new improvements to the
10 property.

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

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

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

1 subsequent tax year until the tax year in which the limitation
 2 authorized by the general law expires is equal to the sum of the
 3 appraised value of the property for ad valorem tax purposes for the
 4 preceding tax year and the market value of all new improvements to
 5 the property [~~Notwithstanding Subsections (a) and (b) of this~~
 6 ~~section, the Legislature by general law may limit the maximum~~
 7 ~~appraised value of a residence homestead for ad valorem tax~~
 8 ~~purposes in a tax year to the lesser of the most recent market value~~
 9 ~~of the residence homestead as determined by the appraisal entity or~~
 10 ~~110 percent, or a greater percentage, of the appraised value of the~~
 11 ~~residence homestead for the preceding tax year]. A limitation on~~
 12 appraised values authorized by this subsection:

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

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

26 (i-1) A general law enacted under Subsection (i) of this
 27 section may provide that if the first tax year an owner of real

1 property qualified the property for an exemption under Section 1-b
2 of this article was a tax year before the tax year in which the
3 general law took effect:

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

7 (2) the appraised value of the property as shown on the
8 appraisal roll of the appraisal entity for the first tax year that
9 the owner qualified the property for the exemption is considered to
10 be the market value of the property for the tax year preceding the
11 tax year in which the general law took effect for purposes of
12 Subsection (i) of this section.

13 SECTION 2. This proposed constitutional amendment shall be
14 submitted to the voters at an election to be held May 2, 2026. The
15 ballot shall be printed to permit voting for or against the
16 proposition: "The constitutional amendment authorizing the
17 legislature to provide that the appraised value of a residence
18 homestead for ad valorem tax purposes for the first tax year that
19 the owner of the property qualifies the property for a residence
20 homestead exemption is the market value of the property and that, if
21 the owner purchased the property, the purchase price of the
22 property is considered to be the market value of the property for
23 that tax year and to limit increases in the appraised value of the
24 homestead for subsequent tax years based on the market value of all
25 new improvements to the property."