

By: _____ .J.R. No. _____

Substitute the following for ____J.R. No. _____:

By: _____ C.S.____.J.R. No. _____

A JOINT RESOLUTION

1 proposing a constitutional amendment to authorize the legislature
2 to limit the maximum appraised value of real property for ad valorem
3 tax purposes, to increase the amount of an exemption from ad valorem
4 taxation by a school district applicable to residence homesteads,
5 to adjust the amount of the limitation on school district ad valorem
6 taxes imposed on the residence homesteads of the elderly or
7 disabled to reflect increases in certain exemption amounts, and to
8 except certain appropriations to pay for ad valorem tax relief from
9 the constitutional limitation on the rate of growth of
10 appropriations.

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) Notwithstanding Subsections (a) and (b) of this
16 section, the Legislature by general law may limit the maximum
17 appraised value of real property [~~a residence homestead~~] for ad
18 valorem tax purposes in a tax year to the lesser of the most recent
19 market value of the property [~~residence homestead~~] as determined by
20 the appraisal entity or 105 [~~110~~] percent, or a greater percentage,
21 of the appraised value of the property [~~residence homestead~~] for
22 the preceding tax year. A limitation on appraised values
23 authorized by this subsection:

24 (1) takes effect in the tax year following the first

1 tax year in which the owner owns the property on January 1 [~~as to a~~
2 ~~residence homestead on the later of the effective date of the law~~
3 ~~imposing the limitation or January 1 of the tax year following the~~
4 ~~first tax year the owner qualifies the property for an exemption~~
5 ~~under Section 1-b of this article~~]; and

6 (2) expires on January 1 of the [~~first~~] tax year
7 following the tax year in which [~~that neither~~] the owner of the
8 property when the limitation took effect ceases to own the
9 property, except that the Legislature by general law may provide
10 for the limitation applicable to a residence homestead to continue
11 during ownership of the property by [~~nor~~] the owner's spouse or
12 surviving spouse [~~qualifies for an exemption under Section 1-b of~~
13 ~~this article~~].

14 (i-1) For purposes of Subsection (i) of this section, the
15 Legislature by general law may define real property, which may
16 include a manufactured or mobile home used as a dwelling.

17 SECTION 2. Sections 1-b(c) and (d), Article VIII, Texas
18 Constitution, are amended to read as follows:

19 (c) The amount of \$100,000 [~~\$40,000~~] of the market value of
20 the residence homestead of a married or unmarried adult, including
21 one living alone, is exempt from ad valorem taxation for general
22 elementary and secondary public school purposes. The legislature
23 by general law may provide that all or part of the exemption does
24 not apply to a district or political subdivision that imposes ad
25 valorem taxes for public education purposes but is not the
26 principal school district providing general elementary and
27 secondary public education throughout its territory. In addition

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

1 general law may define residence homestead for purposes of this
2 section.

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

1 earlier tax year, the legislature shall provide for a reduction in
2 the amount of the limitation for the 1997 tax year and subsequent
3 tax years in an amount equal to \$10,000 multiplied by the 1997 tax
4 rate for general elementary and secondary public school purposes
5 applicable to the residence homestead. For a residence homestead
6 subject to the limitation provided by this subsection in the 2014
7 tax year or an earlier tax year, the legislature shall provide for a
8 reduction in the amount of the limitation for the 2015 tax year and
9 subsequent tax years in an amount equal to \$10,000 multiplied by the
10 2015 tax rate for general elementary and secondary public school
11 purposes applicable to the residence homestead. For a residence
12 homestead subject to the limitation provided by this subsection in
13 the 2021 tax year or an earlier tax year, the legislature shall
14 provide for a reduction in the amount of the limitation for the 2023
15 tax year and subsequent tax years in an amount equal to \$15,000
16 multiplied by the 2022 tax rate for general elementary and
17 secondary public school purposes applicable to the residence
18 homestead. Beginning with the 2023 tax year, for any tax year in
19 which the amount of the exemption provided by Subsection (c) of this
20 section applicable to the residence homestead of a married or
21 unmarried adult, including one living alone, or the amount of the
22 exemption provided by Subsection (c) of this section applicable to
23 the residence homestead of a person who is disabled as defined by
24 Subsection (b) of this section and of a person 65 years of age or
25 older is increased, the legislature shall provide for a reduction
26 for that tax year and subsequent tax years in the amount of the
27 limitation provided by this subsection applicable to a residence

1 homestead that was subject to the limitation in the tax year
2 preceding the tax year in which the amount of the exemption is
3 increased in an amount equal to the amount by which the amount of
4 the exemption is increased multiplied by the tax rate for general
5 elementary and secondary public school purposes applicable to the
6 residence homestead for the tax year in which the amount of the
7 exemption is increased.

8 SECTION 3. Section 22, Article VIII, Texas Constitution, is
9 amended by adding Subsection (a-1) to read as follows:

10 (a-1) Appropriations from state tax revenues not dedicated
11 by this constitution that are made for the purpose of paying for ad
12 valorem tax relief as identified by the legislature by general law
13 are not included as appropriations for purposes of determining
14 whether the rate of growth of appropriations exceeds the limitation
15 prescribed by Subsection (a) of this section.

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

18 TEMPORARY PROVISION. (a) This temporary provision applies
19 to the constitutional amendment proposed by S.J.R. 3, 88th
20 Legislature, Regular Session, 2023.

21 (b) The amendments to Sections 1 and 1-b, Article VIII, of
22 this constitution take effect for the tax year beginning January 1,
23 2023.

24 (c) The amendment to Section 22, Article VIII, of this
25 constitution applies to appropriations made for the state fiscal
26 biennium beginning September 1, 2023, and subsequent state fiscal
27 bienniums.

1 (d) This temporary provision expires January 1, 2025.

2 SECTION 5. This proposed constitutional amendment shall be
3 submitted to the voters at an election to be held November 7, 2023.
4 The ballot shall be printed to provide for voting for or against the
5 proposition: "The constitutional amendment to authorize the
6 legislature to limit the maximum appraised value of real property
7 for ad valorem tax purposes; to increase the amount of the residence
8 homestead exemption from ad valorem taxation for public school
9 purposes from \$40,000 to \$100,000; to adjust the amount of the
10 limitation on ad valorem taxes for public school purposes imposed
11 on the residence homestead of a person who is disabled or is 65
12 years of age or older to reflect increases in certain exemption
13 amounts; and to except certain appropriations to pay for ad valorem
14 tax relief from the constitutional limitation on the rate of growth
15 of appropriations."