

HJR 111 - Real Homestead Exemption from Property Tax

Basic Approach

Remove authorization for forced sales of homesteads for nonpayment of property taxes from the Texas Constitution.

Details

- The Texas Constitution (Article 16, Section 50) currently provides protection of homesteads from forced sales with a few exceptions. The exceptions include mortgages, mechanic liens, and “the taxes due thereon.” In other words, the current Texas Constitution allows forced sales of real property that is the homestead of a family in order to collect back property taxes.
- Article 16, Section 51 of the Texas Constitution defines a homestead as 10 acres plus improvements in a city and 200 acres plus improvements outside a city.
- The proposed constitutional amendment would modify the Article 16, Section 50 of the Texas Constitution as follows:

Sec. 50. PROTECTION OF HOMESTEAD FROM FORCED OR UNAUTHORIZED SALE; EXCEPTIONS; REQUIREMENTS FOR MORTGAGE LOANS AND OTHER OBLIGATIONS SECURED BY HOMESTEAD. (a) The homestead of a family, or of a single adult person, shall be, and is hereby protected from forced sale, for the payment of all debts except for:

(1) the purchase money thereof, or a part of such purchase money;

~~(2) the taxes due thereon;~~

- Also modified is Article 8, Section 15, by adding:

(b) A residence homestead is not subject to seizure or sale for payment of delinquent taxes or penalties. The Legislature by general law may define residence homestead for purpose of this subsection.

- Associated necessary internal reference modifications make up the rest of the changes.

Rationale

No person really owns their home if they can lose it for nonpayment of property taxes. This amendment insures Texans that they will not lose their homes due to nonpayment of property tax.

If this amendment passes, taxing entities will still be able to collect on owed property taxes from non-homestead assets of the property owner. Note that the Texas Constitution prohibits forced sales, but it does not prohibit liens against homestead properties.