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H.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to providing property tax relief through the public school finance system, exemptions, limitations on appraisals and taxes, and property tax administration; authorizing the imposition of a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. SHORT TITLE

SECTION 1.01. This Act may be cited as the Property Tax Relief Act.

ARTICLE 2. SCHOOL DISTRICT TAX RATE COMPRESSION

SECTION 2.01. Subchapter F, Chapter 48, Education Code, is amended by adding Sections 48.2555 and 48.283 to read as follows:

Sec. 48.2555. MAXIMUM COMPRESSED TAX RATE FOR 2023-2024 SCHOOL YEAR. (a) Notwithstanding any other provision of this title or Chapter 26, Tax Code, for the 2023-2024 school year, the commissioner shall calculate the value of a school district's maximum compressed tax rate by determining the district's maximum compressed rate under Section 48.2551 or 48.2552(b), if applicable, and reducing the tax rate determined under the applicable section by \$0.107.

(b) If a school district's maximum compressed tax rate as calculated under Subsection (a) would be less than 90 percent of another school district's maximum compressed tax rate under Subsection (a), the district's maximum compressed tax rate is the

1 value at which the district's maximum compressed tax rate would be
2 equal to 90 percent of the other district's maximum compressed tax
3 rate.

4 (c) Notwithstanding any other provision of this title or
5 Chapter 26, Tax Code, for purposes of determining funding for
6 school districts for the 2023-2024 school year, a reference in any
7 of the following provisions of law to a school district's maximum
8 compressed tax rate or maximum compressed rate as determined under
9 Section 48.2551 means the maximum compressed tax rate determined
10 for the district under this section:

- 11 (1) Section 13.054(f);
- 12 (2) Section 45.003(d);
- 13 (3) Section 45.0032(a);
- 14 (4) Section 48.051(a);
- 15 (5) Sections 48.2553(a) and (e);
- 16 (6) Section 48.2556; and
- 17 (7) Section 26.08(n), Tax Code.

18 (d) For purposes of Section 30.003(f-1), a reference in that
19 section to Section 48.2551 includes this section.

20 (e) Notwithstanding any other provision of this title, for
21 purposes of determining a school district's maximum compressed tax
22 rate under Section 48.2551 for the 2024-2025 school year, the value
23 of the district's "PYMCR" is the maximum compressed tax rate
24 determined for the district under this section for the preceding
25 school year.

26 (f) This section expires September 1, 2025.

27 Sec. 48.283. ADDITIONAL STATE AID FOR CERTAIN DISTRICTS

1 IMPACTED BY COMPRESSION. A school district that received an
2 adjustment under Section 48.257(b) for the 2022-2023 school year is
3 entitled to additional state aid for each school year in an amount
4 equal to the amount of that adjustment for the 2022-2023 school year
5 less the difference, if the difference is greater than zero,
6 between:

7 (1) the amount to which the district is entitled under
8 this chapter for the current school year; and

9 (2) the amount to which the district would be entitled
10 under this chapter for the current school year if the district's
11 maximum compressed tax rate had not been reduced under Section
12 48.2555, as added by S.B. 2, Acts of the 88th Legislature, 2nd
13 Called Session, 2023.

14 ARTICLE 3. SCHOOL DISTRICT RESIDENCE HOMESTEAD EXEMPTION

15 SECTION 3.01. Section 11.13(b), Tax Code, is amended to
16 read as follows:

17 (b) An adult is entitled to exemption from taxation by a
18 school district of \$100,000 [~~\$40,000~~] of the appraised value of the
19 adult's residence homestead, except that only \$5,000 of the
20 exemption applies to an entity operating under former Chapter 17,
21 18, 25, 26, 27, or 28, Education Code, as those chapters existed on
22 May 1, 1995, as permitted by Section 11.301, Education Code.

23 SECTION 3.02. Section 11.26, Tax Code, is amended by
24 amending Subsections (a), (a-10), and (o) and adding Subsections
25 (a-11) and (a-12) to read as follows:

26 (a) The tax officials shall appraise the property to which
27 this section applies and calculate taxes as on other property, but

1 if the tax so calculated exceeds the limitation imposed by this
2 section, the tax imposed is the amount of the tax as limited by this
3 section, except as otherwise provided by this section. A school
4 district may not increase the total annual amount of ad valorem tax
5 it imposes on the residence homestead of an individual 65 years of
6 age or older or on the residence homestead of an individual who is
7 disabled, as defined by Section 11.13, above the amount of the tax
8 it imposed in the first tax year in which the individual qualified
9 that residence homestead for the applicable exemption provided by
10 Section 11.13(c) for an individual who is 65 years of age or older
11 or is disabled. If the individual qualified that residence
12 homestead for the exemption after the beginning of that first year
13 and the residence homestead remains eligible for the same exemption
14 for the next year, and if the school district taxes imposed on the
15 residence homestead in the next year are less than the amount of
16 taxes imposed in that first year, a school district may not
17 subsequently increase the total annual amount of ad valorem taxes
18 it imposes on the residence homestead above the amount it imposed in
19 the year immediately following the first year for which the
20 individual qualified that residence homestead for the same
21 exemption, except as provided by Subsection (b). ~~[If the first tax~~
22 ~~year the individual qualified the residence homestead for the~~
23 ~~exemption provided by Section 11.13(c) for individuals 65 years of~~
24 ~~age or older or disabled was a tax year before the 2015 tax year, the~~
25 ~~amount of the limitation provided by this section is the amount of~~
26 ~~tax the school district imposed for the 2014 tax year less an amount~~
27 ~~equal to the amount determined by multiplying \$10,000 times the tax~~

1 ~~rate of the school district for the 2015 tax year, plus any 2015 tax~~
2 ~~attributable to improvements made in 2014, other than improvements~~
3 ~~made to comply with governmental regulations or repairs.]~~

4 (a-10) Notwithstanding the other provisions of this
5 section, if in the 2024 or a subsequent tax year an individual
6 qualifies for a limitation on tax increases provided by this
7 section on the individual's residence homestead, the amount of the
8 limitation provided by this section on the homestead is equal to the
9 amount computed by:

10 (1) multiplying the taxable value of the homestead in
11 the preceding tax year by a tax rate equal to the difference between
12 the school district's maximum compressed rate for the preceding tax
13 year and the district's maximum compressed rate for the current tax
14 year;

15 (2) subtracting the amount computed under Subdivision
16 (1) from the amount of tax the district imposed on the homestead in
17 the preceding tax year; ~~and~~

18 (3) adding any tax imposed in the current tax year
19 attributable to improvements made in the preceding tax year as
20 provided by Subsection (b) to the amount computed under Subdivision
21 (2);

22 (4) multiplying the amount of any increase in the
23 current tax year as compared to the preceding tax year in the
24 aggregate amount of the exemptions to which the individual is
25 entitled under Sections 11.13(b) and (c) by the school district's
26 tax rate for the current tax year; and

27 (5) subtracting the amount computed under Subdivision

1 (4) from the amount computed under Subdivision (3).

2 (a-11) This subsection applies only to an individual who in
3 the 2023 tax year qualifies for a limitation under this section and
4 for whom the 2022 tax year or an earlier tax year was the first tax
5 year the individual or the individual's spouse qualified for an
6 exemption under Section 11.13(c). The amount of the limitation
7 provided by this section on the residence homestead of an
8 individual to which this subsection applies for the 2023 tax year is
9 the amount of the limitation as computed under Subsection (a-5),
10 (a-6), (a-7), (a-8), or (a-9) of this section, as applicable, less
11 an amount equal to the product of \$60,000 and the tax rate of the
12 school district for the 2023 tax year. This subsection expires
13 January 1, 2025.

14 (a-12) This subsection applies only to an individual who in
15 the 2023 tax year qualifies for a limitation under this section and
16 for whom the 2021 tax year or an earlier tax year was the first tax
17 year the individual or the individual's spouse qualified for an
18 exemption under Section 11.13(c). The amount of the limitation
19 provided by this section on the residence homestead of an
20 individual to which this subsection applies for the 2023 tax year is
21 the amount of the limitation as computed under Subsection (a-11) of
22 this section less an amount equal to the product of \$15,000 and the
23 tax rate of the school district for the 2022 tax year. This
24 subsection expires January 1, 2025.

25 (o) Notwithstanding Subsections (a)[~~(a-3)~~] and (b), an
26 improvement to property that would otherwise constitute an
27 improvement under Subsection (b) is not treated as an improvement

1 under that subsection if the improvement is a replacement structure
2 for a structure that was rendered uninhabitable or unusable by a
3 casualty or by wind or water damage. For purposes of appraising the
4 property in the tax year in which the structure would have
5 constituted an improvement under Subsection (b), the replacement
6 structure is considered to be an improvement under that subsection
7 only if:

8 (1) the square footage of the replacement structure
9 exceeds that of the replaced structure as that structure existed
10 before the casualty or damage occurred; or

11 (2) the exterior of the replacement structure is of
12 higher quality construction and composition than that of the
13 replaced structure.

14 SECTION 3.03. Section 46.071, Education Code, is amended by
15 amending Subsections (a-1) and (b-1) and adding Subsections (a-2),
16 (b-2), and (c-2) to read as follows:

17 (a-1) For ~~[Beginning with]~~ the 2022-2023 school year, a
18 school district is entitled to additional state aid under this
19 subchapter to the extent that state and local revenue used to
20 service debt eligible under this chapter is less than the state and
21 local revenue that would have been available to the district under
22 this chapter as it existed on September 1, 2021, if any increase in
23 the residence homestead exemption under Section 1-b(c), Article
24 VIII, Texas Constitution, as proposed by the 87th Legislature, 3rd
25 Called Session, 2021, had not occurred.

26 (a-2) Beginning with the 2023-2024 school year, a school
27 district is entitled to additional state aid under this subchapter

1 to the extent that state and local revenue used to service debt
2 eligible under this chapter is less than the state and local revenue
3 that would have been available to the district under this chapter as
4 it existed on September 1, 2022, if any increase in a residence
5 homestead exemption under Section 1-b(c), Article VIII, Texas
6 Constitution, and any additional limitation on tax increases under
7 Section 1-b(d) of that article as proposed by the 88th Legislature,
8 2nd Called Session, 2023, had not occurred.

9 (b-1) Subject to Subsections (c-1), (d), and (e),
10 additional state aid under this section for ~~[beginning with]~~ the
11 2022-2023 school year is equal to the amount by which the loss of
12 local interest and sinking revenue for debt service attributable to
13 any increase in the residence homestead exemption under Section
14 1-b(c), Article VIII, Texas Constitution, as proposed by the 87th
15 Legislature, 3rd Called Session, 2021, is not offset by a gain in
16 state aid under this chapter.

17 (b-2) Subject to Subsections (c-2), (d), and (e),
18 additional state aid under this section beginning with the
19 2023-2024 school year is equal to the amount by which the loss of
20 local interest and sinking revenue for debt service attributable to
21 any increase in a residence homestead exemption under Section
22 1-b(c), Article VIII, Texas Constitution, and any additional
23 limitation on tax increases under Section 1-b(d) of that article as
24 proposed by the 88th Legislature, 2nd Called Session, 2023, is not
25 offset by a gain in state aid under this chapter.

26 (c-2) For the purpose of determining state aid under
27 Subsections (a-2) and (b-2), local interest and sinking revenue for

1 debt service is limited to revenue required to service debt
2 eligible under this chapter as of September 1, 2022, including
3 refunding of that debt, subject to Section 46.061. The limitation
4 imposed by Section 46.034(a) does not apply for the purpose of
5 determining state aid under this section.

6 SECTION 3.04. Section 48.2542, Education Code, is amended
7 to read as follows:

8 Sec. 48.2542. ADDITIONAL STATE AID FOR ADJUSTMENT OF
9 LIMITATION ON TAX INCREASES ON HOMESTEAD OF ELDERLY OR DISABLED.
10 Notwithstanding any other provision of this chapter, if a school
11 district is not fully compensated through state aid or the
12 calculation of excess local revenue under this chapter based on the
13 determination of the district's taxable value of property under
14 Subchapter M, Chapter 403, Government Code, the district is
15 entitled to additional state aid in the amount necessary to fully
16 compensate the district for the amount of ad valorem tax revenue
17 lost due to a reduction of the amount of the limitation on tax
18 increases provided by Sections 11.26(a-4), (a-5), (a-6), (a-7),
19 (a-8), (a-9), ~~[and]~~ (a-10), (a-11), and (a-12), Tax Code, as
20 applicable.

21 SECTION 3.05. Effective January 1, 2025, Section 48.2542,
22 Education Code, is amended to read as follows:

23 Sec. 48.2542. ADDITIONAL STATE AID FOR ADJUSTMENT OF
24 LIMITATION ON TAX INCREASES ON HOMESTEAD OF ELDERLY OR DISABLED.
25 Notwithstanding any other provision of this chapter, if a school
26 district is not fully compensated through state aid or the
27 calculation of excess local revenue under this chapter based on the

1 determination of the district's taxable value of property under
2 Subchapter M, Chapter 403, Government Code, the district is
3 entitled to additional state aid in the amount necessary to fully
4 compensate the district for the amount of ad valorem tax revenue
5 lost due to a reduction of the amount of the limitation on tax
6 increases provided by Section 11.26(a-10) [~~Sections 11.26(a-4),~~
7 ~~(a-5), (a-6), (a-7), (a-8), (a-9), and (a-10)~~], Tax Code [~~as~~
8 ~~applicable~~].

9 SECTION 3.06. Section 48.2543, Education Code, is amended
10 to read as follows:

11 Sec. 48.2543. ADDITIONAL STATE AID FOR HOMESTEAD EXEMPTION.
12 (a) For [~~Beginning with~~] the 2022-2023 school year, a school
13 district is entitled to additional state aid to the extent that
14 state and local revenue under this chapter and Chapter 49 is less
15 than the state and local revenue that would have been available to
16 the district under this chapter and Chapter 49 as those chapters
17 existed on September 1, 2021, if any increase in the residence
18 homestead exemption under Section 1-b(c), Article VIII, Texas
19 Constitution, as proposed by the 87th Legislature, 3rd Called
20 Session, 2021, had not occurred.

21 (a-1) Beginning with the 2023-2024 school year, a school
22 district is entitled to additional state aid to the extent that
23 state and local revenue under this chapter and Chapter 49 is less
24 than the state and local revenue that would have been available to
25 the district under this chapter and Chapter 49 as those chapters
26 existed on September 1, 2022, if any increase in a residence
27 homestead exemption under Section 1-b(c), Article VIII, Texas

1 Constitution, and any additional limitation on tax increases under
2 Section 1-b(d) of that article as proposed by the 88th Legislature,
3 2nd Called Session, 2023, had not occurred.

4 (b) The lesser of the school district's currently adopted
5 maintenance and operations tax rate or the adopted maintenance and
6 operations tax rate for:

7 (1) the 2021 tax year is used for the purpose of
8 determining additional state aid under Subsection (a); and

9 (2) the 2022 tax year is used for the purpose of
10 determining additional state aid under Subsection (a-1).

11 SECTION 3.07. Section 48.2556(a), Education Code, is
12 amended to read as follows:

13 (a) The agency shall post the following information on the
14 agency's Internet website for purposes of allowing the chief
15 appraiser of each appraisal district and the assessor for each
16 school district to make the calculations required by Sections
17 11.26(a-5), (a-6), (a-7), (a-8), (a-9), ~~and~~ (a-10), (a-11), and
18 (a-12), Tax Code:

19 (1) each school district's maximum compressed rate, as
20 determined under Section 48.2551, for each tax year beginning with
21 the 2019 tax year; and

22 (2) each school district's tier one maintenance and
23 operations tax rate, as provided by Section 45.0032(a), for the
24 2018 tax year.

25 SECTION 3.08. Effective January 1, 2025, Section
26 48.2556(a), Education Code, is amended to read as follows:

27 (a) For purposes of allowing the chief appraiser of each

1 appraisal district and the assessor for each school district to
2 make the calculations required by Section 11.26(a-10), Tax Code,
3 the [The] agency shall post [the following information] on the
4 agency's Internet website [for purposes of allowing the chief
5 appraiser of each appraisal district and the assessor for each
6 school district to make the calculations required by Sections
7 11.26(a-5), (a-6), (a-7), (a-8), (a-9), and (a-10), Tax Code:

8 ~~[(1)]~~ each school district's maximum compressed rate,
9 as determined under Section 48.2551, for the current [each] tax
10 year and the preceding [beginning with the 2019] tax year[, and

11 ~~[(2)]~~ ~~each school district's tier one maintenance and~~
12 ~~operations tax rate, as provided by Section 45.0032(a), for the~~
13 ~~2018 tax year].~~

14 SECTION 3.09. Section 49.004, Education Code, is amended by
15 adding Subsections (a-1), (b-1), and (c-1) to read as follows:

16 (a-1) This subsection applies only if the constitutional
17 amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called
18 Session, 2023, is approved by the voters in an election held for
19 that purpose. As soon as practicable after receiving revised
20 property values that reflect adoption of the constitutional
21 amendment, the commissioner shall review the local revenue level of
22 districts in the state and revise as necessary the notifications
23 provided under Subsection (a) for the 2023-2024 school year. This
24 subsection expires September 1, 2024.

25 (b-1) This subsection applies only to a district that has
26 not previously held an election under this chapter. Notwithstanding
27 Subsection (b), a district that enters into an agreement to

1 exercise an option to reduce the district's local revenue level in
2 excess of entitlement under Section 49.002(3), (4), or (5) for the
3 2023-2024 school year may request and, as provided by Section
4 49.0042(a), receive approval from the commissioner to delay the
5 date of the election otherwise required to be ordered before
6 September 1. This subsection expires September 1, 2024.

7 (c-1) Notwithstanding Subsection (c), a district that
8 receives approval from the commissioner to delay an election as
9 provided by Subsection (b-1) may adopt a tax rate for the 2023 tax
10 year before the commissioner certifies that the district has
11 reduced its local revenue level to the level established by Section
12 48.257. This subsection expires September 1, 2024.

13 SECTION 3.10. Subchapter A, Chapter 49, Education Code, is
14 amended by adding Section 49.0042 to read as follows:

15 Sec. 49.0042. TRANSITIONAL PROVISIONS: INCREASED HOMESTEAD
16 EXEMPTION AND LIMITATION ON TAX INCREASES. (a) The commissioner
17 shall approve a district's request under Section 49.004(b-1) to
18 delay the date of an election required under this chapter if the
19 commissioner determines that the district would not have a local
20 revenue level in excess of entitlement if the constitutional
21 amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called
22 Session, 2023, were approved by the voters.

23 (b) The commissioner shall set a date by which each district
24 that receives approval under this section must order the election.

25 (c) Not later than the 2024-2025 school year, the
26 commissioner shall order detachment and annexation of property
27 under Subchapter G or consolidation under Subchapter H as necessary

1 to reduce the district's local revenue level to the level
2 established by Section 48.257 for a district that receives approval
3 under this section and subsequently:

4 (1) fails to hold the election; or

5 (2) does not receive voter approval at the election.

6 (d) This section expires September 1, 2025.

7 SECTION 3.11. Subchapter A, Chapter 49, Education Code, is
8 amended by adding Section 49.0121 to read as follows:

9 Sec. 49.0121. TRANSITIONAL ELECTION DATES. (a) This
10 section applies only to an election under this chapter that occurs
11 during the 2023-2024 school year.

12 (b) Section 49.012 does not apply to a district that
13 receives approval of a request under Section 49.0042. The district
14 shall hold the election on a Tuesday or Saturday on or before a date
15 specified by the commissioner. Section 41.001, Election Code, does
16 not apply to the election.

17 (c) This section expires September 1, 2024.

18 SECTION 3.12. Section 49.154, Education Code, is amended by
19 adding Subsections (a-2) and (a-3) to read as follows:

20 (a-2) Notwithstanding Subsections (a) and (a-1), a district
21 that receives approval of a request under Section 49.0042 shall pay
22 for credit purchased:

23 (1) in equal monthly payments as determined by the
24 commissioner beginning March 15, 2024, and ending August 15, 2024;
25 or

26 (2) in the manner provided by Subsection (a)(2),
27 provided that the district notifies the commissioner of the

1 district's election to pay in that manner not later than March 15,
2 2024.

3 (a-3) Subsection (a-2) and this subsection expire September
4 1, 2024.

5 SECTION 3.13. Section 49.308, Education Code, is amended by
6 adding Subsection (a-1) to read as follows:

7 (a-1) Notwithstanding Subsection (a), for the 2023-2024
8 school year, the commissioner shall order any detachments and
9 annexations of property under this subchapter as soon as
10 practicable after the canvass of the votes on the constitutional
11 amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called
12 Session, 2023. This subsection expires September 1, 2024.

13 SECTION 3.14. Section 403.302, Government Code, is amended
14 by amending Subsection (j-1) and adding Subsection (j-2) to read as
15 follows:

16 (j-1) In the final certification of the study under
17 Subsection (j), the comptroller shall separately identify the final
18 taxable value for each school district as adjusted to account for
19 the reduction of the amount of the limitation on tax increases
20 provided by Section 11.26(a-10) [~~Sections 11.26(a-4), (a-5),~~
21 ~~(a-6), (a-7), (a-8), (a-9), and (a-10)~~], Tax Code[, ~~as applicable~~].

22 (j-2) In the final certification of the study under
23 Subsection (j), the comptroller shall separately identify the final
24 taxable value for each school district as adjusted to account for
25 the reduction of the amount of the limitation on tax increases
26 provided by Sections 11.26(a-5), (a-6), (a-7), (a-8), (a-9),
27 (a-10), (a-11), and (a-12), Tax Code. This subsection expires

1 January 1, 2025.

2 SECTION 3.15. (a) Sections 11.26(a-1), (a-2), and (a-3),
3 Tax Code, are repealed.

4 (b) Effective January 1, 2025, Sections 11.26(a-5), (a-6),
5 (a-7), (a-8), and (a-9), Tax Code, are repealed.

6 SECTION 3.16. Sections 11.13 and 11.26, Tax Code, as
7 amended by this article, apply only to an ad valorem tax year that
8 begins on or after January 1, 2023.

9 ARTICLE 4. LIMITATION ON INCREASES IN VALUE OF REAL PROPERTY OTHER
10 THAN RESIDENCE HOMESTEAD

11 SECTION 4.01. Section 1.12(d), Tax Code, is amended to read
12 as follows:

13 (d) For purposes of this section, the appraisal ratio of
14 property [~~a homestead~~] to which Section 23.23 or 23.231 applies is
15 the ratio of the property's market value as determined by the
16 appraisal district or appraisal review board, as applicable, to the
17 market value of the property according to law. The appraisal ratio
18 is not calculated according to the appraised value of the property
19 as limited by Section 23.23 or 23.231.

20 SECTION 4.02. Effective January 1, 2027, Section 1.12(d),
21 Tax Code, is amended to read as follows:

22 (d) For purposes of this section, the appraisal ratio of a
23 homestead to which Section 23.23 applies is the ratio of the
24 property's market value as determined by the appraisal district or
25 appraisal review board, as applicable, to the market value of the
26 property according to law. The appraisal ratio is not calculated
27 according to the appraised value of the property as limited by

1 Section 23.23.

2 SECTION 4.03. Subchapter B, Chapter 23, Tax Code, is
3 amended by adding Section 23.231 to read as follows:

4 Sec. 23.231. LIMITATION ON APPRAISED VALUE OF REAL PROPERTY
5 OTHER THAN RESIDENCE HOMESTEAD. (a) In this section:

6 (1) "Consumer price index" means the average over a
7 state fiscal year of the Consumer Price Index for All Urban
8 Consumers (CPI-U), U.S. City Average, published monthly by the
9 United States Bureau of Labor Statistics, or its successor in
10 function.

11 (2) "Disaster recovery program" means a disaster
12 recovery program funded with community development block grant
13 disaster recovery money authorized by federal law.

14 (3) "New improvement" means an improvement to real
15 property made after the most recent appraisal of the property that
16 increases the market value of the property and the value of which is
17 not included in the appraised value of the property for the
18 preceding tax year. The term does not include repairs to or
19 ordinary maintenance of an existing structure or the grounds or
20 another feature of the property.

21 (b) This section applies only to real property with an
22 appraised value of not more than the amount determined under
23 Subsection (j) for the tax year in which the property first
24 qualifies for the limitation authorized by this section.

25 (c) This section does not apply to:

26 (1) a residence homestead that qualifies for an
27 exemption under Section 11.13; or

1 (2) property appraised under Subchapter C, D, E, F, G,
2 or H.

3 (d) Notwithstanding the requirements of Section 25.18 and
4 regardless of whether the appraisal office has appraised the
5 property and determined the market value of the property for the tax
6 year, an appraisal office may increase the appraised value of real
7 property to which this section applies for a tax year to an amount
8 not to exceed the lesser of:

9 (1) the market value of the property for the most
10 recent tax year that the market value was determined by the
11 appraisal office; or

12 (2) the sum of:

13 (A) 20 percent of the appraised value of the
14 property for the preceding tax year;

15 (B) the appraised value of the property for the
16 preceding tax year; and

17 (C) the market value of all new improvements to
18 the property.

19 (e) When appraising real property to which this section
20 applies, the chief appraiser shall:

21 (1) appraise the property at its market value; and

22 (2) include in the appraisal records both the market
23 value of the property and the amount computed under Subsection
24 (d)(2).

25 (f) The limitation provided by Subsection (d) takes effect
26 as to a parcel of real property on January 1 of the tax year
27 following the first tax year in which the owner owns the property on

1 January 1. The limitation expires on January 1 of the tax year
2 following the tax year in which the owner of the property ceases to
3 own the property.

4 (g) For purposes of Subsection (f), a person who acquired
5 real property to which this section applies before the 2023 tax year
6 is considered to have acquired the property on January 1, 2023.

7 (h) Notwithstanding Subsections (a) and (d) and except as
8 provided by Subdivision (2) of this subsection, an improvement to
9 real property that would otherwise constitute a new improvement is
10 not treated as a new improvement if the improvement is a replacement
11 structure for a structure that was rendered uninhabitable or
12 unusable by a casualty or by wind or water damage. For purposes of
13 appraising the property under Subsection (d) in the tax year in
14 which the structure would have constituted a new improvement:

15 (1) the appraised value the property would have had in
16 the preceding tax year if the casualty or damage had not occurred is
17 considered to be the appraised value of the property for that year,
18 regardless of whether that appraised value exceeds the actual
19 appraised value of the property for that year as limited by
20 Subsection (d); and

21 (2) the replacement structure is considered to be a
22 new improvement only if:

23 (A) the square footage of the replacement
24 structure exceeds that of the replaced structure as that structure
25 existed before the casualty or damage occurred; or

26 (B) the exterior of the replacement structure is
27 of higher quality construction and composition than that of the

1 replaced structure.

2 (i) Notwithstanding Subsection (h)(2), and only to the
3 extent necessary to satisfy the requirements of a disaster recovery
4 program, a replacement structure described by that subdivision is
5 not considered to be a new improvement if to satisfy the
6 requirements of the disaster recovery program it was necessary
7 that:

8 (1) the square footage of the replacement structure
9 exceed that of the replaced structure as that structure existed
10 before the casualty or damage occurred; or

11 (2) the exterior of the replacement structure be of
12 higher quality construction and composition than that of the
13 replaced structure.

14 (j) For the purpose of Subsection (b), for the 2024 tax
15 year, the amount is \$5 million. For the 2025 tax year, the
16 comptroller shall determine the amount for purposes of Subsection
17 (b) by increasing or decreasing, as applicable, the amount in
18 effect for the 2024 tax year by an amount equal to \$5 million
19 multiplied by the percentage increase or decrease during the
20 preceding state fiscal year in the consumer price index. For each
21 subsequent tax year, the comptroller shall determine the amount for
22 purposes of Subsection (b) by increasing or decreasing, as
23 applicable, the amount in effect for the preceding tax year by an
24 amount equal to that amount multiplied by the percentage increase
25 or decrease during the preceding state fiscal year in the consumer
26 price index, rounded to the nearest \$10,000. The comptroller shall
27 publish the amount in effect for a tax year under this subsection as

1 soon as practicable after January 1 of the tax year.

2 (k) This section expires December 31, 2026.

3 SECTION 4.04. Sections 25.19(b) and (g), Tax Code, are
4 amended to read as follows:

5 (b) The chief appraiser shall separate real from personal
6 property and include in the notice for each:

7 (1) a list of the taxing units in which the property is
8 taxable;

9 (2) the appraised value of the property in the
10 preceding year;

11 (3) the taxable value of the property in the preceding
12 year for each taxing unit taxing the property;

13 (4) the appraised value of the property for the
14 current year, the kind and amount of each exemption and partial
15 exemption, if any, approved for the property for the current year
16 and for the preceding year, and, if an exemption or partial
17 exemption that was approved for the preceding year was canceled or
18 reduced for the current year, the amount of the exemption or partial
19 exemption canceled or reduced;

20 (4-a) a statement of whether the property qualifies for
21 the limitation on appraised value provided by Section 23.231;

22 (5) in italic typeface, the following statement: "The
23 Texas Legislature does not set the amount of your local taxes. Your
24 property tax burden is decided by your locally elected officials,
25 and all inquiries concerning your taxes should be directed to those
26 officials";

27 (6) a detailed explanation of the time and procedure

1 for protesting the value;

2 (7) the date and place the appraisal review board will
3 begin hearing protests;

4 (8) an explanation of the availability and purpose of
5 an informal conference with the appraisal office before a hearing
6 on a protest; and

7 (9) a brief explanation that the governing body of
8 each taxing unit decides whether or not taxes on the property will
9 increase and the appraisal district only determines the value of
10 the property.

11 (g) By April 1 or as soon thereafter as practicable if the
12 property is a single-family residence that qualifies for an
13 exemption under Section 11.13, or by May 1 or as soon thereafter as
14 practicable in connection with any other property, the chief
15 appraiser shall deliver a written notice to the owner of each
16 property not included in a notice required to be delivered under
17 Subsection (a), if the property was reappraised in the current tax
18 year, if the ownership of the property changed during the preceding
19 year, or if the property owner or the agent of a property owner
20 authorized under Section 1.111 makes a written request for the
21 notice. The chief appraiser shall separate real from personal
22 property and include in the notice for each property:

23 (1) the appraised value of the property in the
24 preceding year;

25 (2) the appraised value of the property for the
26 current year and the kind of each partial exemption, if any,
27 approved for the current year;

1 (2-a) a statement of whether the property qualifies for
2 the limitation on appraised value provided by Section 23.231;

3 (3) a detailed explanation of the time and procedure
4 for protesting the value; and

5 (4) the date and place the appraisal review board will
6 begin hearing protests.

7 SECTION 4.05. Effective January 1, 2027, Sections 25.19(b)
8 and (g), Tax Code, are amended to read as follows:

9 (b) The chief appraiser shall separate real from personal
10 property and include in the notice for each:

11 (1) a list of the taxing units in which the property is
12 taxable;

13 (2) the appraised value of the property in the
14 preceding year;

15 (3) the taxable value of the property in the preceding
16 year for each taxing unit taxing the property;

17 (4) the appraised value of the property for the
18 current year, the kind and amount of each exemption and partial
19 exemption, if any, approved for the property for the current year
20 and for the preceding year, and, if an exemption or partial
21 exemption that was approved for the preceding year was canceled or
22 reduced for the current year, the amount of the exemption or partial
23 exemption canceled or reduced;

24 (5) in italic typeface, the following statement: "The
25 Texas Legislature does not set the amount of your local taxes. Your
26 property tax burden is decided by your locally elected officials,
27 and all inquiries concerning your taxes should be directed to those

1 officials";

2 (6) a detailed explanation of the time and procedure
3 for protesting the value;

4 (7) the date and place the appraisal review board will
5 begin hearing protests;

6 (8) an explanation of the availability and purpose of
7 an informal conference with the appraisal office before a hearing
8 on a protest; and

9 (9) a brief explanation that the governing body of
10 each taxing unit decides whether or not taxes on the property will
11 increase and the appraisal district only determines the value of
12 the property.

13 (g) By April 1 or as soon thereafter as practicable if the
14 property is a single-family residence that qualifies for an
15 exemption under Section 11.13, or by May 1 or as soon thereafter as
16 practicable in connection with any other property, the chief
17 appraiser shall deliver a written notice to the owner of each
18 property not included in a notice required to be delivered under
19 Subsection (a), if the property was reappraised in the current tax
20 year, if the ownership of the property changed during the preceding
21 year, or if the property owner or the agent of a property owner
22 authorized under Section 1.111 makes a written request for the
23 notice. The chief appraiser shall separate real from personal
24 property and include in the notice for each property:

25 (1) the appraised value of the property in the
26 preceding year;

27 (2) the appraised value of the property for the

1 current year and the kind of each partial exemption, if any,
2 approved for the current year;

3 (3) a detailed explanation of the time and procedure
4 for protesting the value; and

5 (4) the date and place the appraisal review board will
6 begin hearing protests.

7 SECTION 4.06. Section 25.19, Tax Code, is amended by adding
8 Subsection (o) to read as follows:

9 (o) A notice required under Subsection (a) or (g) to be
10 delivered to the owner of real property other than a single-family
11 residence that qualifies for an exemption under Section 11.13 must
12 include the following statement: "Under Section 23.231, Tax Code,
13 for the 2024, 2025, and 2026 tax years, the appraised value of real
14 property other than a residence homestead for ad valorem tax
15 purposes may not be increased by more than 20 percent each year,
16 with certain exceptions. The limitation provided under Section
17 23.231, Tax Code, expires December 31, 2026. Unless this
18 expiration date is extended by the Texas Legislature, beginning in
19 the 2027 tax year, the limitation provided under Section 23.231,
20 Tax Code, will no longer be in effect and may result in an increase
21 in ad valorem taxes imposed on real property previously subject to
22 the limitation." This subsection expires December 31, 2027.

23 SECTION 4.07. Section 41.41(a), Tax Code, is amended to
24 read as follows:

25 (a) A property owner is entitled to protest before the
26 appraisal review board the following actions:

27 (1) determination of the appraised value of the

1 owner's property or, in the case of land appraised as provided by
2 Subchapter C, D, E, or H, Chapter 23, determination of its appraised
3 or market value;

4 (2) unequal appraisal of the owner's property;

5 (3) inclusion of the owner's property on the appraisal
6 records;

7 (4) denial to the property owner in whole or in part of
8 a partial exemption;

9 (4-a) determination that the owner's property does not
10 qualify for the limitation on appraised value provided by Section
11 23.231;

12 (5) determination that the owner's land does not
13 qualify for appraisal as provided by Subchapter C, D, E, or H,
14 Chapter 23;

15 (6) identification of the taxing units in which the
16 owner's property is taxable in the case of the appraisal district's
17 appraisal roll;

18 (7) determination that the property owner is the owner
19 of property;

20 (8) a determination that a change in use of land
21 appraised under Subchapter C, D, E, or H, Chapter 23, has occurred;
22 or

23 (9) any other action of the chief appraiser, appraisal
24 district, or appraisal review board that applies to and adversely
25 affects the property owner.

26 SECTION 4.08. Effective January 1, 2027, Section 41.41(a),
27 Tax Code, is amended to read as follows:

1 (a) A property owner is entitled to protest before the
2 appraisal review board the following actions:

3 (1) determination of the appraised value of the
4 owner's property or, in the case of land appraised as provided by
5 Subchapter C, D, E, or H, Chapter 23, determination of its appraised
6 or market value;

7 (2) unequal appraisal of the owner's property;

8 (3) inclusion of the owner's property on the appraisal
9 records;

10 (4) denial to the property owner in whole or in part of
11 a partial exemption;

12 (5) determination that the owner's land does not
13 qualify for appraisal as provided by Subchapter C, D, E, or H,
14 Chapter 23;

15 (6) identification of the taxing units in which the
16 owner's property is taxable in the case of the appraisal district's
17 appraisal roll;

18 (7) determination that the property owner is the owner
19 of property;

20 (8) a determination that a change in use of land
21 appraised under Subchapter C, D, E, or H, Chapter 23, has occurred;

22 or

23 (9) any other action of the chief appraiser, appraisal
24 district, or appraisal review board that applies to and adversely
25 affects the property owner.

26 SECTION 4.09. Section 42.26(d), Tax Code, is amended to
27 read as follows:

1 (d) For purposes of this section, the value of the property
2 subject to the suit and the value of a comparable property or sample
3 property that is used for comparison must be the market value
4 determined by the appraisal district when the property is [~~a~~
5 ~~residence homestead~~] subject to the limitation on appraised value
6 imposed by Section [23.23](#) or [23.231](#).

7 SECTION 4.10. Effective January 1, 2027, Section [42.26](#)(d),
8 Tax Code, is amended to read as follows:

9 (d) For purposes of this section, the value of the property
10 subject to the suit and the value of a comparable property or sample
11 property that is used for comparison must be the market value
12 determined by the appraisal district when the property is a
13 residence homestead subject to the limitation on appraised value
14 imposed by Section [23.23](#).

15 SECTION 4.11. Sections [403.302](#)(d) and (i), Government Code,
16 are amended to read as follows:

17 (d) For the purposes of this section, "taxable value" means
18 the market value of all taxable property less:

19 (1) the total dollar amount of any residence homestead
20 exemptions lawfully granted under Section [11.13](#)(b) or (c), Tax
21 Code, in the year that is the subject of the study for each school
22 district;

23 (2) one-half of the total dollar amount of any
24 residence homestead exemptions granted under Section [11.13](#)(n), Tax
25 Code, in the year that is the subject of the study for each school
26 district;

27 (3) the total dollar amount of any exemptions granted

1 before May 31, 1993, within a reinvestment zone under agreements
2 authorized by Chapter 312, Tax Code;

3 (4) subject to Subsection (e), the total dollar amount
4 of any captured appraised value of property that:

5 (A) is within a reinvestment zone created on or
6 before May 31, 1999, or is proposed to be included within the
7 boundaries of a reinvestment zone as the boundaries of the zone and
8 the proposed portion of tax increment paid into the tax increment
9 fund by a school district are described in a written notification
10 provided by the municipality or the board of directors of the zone
11 to the governing bodies of the other taxing units in the manner
12 provided by former Section 311.003(e), Tax Code, before May 31,
13 1999, and within the boundaries of the zone as those boundaries
14 existed on September 1, 1999, including subsequent improvements to
15 the property regardless of when made;

16 (B) generates taxes paid into a tax increment
17 fund created under Chapter 311, Tax Code, under a reinvestment zone
18 financing plan approved under Section 311.011(d), Tax Code, on or
19 before September 1, 1999; and

20 (C) is eligible for tax increment financing under
21 Chapter 311, Tax Code;

22 (5) the total dollar amount of any captured appraised
23 value of property that:

24 (A) is within a reinvestment zone:

25 (i) created on or before December 31, 2008,
26 by a municipality with a population of less than 18,000; and

27 (ii) the project plan for which includes

1 the alteration, remodeling, repair, or reconstruction of a
2 structure that is included on the National Register of Historic
3 Places and requires that a portion of the tax increment of the zone
4 be used for the improvement or construction of related facilities
5 or for affordable housing;

6 (B) generates school district taxes that are paid
7 into a tax increment fund created under Chapter 311, Tax Code; and

8 (C) is eligible for tax increment financing under
9 Chapter 311, Tax Code;

10 (6) the total dollar amount of any exemptions granted
11 under Section 11.251 or 11.253, Tax Code;

12 (7) the difference between the comptroller's estimate
13 of the market value and the productivity value of land that
14 qualifies for appraisal on the basis of its productive capacity,
15 except that the productivity value estimated by the comptroller may
16 not exceed the fair market value of the land;

17 (8) the portion of the appraised value of residence
18 homesteads of individuals who receive a tax limitation under
19 Section 11.26, Tax Code, on which school district taxes are not
20 imposed in the year that is the subject of the study, calculated as
21 if the residence homesteads were appraised at the full value
22 required by law;

23 (9) a portion of the market value of property not
24 otherwise fully taxable by the district at market value because of
25 action required by statute or the constitution of this state, other
26 than Section 11.311, Tax Code, that, if the tax rate adopted by the
27 district is applied to it, produces an amount equal to the

1 difference between the tax that the district would have imposed on
2 the property if the property were fully taxable at market value and
3 the tax that the district is actually authorized to impose on the
4 property, if this subsection does not otherwise require that
5 portion to be deducted;

6 (10) the market value of all tangible personal
7 property, other than manufactured homes, owned by a family or
8 individual and not held or used for the production of income;

9 (11) the appraised value of property the collection of
10 delinquent taxes on which is deferred under Section 33.06, Tax
11 Code;

12 (12) the portion of the appraised value of property
13 the collection of delinquent taxes on which is deferred under
14 Section 33.065, Tax Code;

15 (13) the amount by which the market value of property
16 [~~a residence homestead~~] to which Section 23.23 or 23.231, Tax Code,
17 applies exceeds the appraised value of that property as calculated
18 under Section 23.23 or 23.231, Tax Code, as applicable [~~that~~
19 ~~section~~]; and

20 (14) the total dollar amount of any exemptions granted
21 under Section 11.35, Tax Code.

22 (i) If the comptroller determines in the study that the
23 market value of property in a school district as determined by the
24 appraisal district that appraises property for the school district,
25 less the total of the amounts and values listed in Subsection (d) as
26 determined by that appraisal district, is valid, the comptroller,
27 in determining the taxable value of property in the school district

1 under Subsection (d), shall for purposes of Subsection (d)(13)
 2 subtract from the market value as determined by the appraisal
 3 district of properties [~~residence homesteads~~] to which Section
 4 23.23 or 23.231, Tax Code, applies the amount by which that amount
 5 exceeds the appraised value of those properties as calculated by
 6 the appraisal district under Section 23.23 or 23.231, Tax Code, as
 7 applicable. If the comptroller determines in the study that the
 8 market value of property in a school district as determined by the
 9 appraisal district that appraises property for the school district,
 10 less the total of the amounts and values listed in Subsection (d) as
 11 determined by that appraisal district, is not valid, the
 12 comptroller, in determining the taxable value of property in the
 13 school district under Subsection (d), shall for purposes of
 14 Subsection (d)(13) subtract from the market value as estimated by
 15 the comptroller of properties [~~residence homesteads~~] to which
 16 Section 23.23 or 23.231, Tax Code, applies the amount by which that
 17 amount exceeds the appraised value of those properties as
 18 calculated by the appraisal district under Section 23.23 or 23.231,
 19 Tax Code, as applicable.

20 SECTION 4.12. Effective January 1, 2027, Sections
 21 403.302(d) and (i), Government Code, are amended to read as
 22 follows:

23 (d) For the purposes of this section, "taxable value" means
 24 the market value of all taxable property less:

25 (1) the total dollar amount of any residence homestead
 26 exemptions lawfully granted under Section 11.13(b) or (c), Tax
 27 Code, in the year that is the subject of the study for each school

1 district;

2 (2) one-half of the total dollar amount of any
3 residence homestead exemptions granted under Section 11.13(n), Tax
4 Code, in the year that is the subject of the study for each school
5 district;

6 (3) the total dollar amount of any exemptions granted
7 before May 31, 1993, within a reinvestment zone under agreements
8 authorized by Chapter 312, Tax Code;

9 (4) subject to Subsection (e), the total dollar amount
10 of any captured appraised value of property that:

11 (A) is within a reinvestment zone created on or
12 before May 31, 1999, or is proposed to be included within the
13 boundaries of a reinvestment zone as the boundaries of the zone and
14 the proposed portion of tax increment paid into the tax increment
15 fund by a school district are described in a written notification
16 provided by the municipality or the board of directors of the zone
17 to the governing bodies of the other taxing units in the manner
18 provided by former Section 311.003(e), Tax Code, before May 31,
19 1999, and within the boundaries of the zone as those boundaries
20 existed on September 1, 1999, including subsequent improvements to
21 the property regardless of when made;

22 (B) generates taxes paid into a tax increment
23 fund created under Chapter 311, Tax Code, under a reinvestment zone
24 financing plan approved under Section 311.011(d), Tax Code, on or
25 before September 1, 1999; and

26 (C) is eligible for tax increment financing under
27 Chapter 311, Tax Code;

1 (5) the total dollar amount of any captured appraised
2 value of property that:

3 (A) is within a reinvestment zone:

4 (i) created on or before December 31, 2008,
5 by a municipality with a population of less than 18,000; and

6 (ii) the project plan for which includes
7 the alteration, remodeling, repair, or reconstruction of a
8 structure that is included on the National Register of Historic
9 Places and requires that a portion of the tax increment of the zone
10 be used for the improvement or construction of related facilities
11 or for affordable housing;

12 (B) generates school district taxes that are paid
13 into a tax increment fund created under Chapter 311, Tax Code; and

14 (C) is eligible for tax increment financing under
15 Chapter 311, Tax Code;

16 (6) the total dollar amount of any exemptions granted
17 under Section 11.251 or 11.253, Tax Code;

18 (7) the difference between the comptroller's estimate
19 of the market value and the productivity value of land that
20 qualifies for appraisal on the basis of its productive capacity,
21 except that the productivity value estimated by the comptroller may
22 not exceed the fair market value of the land;

23 (8) the portion of the appraised value of residence
24 homesteads of individuals who receive a tax limitation under
25 Section 11.26, Tax Code, on which school district taxes are not
26 imposed in the year that is the subject of the study, calculated as
27 if the residence homesteads were appraised at the full value

1 required by law;

2 (9) a portion of the market value of property not
3 otherwise fully taxable by the district at market value because of
4 action required by statute or the constitution of this state, other
5 than Section 11.311, Tax Code, that, if the tax rate adopted by the
6 district is applied to it, produces an amount equal to the
7 difference between the tax that the district would have imposed on
8 the property if the property were fully taxable at market value and
9 the tax that the district is actually authorized to impose on the
10 property, if this subsection does not otherwise require that
11 portion to be deducted;

12 (10) the market value of all tangible personal
13 property, other than manufactured homes, owned by a family or
14 individual and not held or used for the production of income;

15 (11) the appraised value of property the collection of
16 delinquent taxes on which is deferred under Section 33.06, Tax
17 Code;

18 (12) the portion of the appraised value of property
19 the collection of delinquent taxes on which is deferred under
20 Section 33.065, Tax Code;

21 (13) the amount by which the market value of a
22 residence homestead to which Section 23.23, Tax Code, applies
23 exceeds the appraised value of that property as calculated under
24 that section; and

25 (14) the total dollar amount of any exemptions granted
26 under Section 11.35, Tax Code.

27 (i) If the comptroller determines in the study that the

1 market value of property in a school district as determined by the
2 appraisal district that appraises property for the school district,
3 less the total of the amounts and values listed in Subsection (d) as
4 determined by that appraisal district, is valid, the comptroller,
5 in determining the taxable value of property in the school district
6 under Subsection (d), shall for purposes of Subsection (d)(13)
7 subtract from the market value as determined by the appraisal
8 district of residence homesteads to which Section 23.23, Tax Code,
9 applies the amount by which that amount exceeds the appraised value
10 of those properties as calculated by the appraisal district under
11 Section 23.23, Tax Code. If the comptroller determines in the
12 study that the market value of property in a school district as
13 determined by the appraisal district that appraises property for
14 the school district, less the total of the amounts and values listed
15 in Subsection (d) as determined by that appraisal district, is not
16 valid, the comptroller, in determining the taxable value of
17 property in the school district under Subsection (d), shall for
18 purposes of Subsection (d)(13) subtract from the market value as
19 estimated by the comptroller of residence homesteads to which
20 Section 23.23, Tax Code, applies the amount by which that amount
21 exceeds the appraised value of those properties as calculated by
22 the appraisal district under Section 23.23, Tax Code.

23 SECTION 4.13. Section 23.231, Tax Code, as added by this
24 article, applies only to the appraisal of real property other than a
25 residence homestead for ad valorem tax purposes for a tax year that
26 begins on or after the effective date of this article.

27 ARTICLE 5. BOARDS OF DIRECTORS OF APPRAISAL DISTRICTS

1 SECTION 5.01. The heading to Section 6.03, Tax Code, is
2 amended to read as follows:

3 Sec. 6.03. BOARD OF DIRECTORS IN LESS POPULOUS COUNTIES.

4 SECTION 5.02. Section 6.03, Tax Code, is amended by
5 amending Subsection (a) and adding Subsection (a-1) to read as
6 follows:

7 (a) This section applies only to an appraisal district
8 established in a county with a population of less than 75,000.

9 (a-1) The appraisal district is governed by a board of
10 directors. Five directors are appointed by the taxing units that
11 participate in the district as provided by this section. If the
12 county assessor-collector is not appointed to the board, the county
13 assessor-collector serves as a nonvoting director. The county
14 assessor-collector is ineligible to serve if the board enters into
15 a contract under Section 6.05(b) or if the commissioners court of
16 the county enters into a contract under Section 6.24(b). To be
17 eligible to serve on the board of directors, an individual other
18 than a county assessor-collector serving as a nonvoting director
19 must be a resident of the district and must have resided in the
20 district for at least two years immediately preceding the date the
21 individual takes office. An individual who is otherwise eligible
22 to serve on the board is not ineligible because of membership on the
23 governing body of a taxing unit. An employee of a taxing unit that
24 participates in the district is not eligible to serve on the board
25 unless the individual is also a member of the governing body or an
26 elected official of a taxing unit that participates in the
27 district.

1 SECTION 5.03. Subchapter A, Chapter 6, Tax Code, is amended
2 by adding Section 6.0301 to read as follows:

3 Sec. 6.0301. BOARD OF DIRECTORS IN POPULOUS COUNTIES. (a)
4 This section applies only to an appraisal district established in a
5 county with a population of 75,000 or more.

6 (b) Sections 6.031, 6.034, and 6.10 do not apply to an
7 appraisal district to which this section applies.

8 (c) The appraisal district is governed by a board of nine
9 directors. Five directors are appointed by the taxing units that
10 participate in the district in the manner prescribed by Section
11 6.03. Three directors are elected by majority vote at the general
12 election for state and county officers by the voters of the county
13 in which the district is established. The county assessor-collector
14 serves as an ex officio director.

15 (d) To be eligible to serve on the board of directors, an
16 individual other than the county assessor-collector must be a
17 resident of the district and must have resided in the district for
18 at least two years immediately preceding the date the individual
19 takes office. An individual who is otherwise eligible to serve on
20 the board is not ineligible because of membership on the governing
21 body of a taxing unit. An employee of a taxing unit that
22 participates in the district is not eligible to serve on the board
23 unless the individual is also a member of the governing body or an
24 elected official of a taxing unit that participates in the
25 district.

26 (e) Members of the board of directors appointed by the
27 taxing units participating in the district serve staggered

1 four-year terms beginning on January 1 of every other even-numbered
2 year. Elected members of the board of directors serve staggered
3 four-year terms beginning on January 1 of every other odd-numbered
4 year.

5 (f) If a vacancy occurs in an appointive position on the
6 board of directors, each taxing unit that is entitled to vote under
7 Section 6.03 may nominate by resolution adopted by its governing
8 body a candidate to fill the vacancy. The taxing unit shall submit
9 the name of its nominee to the chief appraiser within 45 days after
10 notification from the board of directors of the existence of the
11 vacancy, and the chief appraiser shall prepare and deliver to the
12 board of directors within the next five days a list of the nominees.
13 The board of directors shall appoint by majority vote of its members
14 one of the nominees to fill the vacancy.

15 (g) If a vacancy occurs in an elective position on the board
16 of directors, the board of directors shall appoint by majority vote
17 of its members a person to fill the vacancy. A person appointed to
18 fill a vacancy in an elective position must have the qualifications
19 required of a director elected at a general election.

20 SECTION 5.04. Subchapter A, Chapter 6, Tax Code, is amended
21 by adding Section 6.032 to read as follows:

22 Sec. 6.032. BALLOT PROCEDURES FOR ELECTED DIRECTORS; FILING
23 FEE. (a) Except as provided by this section, Chapter 144, Election
24 Code, applies to a candidate for an elective position on an
25 appraisal district board of directors.

26 (b) An application for a place on the ballot must be filed
27 with the county judge of the county in which the appraisal district

1 is established and be accompanied by a filing fee of:

2 (1) \$400 for a county with a population of 200,000 or
3 more; or

4 (2) \$200 for a county with a population of less than
5 200,000.

6 (c) A filing fee received under this section shall be
7 deposited in the county treasury to the credit of the county general
8 fund.

9 SECTION 5.05. The heading to Section 6.033, Tax Code, is
10 amended to read as follows:

11 Sec. 6.033. RECALL OF APPOINTED DIRECTOR.

12 SECTION 5.06. Section 6.033(a), Tax Code, is amended to
13 read as follows:

14 (a) The governing body of a taxing unit may call for the
15 recall of an appointed [a] member of the board of directors of an
16 appraisal district [~~appointed under Section 6.03 of this code~~] for
17 whom the taxing unit cast any of its votes in the appointment of the
18 board. The call must be in the form of a resolution, be filed with
19 the chief appraiser of the appraisal district, and state that the
20 taxing unit is calling for the recall of the member. If a
21 resolution calling for the recall of a board member is filed under
22 this subsection, the chief appraiser, not later than the 10th day
23 after the date of filing, shall deliver a written notice of the
24 filing of the resolution and the date of its filing to the presiding
25 officer of the governing body of each taxing unit entitled to vote
26 in the appointment of board members.

27 SECTION 5.07. Section 6.036(a), Tax Code, is amended to

1 read as follows:

2 (a) An individual is not eligible to be a candidate for, to
3 be appointed to, or to serve on the board of directors of an
4 appraisal district if the individual or a business entity in which
5 the individual has a substantial interest is a party to a contract
6 with:

7 (1) the appraisal district; or

8 (2) a taxing unit that participates in the appraisal
9 district, if the contract relates to the performance of an activity
10 governed by this title.

11 SECTION 5.08. Section 6.052(f), Tax Code, as effective
12 January 1, 2024, is amended to read as follows:

13 (f) The taxpayer liaison officer is responsible for
14 providing clerical assistance to the applicable appointing
15 authority prescribed by Section 6.41(d) [~~local administrative~~
16 ~~district judge~~] in the selection of appraisal review board members
17 and for publicizing the availability of positions on the appraisal
18 review board. The officer shall deliver to the applicable
19 appointing authority [~~local administrative district judge~~] any
20 applications to serve on the board that are submitted to the officer
21 and shall perform other duties as requested by the applicable
22 appointing authority [~~local administrative district judge~~]. The
23 officer may not influence the process for selecting appraisal
24 review board members.

25 SECTION 5.09. Section 6.41, Tax Code, is amended by
26 amending Subsections (d), (d-1), (d-2), (d-3), (d-5), (d-9),
27 (d-10), (e), (g), (i), and (j) and adding Subsection (d-2-1) to read

1 as follows:

2 (d) Members of the board are appointed by the applicable
3 appointing authority. For an appraisal district to which Section
4 6.03 applies, the appointing authority is the local administrative
5 district judge under Subchapter D, Chapter 74, Government Code, in
6 the county in which the appraisal district is established. For an
7 appraisal district to which Section 6.0301 applies, the appointing
8 authority is the board of directors of the district. A vacancy on
9 the board is filled in the same manner for the unexpired portion of
10 the term.

11 (d-1) All applications submitted to the appraisal district
12 or to the appraisal review board from persons seeking appointment
13 as a member of the appraisal review board shall be delivered to the
14 applicable appointing authority [~~local administrative district~~
15 ~~judge~~]. The appraisal district may provide the appointing
16 authority [~~local administrative district judge~~] with information
17 regarding whether an applicant for appointment to or a member of the
18 board owes any delinquent ad valorem taxes to a taxing unit
19 participating in the appraisal district.

20 (d-2) A local administrative district judge acting as an
21 appointing authority may make appointments to the board directly or
22 may, by written order, appoint from three to five persons to perform
23 the duties of appraisal review board commissioner. If the local
24 administrative district judge chooses to appoint appraisal review
25 board commissioners, each commissioner shall possess the same
26 qualifications as those required of an appraisal review board
27 member.

1 (d-2-1) A board of directors acting as an appointing
2 authority must make appointments to the appraisal review board by
3 majority vote, with at least two members of the majority being
4 elected members of the board of directors.

5 (d-3) The applicable appointing authority [~~local~~
6 ~~administrative judge~~] shall cause the proper officer to notify
7 appointees to the board of their appointment, and when and where
8 they are to appear.

9 (d-5) The appraisal district of the county shall provide to
10 the applicable appointing authority [~~local administrative district~~
11 ~~judge~~], or to the appraisal review board commissioners, as the case
12 may be, the number of appraisal review board positions that require
13 appointment and shall provide whatever reasonable assistance is
14 requested by the applicable appointing authority [~~local~~
15 ~~administrative district judge~~] or the commissioners.

16 (d-9) In selecting individuals who are to serve as members
17 of the appraisal review board for an appraisal district described
18 by Subsection (b-2), the board of directors of the district [~~local~~
19 ~~administrative district judge~~] shall select an adequate number of
20 qualified individuals to permit the chairman of the appraisal
21 review board to fill the positions on each special panel
22 established under Section 6.425.

23 (d-10) Upon selection of the individuals who are to serve as
24 members of the appraisal review board, the applicable appointing
25 authority [~~local administrative district judge~~] shall enter an
26 appropriate order designating such members and setting each
27 member's respective term of office, as provided elsewhere in this

1 section.

2 (e) Members of the board hold office for terms of two years
3 beginning January 1. The appraisal district board of directors by
4 resolution shall provide for staggered terms, so that the terms of
5 as close to one-half of the members as possible expire each
6 year. In making the initial or subsequent appointments, the
7 applicable appointing authority, or the local administrative
8 district [~~judge or the~~] judge's designee if the appointing
9 authority is the judge, shall designate those members who serve
10 terms of one year as needed to comply with this subsection.

11 (g) Subsection (a) does not preclude the boards of directors
12 of two or more adjoining appraisal districts from providing for the
13 operation of a consolidated appraisal review board by interlocal
14 contract. Members of a consolidated appraisal review board are
15 appointed jointly by the applicable appointing authorities [~~local~~
16 ~~administrative district judges~~] in the counties in which the
17 appraisal districts that are parties to the contract are
18 established.

19 (i) A chief appraiser or another employee or agent of the
20 appraisal district, a member of the appraisal review board for the
21 appraisal district, a member of the board of directors of the
22 appraisal district if the board is established for a district to
23 which Section 6.03 applies, a property tax consultant, or an agent
24 of a property owner commits an offense if the person communicates
25 with the applicable appointing authority [~~local administrative~~
26 ~~district judge~~] regarding the appointment of appraisal review board
27 members. This subsection does not apply to:

1 (1) a communication between a member of the appraisal
2 review board and the applicable appointing authority [~~local~~
3 ~~administrative—district—judge~~] regarding the member's
4 reappointment to the board;

5 (2) a communication between the taxpayer liaison
6 officer for the appraisal district and the applicable appointing
7 authority [~~local administrative district judge~~] in the course of
8 the performance of the officer's clerical duties so long as the
9 officer does not offer an opinion or comment regarding the
10 appointment of appraisal review board members;

11 (3) a communication between a chief appraiser or
12 another employee or agent of the appraisal district, a member of the
13 appraisal review board for the appraisal district, or a member of
14 the board of directors of the appraisal district if the board is
15 established for a district to which Section 6.03 applies and the
16 applicable appointing authority [~~local administrative district~~
17 ~~judge~~] regarding information relating to or described by Subsection
18 (d-1), (d-5), or (f) of this section or Section 411.1296,
19 Government Code;

20 (4) a communication between a property tax consultant
21 or a property owner or an agent of the property owner and the
22 taxpayer liaison officer for the appraisal district regarding
23 information relating to or described by Subsection (f). The
24 taxpayer liaison officer for the appraisal district shall report
25 the contents of the communication relating to or described by
26 Subsection (f) to the applicable appointing authority [~~local~~
27 ~~administrative district judge~~]; or

1 (5) a communication between a property tax consultant
2 or a property owner or an agent of the property owner and the
3 applicable appointing authority [~~local administrative district~~
4 ~~judge~~] regarding information relating to or described by Subsection
5 (f).

6 (j) A chief appraiser or another employee or agent of an
7 appraisal district commits an offense if the person communicates
8 with a member of the appraisal review board for the appraisal
9 district, a member of the board of directors of the appraisal
10 district, or the local administrative district judge, if the judge
11 is the appointing authority for the district, regarding a ranking,
12 scoring, or reporting of the percentage by which the appraisal
13 review board or a panel of the board reduces the appraised value of
14 property.

15 SECTION 5.10. Section 6.41(f), Tax Code, as amended by
16 Chapters 354 (H.B. 2941) and 533 (S.B. 63), Acts of the 87th
17 Legislature, Regular Session, 2021, is reenacted and amended to
18 read as follows:

19 (f) A member of the appraisal review board may be removed
20 from the board by the applicable appointing authority, or the local
21 administrative district [~~judge or the~~] judge's designee if the
22 appointing authority is the judge. Not later than the 90th day after
23 the date the board of directors, local administrative district
24 judge, or judge's designee that appointed a member of the appraisal
25 review board learns of a potential ground for removal of the member,
26 the board of directors, local administrative district judge, or
27 judge's designee, as applicable, shall remove the member or find by

1 official action that the member's removal is not warranted.

2 Grounds for removal are:

3 (1) a violation of Section 6.412, 6.413, 41.66(f), or
4 41.69;

5 (2) good cause relating to the attendance of members
6 at called meetings of the board as established by written policy
7 adopted by a majority of the appraisal district board of directors;
8 or

9 (3) evidence of repeated bias or misconduct.

10 SECTION 5.11. Section 6.42(a), Tax Code, is amended to read
11 as follows:

12 (a) A majority of the appraisal review board constitutes a
13 quorum. The applicable appointing authority prescribed by Section
14 6.41(d) [~~local administrative district judge under Subchapter D,~~
15 ~~Chapter 74, Government Code,~~] in the county in which the appraisal
16 district is established shall select a chairman and a secretary
17 from among the members of the appraisal review board. The
18 applicable appointing authority [judge] is encouraged to select as
19 chairman a member of the appraisal review board, if any, who has a
20 background in law and property appraisal.

21 SECTION 5.12. Section 6.425(e), Tax Code, is amended to
22 read as follows:

23 (e) Notwithstanding Subsection (d), the chairman of the
24 appraisal review board may appoint to a special panel described by
25 this section a member of the appraisal review board who does not
26 meet the qualifications prescribed by that subsection if:

27 (1) the number of persons appointed to the board [by

1 ~~the local administrative district judge]~~ who meet those
2 qualifications is not sufficient to fill the positions on each
3 special panel; and

4 (2) the board member being appointed to the panel
5 holds a bachelor's degree in any field.

6 SECTION 5.13. (a) Appraisal district directors shall be
7 elected to the elective positions as provided by Section 6.0301,
8 Tax Code, as added by this article, beginning with the election
9 conducted on the uniform election date in May 2024. The directors
10 then elected take office on July 1, 2024, and serve a term that
11 expires on December 31, 2026.

12 (b) Following the election of the initial elected directors
13 of an appraisal district as provided by Subsection (a) of this
14 section, directors shall be elected as provided by Section 6.0301,
15 Tax Code, as added by this article, beginning with the general
16 election conducted in November 2026. Directors then elected take
17 office January 1, 2027.

18 (c) At the first meeting of the board of directors of an
19 appraisal district described by Section 6.0301, Tax Code, as added
20 by this article, that follows the November 2026 general election of
21 directors under that section, the three elected directors shall
22 draw lots to determine which director shall serve a term of two
23 years and which two directors shall serve a term of four years.
24 Thereafter, all elected directors serve four-year terms.

25 (d) The term of an appraisal district director serving on
26 December 31, 2024, on the board of directors of an appraisal
27 district described by Section 6.0301, Tax Code, as added by this

1 article, expires on January 1, 2025. Not later than December 31,
2 2024, the taxing units participating in the appraisal district that
3 are entitled to appoint directors shall appoint five directors to
4 serve terms that begin on January 1, 2025. Two directors shall be
5 appointed to serve a term of one year, and three directors shall be
6 appointed to serve a term of three years. Thereafter, all appointed
7 directors serve four-year terms.

8 ARTICLE 6. TRANSITIONAL TAX YEAR PROVISIONS

9 SECTION 6.01. Section 25.23, Tax Code, is amended by adding
10 Subsection (a-1) to read as follows:

11 (a-1) This subsection applies only to the appraisal records
12 for the 2023 tax year. The chief appraiser shall prepare
13 supplemental appraisal records to account for the changes in law
14 made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session,
15 2023. This subsection expires December 31, 2024.

16 SECTION 6.02. Section 26.04, Tax Code, is amended by adding
17 Subsections (a-1) and (c-1) to read as follows:

18 (a-1) On receipt of the appraisal roll for the 2023 tax
19 year, the assessor for a taxing unit shall determine the total
20 taxable value of property taxable by the taxing unit and the taxable
21 value of new property as if the changes in law made by S.B. 2, Acts
22 of the 88th Legislature, 2nd Called Session, 2023, were in effect
23 for that tax year. This subsection expires December 31, 2024.

24 (c-1) An officer or employee designated by the governing
25 body of a taxing unit shall calculate the no-new-revenue tax rate
26 and the voter-approval tax rate of the taxing unit for the 2023 tax
27 year as if the changes in law made by S.B. 2, Acts of the 88th

1 Legislature, 2nd Called Session, 2023, were in effect for that tax
2 year. This subsection expires December 31, 2024.

3 SECTION 6.03. Chapter 26, Tax Code, is amended by adding
4 Section 26.0401 to read as follows:

5 Sec. 26.0401. CALCULATION OF CERTAIN TAX RATES FOR 2023 TAX
6 YEAR. (a) For the purposes of calculating the no-new-revenue tax
7 rate, the voter-approval tax rate, and any related tax rate for the
8 2023 tax year, a taxing unit that calculates those rates under a
9 provision of law other than Section 26.04 or 26.08 shall calculate
10 those rates as if the changes in law made by S.B. 2, Acts of the 88th
11 Legislature, 2nd Called Session, 2023, were in effect for that tax
12 year.

13 (b) This section expires December 31, 2024.

14 SECTION 6.04. Section 26.08, Tax Code, is amended by adding
15 Subsection (q) to read as follows:

16 (q) For purposes of this section, the voter-approval tax
17 rate of a school district for the 2023 tax year shall be calculated
18 as if the changes in law made by S.B. 2, Acts of the 88th
19 Legislature, 2nd Called Session, 2023, were in effect for that tax
20 year. This subsection expires December 31, 2024.

21 SECTION 6.05. Section 26.09, Tax Code, is amended by adding
22 Subsection (c-1) to read as follows:

23 (c-1) The assessor for a taxing unit shall calculate the
24 amount of tax imposed by the taxing unit on property for the 2023
25 tax year as if the changes in law made by S.B. 2, Acts of the 88th
26 Legislature, 2nd Called Session, 2023, were in effect for that tax
27 year and also as if the changes in law made by that Act were not in

1 effect for that tax year. This subsection expires December 31,
2 2024.

3 SECTION 6.06. Section 26.15, Tax Code, is amended by adding
4 Subsection (h) to read as follows:

5 (h) The assessor for a taxing unit shall correct the tax
6 roll for the taxing unit for the 2023 tax year to reflect the
7 results of the election to approve the constitutional amendment
8 proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023.
9 This subsection expires December 31, 2024.

10 SECTION 6.07. Section 31.01, Tax Code, is amended by adding
11 Subsections (d-2), (d-3), (d-4), and (d-5) to read as follows:

12 (d-2) This subsection and Subsections (d-3) and (d-4) apply
13 only to taxes imposed by a taxing unit on property for the 2023 tax
14 year and only if the changes in law made by S.B. 2, Acts of the 88th
15 Legislature, 2nd Called Session, 2023, would lower the taxes
16 imposed by the taxing unit on the property for that tax year. The
17 assessor for the taxing unit shall compute the amount of taxes
18 imposed and the other information required by this section as if the
19 changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd
20 Called Session, 2023, were in effect for that tax year. The tax
21 bill or the separate statement must indicate that the bill is a
22 provisional tax bill and include a statement in substantially the
23 following form:

24 "If the Texas Legislature had not enacted property tax relief
25 legislation during the 2023 legislative session, your tax bill
26 would have been \$_____ (insert amount of tax bill if the changes in
27 law made by S.B. 2, Acts of the 88th Legislature, 2nd Called

1 Session, 2023, were not in effect for that tax year). Because of
2 action by the Texas Legislature, your tax bill has been lowered by
3 \$_____ (insert difference between amount of tax bill if the changes
4 in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called
5 Session, 2023, were not in effect for that tax year and amount of
6 tax bill if that Act were in effect for that tax year), resulting in
7 a lower tax bill of \$_____ (insert amount of tax bill if the changes
8 in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called
9 Session, 2023, were in effect for that tax year), contingent on the
10 approval by the voters at an election to be held November 7, 2023,
11 of the constitutional amendment proposed by H.J.R. 2, 88th
12 Legislature, 2nd Called Session, 2023. If that constitutional
13 amendment is not approved by the voters at the election, a
14 supplemental tax bill in the amount of \$_____ (insert difference
15 between amount of tax bill if the changes in law made by S.B. 2,
16 Acts of the 88th Legislature, 2nd Called Session, 2023, were not in
17 effect for that tax year and amount of tax bill if that Act were in
18 effect for that tax year) will be mailed to you."

19 (d-3) A tax bill prepared by the assessor for a taxing unit
20 as provided by Subsection (d-2) and mailed as provided by
21 Subsection (a) is considered to be a provisional tax bill until the
22 canvass of the votes on the constitutional amendment proposed by
23 H.J.R. 2, 88th Legislature, 2nd Called Session, 2023. If the
24 constitutional amendment is approved by the voters, the tax bill is
25 considered to be a final tax bill for the taxes imposed on the
26 property for the 2023 tax year, and no additional tax bill is
27 required to be mailed unless another provision of this title

1 requires the mailing of a corrected tax bill. If the constitutional
2 amendment is not approved by the voters:

3 (1) a tax bill prepared by the assessor as provided by
4 Subsection (d-2) is considered to be a final tax bill but only as to
5 the portion of the taxes imposed on the property for the 2023 tax
6 year that are included in the bill;

7 (2) the amount of taxes imposed by each taxing unit on
8 property for the 2023 tax year is calculated as if the changes in
9 law made by S.B. 2, Acts of the 88th Legislature, 2nd Called
10 Session, 2023, were not in effect for that tax year; and

11 (3) except as provided by Subsections (f), (i-1), and
12 (k), the assessor for each taxing unit shall prepare and mail a
13 supplemental tax bill, by December 1 or as soon thereafter as
14 practicable, in an amount equal to the difference between the
15 amount of the tax bill if the changes in law made by S.B. 2, Acts of
16 the 88th Legislature, 2nd Called Session, 2023, were not in effect
17 for that tax year and the amount of the tax bill if that Act were in
18 effect for that tax year.

19 (d-4) Except as otherwise provided by Subsection (d-3), the
20 provisions of this section other than Subsection (d-2) apply to a
21 supplemental tax bill mailed under Subsection (d-3).

22 (d-5) This subsection and Subsections (d-2), (d-3), and
23 (d-4) expire December 31, 2024.

24 SECTION 6.08. Section 31.02, Tax Code, is amended by adding
25 Subsection (a-1) to read as follows:

26 (a-1) Except as provided by Subsection (b) of this section
27 and Sections 31.03 and 31.04, taxes for which a supplemental tax

1 bill is mailed under Section 31.01(d-3) are due on receipt of the
2 tax bill and are delinquent if not paid before March 1 of the year
3 following the year in which imposed. This subsection expires
4 December 31, 2024.

5 ARTICLE 7. CONTINGENT ON PASSAGE OF FRANCHISE TAX REFORM

6 LEGISLATION

7 SECTION 7.01. This Act takes effect only if S.B. 3 or
8 similar legislation of the 88th Legislature, 2nd Called Session,
9 2023, relating to the amount of the total revenue exemption for the
10 franchise tax and the exclusion of certain taxable entities from
11 the requirement to file a franchise tax report becomes law in a
12 manner described by Section 2001.006(a)(2), Government Code. If
13 legislation described by this section does not become law in a
14 manner described by Section 2001.006(a)(2), Government Code, this
15 Act has no effect.

16 ARTICLE 8. EFFECTIVE DATES

17 SECTION 8.01. Except as provided by Article 7 of this Act,
18 this Act takes effect as provided by this article.

19 SECTION 8.02. Except as otherwise provided by this article,
20 this Act takes effect on the 91st day after the last day of the
21 legislative session.

22 SECTION 8.03. Article 2 of this Act takes effect on the date
23 on which the constitutional amendment proposed by H.J.R. 2, 88th
24 Legislature, 2nd Called Session, 2023, is approved by the voters.
25 If that amendment is not approved by the voters, Article 2 of this
26 Act has no effect.

27 SECTION 8.04. (a) Except as provided by Subsection (b) of

1 this section or as otherwise provided by Article 3 of this Act:

2 (1) Article 3 of this Act takes effect on the date on
3 which the constitutional amendment proposed by H.J.R. 2, 88th
4 Legislature, 2nd Called Session, 2023, takes effect; and

5 (2) if that amendment is not approved by the voters,
6 Article 3 of this Act has no effect.

7 (b) Sections 49.004(a-1), (b-1), and (c-1), 49.0042,
8 49.0121, 49.154(a-2) and (a-3), and 49.308(a-1), Education Code, as
9 added by Article 3 of this Act, take effect immediately if this Act
10 receives a vote of two-thirds of all the members elected to each
11 house, as provided by Section 39, Article III, Texas Constitution.
12 If this Act does not receive the vote necessary for those sections
13 to have immediate effect, those sections take effect on the 91st day
14 after the last day of the legislative session.

15 SECTION 8.05. Article 4 of this Act takes effect January 1,
16 2024, but only if the constitutional amendment proposed by
17 H.J.R. 2, 88th Legislature, 2nd Called Session, 2023, is approved
18 by the voters. If that amendment is not approved by the voters,
19 Article 4 of this Act has no effect.

20 SECTION 8.06. (a) Article 5 of this Act takes effect as
21 provided by Subsections (b) and (c) of this section, but only if the
22 constitutional amendment proposed by H.J.R. 2, 88th Legislature,
23 2nd Called Session, 2023, is approved by the voters. If that
24 amendment is not approved by the voters, Article 5 of this Act has
25 no effect.

26 (b) Except as provided by Subsection (c) of this section,
27 Article 5 of this Act takes effect January 1, 2025.

1 (c) Sections 5.04 and 5.13 of this Act take effect on the
2 91st day after the last day of the legislative session.

3 SECTION 8.07. Article 6 of this Act takes effect
4 immediately if this Act receives a vote of two-thirds of all the
5 members elected to each house, as provided by Section 39, Article
6 III, Texas Constitution. If this Act does not receive the vote
7 necessary for that article to have immediate effect, Article 6 of
8 this Act takes effect on the 91st day after the last day of the
9 legislative session.