

By: Bryant

H.B. No. 62

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to providing school district property tax relief through  
3 rent-relief and through adjusting entitlements, compression, and  
4 exemptions under the public school finance system.

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

6 ARTICLE 1. PUBLIC SCHOOL FINANCE SYSTEM

7 SECTION 1.01. Section 48.051(a), Education Code, is amended  
8 to read as follows:

9 (a) For each student in average daily attendance, not  
10 including the time students spend each day in special education  
11 programs in an instructional arrangement other than mainstream or  
12 career and technology education programs, for which an additional  
13 allotment is made under Subchapter C, a district is entitled to an  
14 allotment equal to the lesser of \$7,160 [~~\$6,160~~] or the amount that  
15 results from the following formula:

16 
$$A = \underline{\$7,160} [\del{\$6,160}] \times \text{TR/MCR}$$

17 where:

18 "A" is the allotment to which a district is entitled;

19 "TR" is the district's tier one maintenance and operations  
20 tax rate, as provided by Section 45.0032; and

21 "MCR" is the district's maximum compressed tax rate, as  
22 determined under Section 48.2551.

23 SECTION 1.02. Effective September 1, 2025, Section 48.051,  
24 Education Code, is amended by adding Subsection (a-1) to read as

1 follows:

2 (a-1) Notwithstanding Subsection (a), for the second year  
3 of each state fiscal biennium, the commissioner shall adjust the  
4 basic allotment provided under Subsection (a) or (b) for the  
5 preceding state fiscal year by a factor equal to the average annual  
6 percentage increase, if any, in the Texas Consumer Price Index for  
7 the preceding 10 years.

8 SECTION 1.03. Subchapter F, Chapter 48, Education Code, is  
9 amended by adding Sections 48.2555 and 48.283 to read as follows:

10 Sec. 48.2555. MAXIMUM COMPRESSED TAX RATE FOR 2023-2024  
11 SCHOOL YEAR. (a) Notwithstanding any other provision of this title  
12 or Chapter 26, Tax Code, for the 2023-2024 school year the  
13 commissioner shall calculate the value of a school district's  
14 maximum compressed tax rate by determining the district's maximum  
15 compressed rate under Section 48.2551 or 48.2552(b), if applicable,  
16 and reducing the tax rate determined under the applicable section  
17 by \$0.06.

18 (b) If a school district's maximum compressed tax rate as  
19 calculated under Subsection (a) would be less than 90 percent of  
20 another school district's maximum compressed tax rate under  
21 Subsection (a), the district's maximum compressed tax rate is the  
22 value at which the district's maximum compressed tax rate would be  
23 equal to 90 percent of the other district's maximum compressed tax  
24 rate.

25 (c) Notwithstanding any other provision of this title or  
26 Chapter 26, Tax Code, for purposes of determining funding for  
27 school districts for the 2023-2024 school year, a reference in any

1 of the following provisions of law to a school district's maximum  
2 compressed tax rate or maximum compressed rate as determined under  
3 Section 48.2551 means the maximum compressed tax rate determined  
4 for the district under this section:

- 5 (1) Section 13.054(f);
- 6 (2) Section 45.003(d);
- 7 (3) Section 45.0032(a);
- 8 (4) Section 48.051(a);
- 9 (5) Sections 48.2553(a) and (e);
- 10 (6) Section 48.2556; and
- 11 (7) Section 26.08(n), Tax Code.

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

14 (e) Notwithstanding any other provision of this title, for  
15 purposes of determining a school district's maximum compressed tax  
16 rate under Section 48.2551 for the 2024-2025 school year, the value  
17 of the district's "PYMCR" is the maximum compressed tax rate  
18 determined for the district under this section for the preceding  
19 school year.

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

21 Sec. 48.283. ADDITIONAL STATE AID FOR CERTAIN DISTRICTS  
22 IMPACTED BY COMPRESSION. (a) For the 2023-2024 and 2024-2025  
23 school years, a school district that received an adjustment under  
24 Section 48.257(b) for the 2022-2023 school year is entitled to  
25 additional state aid in an amount equal to the difference, if the  
26 difference is greater than zero, between:

- 27 (1) the amount of state and local revenue that would

1 have been available to the district under this chapter and Chapter  
2 49 for the current school year if the district's maximum compressed  
3 tax rate had not been reduced under Section 48.2555, as added by  
4 H.B. \_\_, Acts of the 88th Legislature, 2nd Called Session, 2023; and

5 (2) the amount of state and local revenue available to  
6 the district under this chapter and Chapter 49 for the current  
7 school year.

8 (b) This section expires September 1, 2026.

9 ARTICLE 2. SCHOOL DISTRICT RESIDENCE HOMESTEAD EXEMPTION

10 SECTION 2.01. Section 11.13, Tax Code, is amended by  
11 amending Subsection (b) and adding Subsections (b-1) and (n-1) to  
12 read as follows:

13 (b) Subject to Subsection (b-1), an adult is entitled to  
14 exemption from taxation by a school district of the greater of  
15 \$100,000 or 25 percent [~~\$40,000~~] of the appraised value of the  
16 adult's residence homestead, except that only \$5,000 of the  
17 exemption applies to an entity operating under former Chapter 17,  
18 18, 25, 26, 27, or 28, Education Code, as those chapters existed on  
19 May 1, 1995, as permitted by Section 11.301, Education Code.

20 (b-1) An exemption of 25 percent of the appraised value of  
21 the adult's residence homestead may not exceed \$200,000 of the  
22 appraised value of the adult's residence homestead.

23 (n-1) The governing body of a school district,  
24 municipality, or county that adopted an exemption under Subsection  
25 (n) for the 2022 tax year may not reduce the amount of or repeal the  
26 exemption. This subsection expires December 31, 2027.

27 SECTION 2.02. Section 11.26, Tax Code, is amended by

1 amending Subsections (a), (a-10), and (o) and adding Subsections  
2 (a-11) and (a-12) to read as follows:

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

1 ~~age or older or disabled was a tax year before the 2015 tax year, the~~  
2 ~~amount of the limitation provided by this section is the amount of~~  
3 ~~tax the school district imposed for the 2014 tax year less an amount~~  
4 ~~equal to the amount determined by multiplying \$10,000 times the tax~~  
5 ~~rate of the school district for the 2015 tax year, plus any 2015 tax~~  
6 ~~attributable to improvements made in 2014, other than improvements~~  
7 ~~made to comply with governmental regulations or repairs.]~~

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

14 (1) multiplying the taxable value of the homestead in  
15 the preceding tax year by a tax rate equal to the difference between  
16 the school district's maximum compressed rate for the preceding tax  
17 year and the district's maximum compressed rate for the current tax  
18 year;

19 (2) subtracting the amount computed under Subdivision  
20 (1) from the amount of tax the district imposed on the homestead in  
21 the preceding tax year; ~~and~~

22 (3) adding any tax imposed in the current tax year  
23 attributable to improvements made in the preceding tax year as  
24 provided by Subsection (b) to the amount computed under Subdivision  
25 (2);

26 (4) multiplying the amount of any increase in the  
27 current tax year as compared to the preceding tax year in the

1 aggregate amount of the exemptions to which the individual is  
2 entitled under Sections 11.13(b) and (c) by the school district's  
3 tax rate for the current tax year; and

4 (5) subtracting the amount computed under Subdivision  
5 (4) from the amount computed under Subdivision (3).

6 (a-11) This subsection applies only to an individual who in  
7 the 2023 tax year qualifies for a limitation under this section and  
8 for whom the 2022 tax year or an earlier tax year was the first tax  
9 year the individual or the individual's spouse qualified for an  
10 exemption under Section 11.13(c). The amount of the limitation  
11 provided by this section on the residence homestead of an  
12 individual to which this subsection applies for the 2023 tax year is  
13 the amount of the limitation as computed under Subsection (a-5),  
14 (a-6), (a-7), (a-8), or (a-9) of this section, as applicable, less  
15 an amount equal to the product of the tax rate of the school  
16 district for the 2023 tax year and the difference between the amount  
17 of the exemption provided by Section 11.13(b) for the property for  
18 that tax year and \$40,000. This subsection expires January 1, 2025.

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

1 tax rate of the school district for the 2022 tax year. This  
2 subsection expires January 1, 2025.

3 (o) Notwithstanding Subsections (a)[~~, (a-3),~~] and (b), an  
4 improvement to property that would otherwise constitute an  
5 improvement under Subsection (b) is not treated as an improvement  
6 under that subsection if the improvement is a replacement structure  
7 for a structure that was rendered uninhabitable or unusable by a  
8 casualty or by wind or water damage. For purposes of appraising the  
9 property in the tax year in which the structure would have  
10 constituted an improvement under Subsection (b), the replacement  
11 structure is considered to be an improvement under that subsection  
12 only if:

13 (1) the square footage of the replacement structure  
14 exceeds that of the replaced structure as that structure existed  
15 before the casualty or damage occurred; or

16 (2) the exterior of the replacement structure is of  
17 higher quality construction and composition than that of the  
18 replaced structure.

19 SECTION 2.03. Section 46.071, Education Code, is amended by  
20 amending Subsections (a-1) and (b-1) and adding Subsections (a-2),  
21 (b-2), and (c-2) to read as follows:

22 (a-1) For [~~Beginning with~~] the 2022-2023 school year, a  
23 school district is entitled to additional state aid under this  
24 subchapter to the extent that state and local revenue used to  
25 service debt eligible under this chapter is less than the state and  
26 local revenue that would have been available to the district under  
27 this chapter as it existed on September 1, 2021, if any increase in



1 the residence homestead exemption under Section 1-b(c), Article  
2 VIII, Texas Constitution, as proposed by the 87th Legislature, 3rd  
3 Called Session, 2021, had not occurred.

4 (a-2) Beginning with the 2023-2024 school year, a school  
5 district is entitled to additional state aid under this subchapter  
6 to the extent that state and local revenue used to service debt  
7 eligible under this chapter is less than the state and local revenue  
8 that would have been available to the district under this chapter as  
9 it existed on September 1, 2022, if any increase in a residence  
10 homestead exemption under Section 1-b(c), Article VIII, Texas  
11 Constitution, and any additional limitation on tax increases under  
12 Section 1-b(d) of that article as proposed by the 88th Legislature,  
13 2nd Called Session, 2023, had not occurred.

14 (b-1) Subject to Subsections (c-1), (d), and (e),  
15 additional state aid under this section for ~~[beginning with]~~ the  
16 2022-2023 school year is equal to the amount by which the loss of  
17 local interest and sinking revenue for debt service attributable to  
18 any increase in the residence homestead exemption under Section  
19 1-b(c), Article VIII, Texas Constitution, as proposed by the 87th  
20 Legislature, 3rd Called Session, 2021, is not offset by a gain in  
21 state aid under this chapter.

22 (b-2) Subject to Subsections (c-2), (d), and (e),  
23 additional state aid under this section beginning with the  
24 2023-2024 school year is equal to the amount by which the loss of  
25 local interest and sinking revenue for debt service attributable to  
26 any increase in a residence homestead exemption under Section  
27 1-b(c), Article VIII, Texas Constitution, and any additional

1 limitation on tax increases under Section 1-b(d) of that article as  
2 proposed by the 88th Legislature, 2nd Called Session, 2023, is not  
3 offset by a gain in state aid under this chapter.

4 (c-2) For the purpose of determining state aid under  
5 Subsections (a-2) and (b-2), local interest and sinking revenue for  
6 debt service is limited to revenue required to service debt  
7 eligible under this chapter as of September 1, 2023, including  
8 refunding of that debt, subject to Section 46.061. The limitation  
9 imposed by Section 46.034(a) does not apply for the purpose of  
10 determining state aid under this section.

11 SECTION 2.04. Section 48.2542, Education Code, is amended  
12 to read as follows:

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

26 SECTION 2.05. Effective January 1, 2025, Section 48.2542,  
27 Education Code, is amended to read as follows:

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

14           SECTION 2.06. Section 48.2543, Education Code, is amended  
 15 to read as follows:

16           Sec. 48.2543. ADDITIONAL STATE AID FOR RESIDENTIAL REAL  
 17 PROPERTY EXEMPTIONS [~~HOMESTEAD EXEMPTION~~]. (a) For [~~Beginning~~  
 18 ~~with~~] the 2022-2023 school year, a school district is entitled to  
 19 additional state aid to the extent that state and local revenue  
 20 under this chapter and Chapter 49 is less than the state and local  
 21 revenue that would have been available to the district under this  
 22 chapter and Chapter 49 as those chapters existed on September 1,  
 23 2021, if any increase in the residence homestead exemption under  
 24 Section 1-b(c), Article VIII, Texas Constitution, as proposed by  
 25 the 87th Legislature, 3rd Called Session, 2021, had not occurred.

26           (a-1) Beginning with the 2023-2024 school year, a school  
 27 district is entitled to additional state aid to the extent that

1 state and local revenue under this chapter and Chapter 49 is less  
2 than the state and local revenue that would have been available to  
3 the district under this chapter and Chapter 49 as those chapters  
4 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) The lesser of the school district's currently adopted  
10 maintenance and operations tax rate or the adopted maintenance and  
11 operations tax rate for:

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

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

16 SECTION 2.07. Section 48.2556(a), Education Code, is  
17 amended to read as follows:

18 (a) The agency shall post the following information on the  
19 agency's Internet website for purposes of allowing the chief  
20 appraiser of each appraisal district and the assessor for each  
21 school district to make the calculations required by Sections  
22 11.26(a-5), (a-6), (a-7), (a-8), (a-9), ~~and~~ (a-10), (a-11), and  
23 (a-12), Tax Code:

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

27 (2) each school district's tier one maintenance and

1 operations tax rate, as provided by Section 45.0032(a), for the  
2 2018 tax year.

3 SECTION 2.08. Effective January 1, 2025, Section  
4 48.2556(a), Education Code, is amended to read as follows:

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

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

16 [~~(2)~~] each school district's tier one maintenance and  
17 operations tax rate, as provided by Section 45.0032(a), for the  
18 2018 tax year].

19 SECTION 2.09. Section 49.004, Education Code, is amended by  
20 adding Subsections (a-1), (b-1), and (c-1) to read as follows:

21 (a-1) This subsection applies only if the constitutional  
22 amendment proposed by H.J.R. \_\_, 88th Legislature, 2nd Called  
23 Session, 2023, is approved by the voters in an election held for  
24 that purpose. As soon as practicable after receiving revised  
25 property values that reflect adoption of the constitutional  
26 amendment, the commissioner shall review the local revenue level of  
27 districts in the state and revise as necessary the notifications

1 provided under Subsection (a) for the 2023-2024 school year. This  
2 subsection expires September 1, 2024.

3 (b-1) This subsection applies only to a district that has  
4 not previously held an election under this chapter.  
5 Notwithstanding Subsection (b), a district that enters into an  
6 agreement to exercise an option to reduce the district's local  
7 revenue level in excess of entitlement under Section 49.002(3),  
8 (4), or (5) for the 2023-2024 school year may request and, as  
9 provided by Section 49.0042(a), receive approval from the  
10 commissioner to delay the date of the election otherwise required  
11 to be ordered before September 1. This subsection expires  
12 September 1, 2024.

13 (c-1) Notwithstanding Subsection (c), a district that  
14 receives approval from the commissioner to delay an election as  
15 provided by Subsection (b-1) may adopt a tax rate for the 2023 tax  
16 year before the commissioner certifies that the district has  
17 reduced its local revenue level to the level established by Section  
18 48.257. This subsection expires September 1, 2024.

19 SECTION 2.10. Subchapter A, Chapter 49, Education Code, is  
20 amended by adding Section 49.0042 to read as follows:

21 Sec. 49.0042. TRANSITIONAL PROVISIONS: RESIDENTIAL REAL  
22 PROPERTY EXEMPTIONS AND LIMITATION ON TAX INCREASES. (a) The  
23 commissioner shall approve a district's request under Section  
24 49.004(b-1) to delay the date of an election required under this  
25 chapter if the commissioner determines that the district would not  
26 have a local revenue level in excess of entitlement if the  
27 constitutional amendment proposed by H.J.R., 88th Legislature, 2nd

1 Called Session, 2023, were approved by the voters.

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

4 (c) Not later than the 2024-2025 school year, the  
5 commissioner shall order detachment and annexation of property  
6 under Subchapter G or consolidation under Subchapter H as necessary  
7 to reduce the district's local revenue level to the level  
8 established by Section 48.257 for a district that receives approval  
9 under this section and subsequently:

10 (1) fails to hold the election; or

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

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

13 SECTION 2.11. Subchapter A, Chapter 49, Education Code, is  
14 amended by adding Section 49.0121 to read as follows:

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

18 (b) Section 49.012 does not apply to a district that  
19 receives approval of a request under Section 49.0042. The district  
20 shall hold the election on a Tuesday or Saturday on or before a date  
21 specified by the commissioner. Section 41.001, Election Code, does  
22 not apply to the election.

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

24 SECTION 2.12. Section 49.154, Education Code, is amended by  
25 adding Subsections (a-2) and (a-3) to read as follows:

26 (a-2) Notwithstanding Subsections (a) and (a-1), a district  
27 that receives approval of a request under Section 49.0042 shall pay

1 for credit purchased:

2 (1) in equal monthly payments as determined by the  
3 commissioner beginning March 15, 2024, and ending August 15, 2024;

4 or

5 (2) in the manner provided by Subsection (a)(2),  
6 provided that the district notifies the commissioner of the  
7 district's election to pay in that manner not later than March 15,  
8 2024.

9 (a-3) Subsection (a-2) and this subsection expire September  
10 1, 2024.

11 SECTION 2.13. Section 49.308, Education Code, is amended by  
12 adding Subsection (a-1) to read as follows:

13 (a-1) Notwithstanding Subsection (a), for the 2023-2024  
14 school year, the commissioner shall order any detachments and  
15 annexations of property under this subchapter as soon as  
16 practicable after the canvass of the votes on the constitutional  
17 amendment proposed by H.J.R. \_\_, 88th Legislature, 2nd Called  
18 Session, 2023. This subsection expires September 1, 2024.

19 SECTION 2.14. Section 403.302, Government Code, is amended  
20 by amending Subsection (j-1) and adding Subsection (j-2) to read as  
21 follows:

22 (j-1) 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 Section 11.26(a-10) [~~Sections 11.26(a-4), (a-5),~~  
27 ~~(a-6), (a-7), (a-8), (a-9), and (a-10)~~], Tax Code [~~, as applicable~~].



1        (j-2) In the final certification of the study under  
2 Subsection (j), the comptroller shall separately identify the final  
3 taxable value for each school district as adjusted to account for  
4 the reduction of the amount of the limitation on tax increases  
5 provided by Sections 11.26(a-5), (a-6), (a-7), (a-8), (a-9),  
6 (a-10), (a-11), and (a-12), Tax Code. This subsection expires  
7 January 1, 2025.

8        SECTION 2.15. Section 25.23, Tax Code, is amended by adding  
9 Subsection (a-1) to read as follows:

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

15        SECTION 2.16. Section 26.04, Tax Code, is amended by adding  
16 Subsections (a-1) and (c-1) to read as follows:

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

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

1 Legislature, 2nd Called Session, 2023, to apply to the 2023 tax year  
2 were in effect for that tax year. This subsection expires December  
3 31, 2024.

4 SECTION 2.17. Section 26.08, Tax Code, is amended by adding  
5 Subsection (q) to read as follows:

6 (q) For purposes of this section, the voter-approval tax  
7 rate of a school district for the 2023 tax year shall be calculated  
8 as if the changes in law made by H.B. \_\_, Acts of the 88th  
9 Legislature, 2nd Called Session, 2023, to apply to the 2023 tax year  
10 were in effect for that tax year. This subsection expires December  
11 31, 2024.

12 SECTION 2.18. Section 26.09, Tax Code, is amended by adding  
13 Subsection (c-1) to read as follows:

14 (c-1) The assessor for a school district shall calculate the  
15 amount of tax imposed by the district on a residence homestead for  
16 the 2023 tax year as if the changes in law made by H.B. \_\_, Acts of  
17 the 88th Legislature, 2nd Called Session, 2023, to apply to the 2023  
18 tax year were in effect for that tax year and also as if the changes  
19 in law made by that Act were not in effect for that tax year. This  
20 subsection expires December 31, 2024.

21 SECTION 2.19. Section 26.15, Tax Code, is amended by adding  
22 Subsection (h) to read as follows:

23 (h) The assessor for a school district shall correct the tax  
24 roll for the district for the 2023 tax year to reflect the results  
25 of the election to approve the constitutional amendment proposed by  
26 H.J.R. \_\_, 88th Legislature, 2nd Called Session, 2023. This  
27 subsection expires December 31, 2024.

1 SECTION 2.20. Section 31.01, Tax Code, is amended by adding  
2 Subsections (d-2), (d-3), (d-4), and (d-5) to read as follows:

3 (d-2) This subsection and Subsections (d-3) and (d-4) apply  
4 only to taxes imposed by a school district on a residence homestead  
5 for the 2023 tax year and only if the changes in law made by H.B. \_\_,  
6 Acts of the 88th Legislature, 2nd Called Session, 2023, would lower  
7 the taxes imposed by the district on the property for that tax year.  
8 The assessor for the district shall compute the amount of taxes  
9 imposed and the other information required by this section as if the  
10 changes in law made by H.B. \_\_, Acts of the 88th Legislature, 2nd  
11 Called Session, 2023, to apply to the 2023 tax year were in effect  
12 for that tax year. The tax bill or the separate statement must  
13 indicate that the bill is a provisional tax bill and include a  
14 statement in substantially the following form:

15 "If the Texas Legislature had not enacted property tax relief  
16 legislation during the 2023 legislative session, your tax bill  
17 would have been \$\_\_\_ (insert amount of tax bill if the changes in  
18 law made by H.B. \_\_, Acts of the 88th Legislature, 2nd Called  
19 Session, 2023, were not in effect for that tax year). Because of  
20 action by the Texas Legislature, your tax bill has been lowered by  
21 \$\_\_\_ (insert difference between amount of tax bill if the changes  
22 in law made by H.B. \_\_, Acts of the 88th Legislature, 2nd Called  
23 Session, 2023, were not in effect for that tax year and amount of  
24 tax bill if that Act were in effect for that tax year), resulting in  
25 a lower tax bill of \$\_\_\_ (insert amount of tax bill if the changes  
26 in law made by H.B. \_\_, Acts of the 88th Legislature, 2nd Called  
27 Session, 2023, were in effect for that tax year), contingent on the

1 approval by the voters at an election to be held November 7, 2023,  
2 of the constitutional amendment proposed by H.J.R. \_\_, 88th  
3 Legislature, 2nd Called Session, 2023. If that constitutional  
4 amendment is not approved by the voters at the election, a  
5 supplemental tax bill in the amount of \$\_\_\_ (insert difference  
6 between amount of tax bill if the changes in law made by H.B. \_\_,  
7 Acts of the 88th Legislature, 2nd Called Session, 2023, were not in  
8 effect for that tax year and amount of tax bill if that Act were in  
9 effect for that tax year) will be mailed to you."

10 (d-3) A tax bill prepared by the assessor for a school  
11 district as provided by Subsection (d-2) and mailed as provided by  
12 Subsection (a) is considered to be a provisional tax bill until the  
13 canvass of the votes on the constitutional amendment proposed by  
14 H.J.R. \_\_, 88th Legislature, 2nd Called Session, 2023. If the  
15 constitutional amendment is approved by the voters, the tax bill is  
16 considered to be a final tax bill for the taxes imposed on the  
17 property for the 2023 tax year, and no additional tax bill is  
18 required to be mailed unless another provision of this title  
19 requires the mailing of a corrected tax bill. If the constitutional  
20 amendment is not approved by the voters:

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

25 (2) the amount of taxes imposed by each school  
26 district on a residence homestead for the 2023 tax year is  
27 calculated as if the changes in law made by H.B. \_\_, Acts of the

1 88th Legislature, 2nd Called Session, 2023, were not in effect for  
2 that tax year; and

3 (3) except as provided by Subsections (f), (i-1), and  
4 (k), the assessor for each school district shall prepare and mail a  
5 supplemental tax bill, by December 1 or as soon thereafter as  
6 practicable, in an amount equal to the difference between the  
7 amount of the tax bill if the changes in law made by H.B. \_\_\_\_, Acts of  
8 the 88th Legislature, 2nd Called Session, 2023, were not in effect  
9 for that tax year and the amount of the tax bill if that Act were in  
10 effect for that tax year.

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

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

16 SECTION 2.21. Section 31.02, Tax Code, is amended by adding  
17 Subsection (a-1) to read as follows:

18 (a-1) Except as provided by Subsection (b) of this section  
19 and Sections 31.03 and 31.04, taxes for which a supplemental tax  
20 bill is mailed under Section 31.01(d-3) are due on receipt of the  
21 tax bill and are delinquent if not paid before March 1 of the year  
22 following the year in which imposed. This subsection expires  
23 December 31, 2024.

24 SECTION 2.22. (a) Sections 11.26(a-1), (a-2), and (a-3),  
25 Tax Code, are repealed.

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

1 SECTION 2.23. The changes in law made by this article to  
2 Sections 11.13 and 11.26, Tax Code, apply beginning with the ad  
3 valorem tax year that begins January 1, 2023.

4 ARTICLE 3. PROPERTY TAX RELIEF FOR RENTERS

5 SECTION 3.01. Chapter 5, Tax Code, is amended by adding  
6 Section 5.17 to read as follows:

7 Sec. 5.17. PROPERTY TAX RELIEF TO RENTAL HOUSEHOLDS. (a)  
8 In addition to the additional state aid to which a school district  
9 is entitled resulting from property tax reduction legislation  
10 enacted by the 88th Legislature, Second Called Session, the  
11 comptroller shall administer the application and distribution of  
12 the amount dedicated by the Texas Constitution for the purpose of a  
13 property tax rebate for eligible rental households.

14 (b) Subject to the requirements in subsections (c)-(h),  
15 each rental household shall receive a payment from the property tax  
16 relief to rental households fund established in Section 30, Article  
17 VIII, Texas Constitution, of up to ten percent of the rent paid  
18 during the previous tax year. The total annual payments to rental  
19 households from the property tax relief to rental households fund  
20 shall not exceed an amount equal to half of the balance of the fund.  
21 If the total payments applied for in a tax year exceeds half of the  
22 balance of the fund, each rental household's payment from the  
23 property tax relief to rental households fund shall be reduced  
24 proportionately until the total annual payments to rental  
25 households equals half of the balance in the fund.

26 (c) A rental household is defined as a person or persons who  
27 pay rent to live in their primary residence.

1       (d) A rental household is eligible for a payment from the  
2 property tax relief for rental households fund if they have paid  
3 rent to the same landlord for the twelve calendar months of the year  
4 for which they have applied for a payment.

5       (e) Landlords are required to file with the comptroller a  
6 certificate of rent paid, in a form prescribed by the comptroller,  
7 on February 1 stating the amount each rental household paid in rent  
8 in the previous tax year.

9       (f) To be eligible for a payment, a rental household must  
10 apply for a payment from the property tax relief for rental  
11 households fund by a date set by the comptroller, using a form  
12 prescribed by the comptroller.

13       (g) Upon the expiration of the application deadline, the  
14 comptroller shall determine the total tax payments from the  
15 property tax relief for rental households fund applied for. The  
16 total annual payments to rental households from the property tax  
17 relief to rental households fund shall not exceed an amount equal to  
18 half of the balance of the fund. If the total payments applied for  
19 in a tax year exceeds half of the balance of the fund, each rental  
20 household's payment from the property tax relief to rental  
21 households fund shall be reduced proportionately until the total  
22 annual payments to rental households equals half of the balance in  
23 the fund.

24       (h) The comptroller shall make additional rules necessary  
25 to administer the payments from the property tax relief to rental  
26 households fund to eligible rental households to achieve the  
27 purposes of this section.

ARTICLE 4. EFFECTIVE DATES

SECTION 4.01. Except as otherwise provided by this Act, this Act takes effect on the 91st day after the last day of the legislative session.

SECTION 4.02. Section 48.051(a), Education Code, as amended by this Act, and Sections 48.102(a-1) and 48.2555, Education Code, as added by this Act, take effect September 1, 2023, if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for effect on that date, those sections take effect on the 91st day after the last day of the legislative session.

SECTION 4.03. (a) Except as provided by Subsection (b) of this section or as otherwise provided by Article 2 of this Act:

(1) Article 2 of this Act takes effect on the date on which the constitutional amendment proposed by the 88th Legislature, 2nd Called Session, 2023, to increase the amount of the exemption from ad valorem taxation by a school district applicable to residence homesteads, to adjust the amount of the limitation on school district ad valorem taxes imposed on the residence homesteads of the elderly or disabled to reflect increases in certain exemption amounts, to establish the property tax relief to rental households fund and authorize the legislature to provide payments to rental households from that fund based on a proportion of rent paid, and to except certain appropriations to pay for school district ad valorem tax relief and property tax relief payments to rental households from the constitutional



1 limitation on the rate of growth of appropriations takes effect;  
2 and

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

5 (b) Sections 49.004(a-1), (b-1), and (c-1), 49.0042,  
6 49.0121, 49.154(a-2) and (a-3), and 49.308(a-1), Education Code,  
7 and Sections 25.23(a-1), 26.04(a-1) and (c-1), 26.08(q),  
8 26.09(c-1), 26.15(h), 31.01(d-2), (d-3), (d-4), and (d-5), and  
9 31.02(a-1), Tax Code, as added by Article 2 of this Act, take effect  
10 immediately if this Act receives a vote of two-thirds of all the  
11 members elected to each house, as provided by Section 39, Article  
12 III, Texas Constitution. If this Act does not receive the vote  
13 necessary for those sections to have immediate effect, those  
14 sections take effect on the 91st day after the last day of the  
15 legislative session.

16 SECTION 4.04. Article 3 of this Act takes effect on the date  
17 on which the constitutional amendment proposed by the 88th  
18 Legislature, 2nd Called Session, 2023, to increase the amount of  
19 the exemption from ad valorem taxation by a school district  
20 applicable to residence homesteads, to adjust the amount of the  
21 limitation on school district ad valorem taxes imposed on the  
22 residence homesteads of the elderly or disabled to reflect  
23 increases in certain exemption amounts, to establish the property  
24 tax relief to rental households fund and authorize the legislature  
25 to provide payments to rental households from that fund based on a  
26 proportion of rent paid, and to except certain appropriations to  
27 pay for school district ad valorem tax relief and property tax

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1 relief payments to rental households from the constitutional  
2 limitation on the rate of growth of appropriations takes effect;  
3 and if that amendment is not approved by the voters, Article 3 of  
4 this Act has no effect.