

By: Bettencourt, et al.

S.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, Tax Code, is amended by  
16 amending Subsection (b) and adding Subsection (n-1) to read as  
17 follows:

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

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

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

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

1 ~~exemption provided by Section 11.13(c) for individuals 65 years of~~  
2 ~~age or older or disabled was a tax year before the 2015 tax year, the~~  
3 ~~amount of the limitation provided by this section is the amount of~~  
4 ~~tax the school district imposed for the 2014 tax year less an amount~~  
5 ~~equal to the amount determined by multiplying \$10,000 times the tax~~  
6 ~~rate of the school district for the 2015 tax year, plus any 2015 tax~~  
7 ~~attributable to improvements made in 2014, other than improvements~~  
8 ~~made to comply with governmental regulations or repairs.]~~

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

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

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

23 (3) adding any tax imposed in the current tax year  
24 attributable to improvements made in the preceding tax year as  
25 provided by Subsection (b) to the amount computed under Subdivision  
26 (2);

27 (4) multiplying the amount of any increase in the

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

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

7 (a-11) This subsection applies only to an individual who in  
8 the 2023 tax year qualifies for a limitation under this section and  
9 for whom the 2022 tax year or an earlier tax year was the first tax  
10 year the individual or the individual's spouse qualified for an  
11 exemption under Section 11.13(c). The amount of the limitation  
12 provided by this section on the residence homestead of an  
13 individual to which this subsection applies for the 2023 tax year is  
14 the amount of the limitation as computed under Subsection (a-5),  
15 (a-6), (a-7), (a-8), or (a-9) of this section, as applicable, less  
16 an amount equal to the product of \$60,000 and the tax rate of the  
17 school district for the 2023 tax year. This subsection expires  
18 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 3.03. 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, or authorized  
8 by the voters but not yet issued as of September 1, 2023, that later  
9 becomes eligible under this chapter, including refunding of that  
10 debt, subject to Section 46.061. The limitation imposed by Section  
11 46.034(a) does not apply for the purpose of determining state aid  
12 under this section.

13 SECTION 3.04. Section 48.2542, Education Code, is amended  
14 to read as follows:

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

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

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

16 SECTION 3.06. Section 48.2543, Education Code, is amended  
17 to read as follows:

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

1        (a-1) Beginning with the 2023-2024 school year, a school  
2 district is entitled to additional state aid to the extent that  
3 state and local revenue under this chapter and Chapter 49 is less  
4 than the state and local revenue that would have been available to  
5 the district under this chapter and Chapter 49 as those chapters  
6 existed on September 1, 2022, if any increase in a residence  
7 homestead exemption under Section 1-b(c), Article VIII, Texas  
8 Constitution, and any additional limitation on tax increases under  
9 Section 1-b(d) of that article as proposed by the 88th Legislature,  
10 2nd Called Session, 2023, had not occurred.

11        (b) The lesser of the school district's currently adopted  
12 maintenance and operations tax rate or the adopted maintenance and  
13 operations tax rate for:

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

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

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

20        (a) The agency shall post the following information on the  
21 agency's Internet website for purposes of allowing the chief  
22 appraiser of each appraisal district and the assessor for each  
23 school district to make the calculations required by Sections  
24 11.26(a-5), (a-6), (a-7), (a-8), (a-9), ~~and~~ (a-10), (a-11), and  
25 (a-12), Tax Code:

26            (1) each school district's maximum compressed rate, as  
27 determined under Section 48.2551, for each tax year beginning with

1 the 2019 tax year; and

2 (2) each school district's tier one maintenance and  
3 operations tax rate, as provided by Section 45.0032(a), for the  
4 2018 tax year.

5 SECTION 3.08. Effective January 1, 2025, Section  
6 48.2556(a), Education Code, is amended to read as follows:

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

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

18 [~~(2)~~] ~~each school district's tier one maintenance and~~  
19 ~~operations tax rate, as provided by Section 45.0032(a), for the~~  
20 ~~2018 tax year].~~

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

23 (a-1) This subsection applies only if the constitutional  
24 amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called  
25 Session, 2023, is approved by the voters in an election held for  
26 that purpose. As soon as practicable after receiving revised  
27 property values that reflect adoption of the constitutional

1 amendment, the commissioner shall review the local revenue level of  
2 districts in the state and revise as necessary the notifications  
3 provided under Subsection (a) for the 2023-2024 school year. This  
4 subsection expires September 1, 2024.

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

14 (c-1) Notwithstanding Subsection (c), a district that  
15 receives approval from the commissioner to delay an election as  
16 provided by Subsection (b-1) may adopt a tax rate for the 2023 tax  
17 year before the commissioner certifies that the district has  
18 reduced its local revenue level to the level established by Section  
19 48.257. This subsection expires September 1, 2024.

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

22 Sec. 49.0042. TRANSITIONAL PROVISIONS: INCREASED HOMESTEAD  
23 EXEMPTION AND LIMITATION ON TAX INCREASES. (a) The commissioner  
24 shall approve a district's request under Section 49.004(b-1) to  
25 delay the date of an election required under this chapter if the  
26 commissioner determines that the district would not have a local  
27 revenue level in excess of entitlement if the constitutional

1 amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called  
2 Session, 2023, were approved by the voters.

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

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

11 (1) fails to hold the election; or

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

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

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

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

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

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

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

27 (a-2) Notwithstanding Subsections (a) and (a-1), a district

1 that receives approval of a request under Section 49.0042 shall pay  
2 for credit purchased:

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

6 (2) in the manner provided by Subsection (a)(2),  
7 provided that the district notifies the commissioner of the  
8 district's election to pay in that manner not later than March 15,  
9 2024.

10 (a-3) Subsection (a-2) and this subsection expire September  
11 1, 2024.

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

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

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

23 (j-1) In the final certification of the study under  
24 Subsection (j), the comptroller shall separately identify the final  
25 taxable value for each school district as adjusted to account for  
26 the reduction of the amount of the limitation on tax increases  
27 provided by Section 11.26(a-10) [~~Sections 11.26(a-4), (a-5),~~

1 ~~(a-6), (a-7), (a-8), (a-9), and (a-10)]~~, Tax Code~~[, as applicable]~~.

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

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

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

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

16 ARTICLE 4. CIRCUIT BREAKER LIMITATION ON INCREASES IN VALUE OF REAL  
17 PROPERTY OTHER THAN RESIDENCE HOMESTEAD

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

20 (d) For purposes of this section, the appraisal ratio of  
21 property ~~[a homestead]~~ to which Section 23.23 or 23.231 applies is  
22 the ratio of the property's market value as determined by the  
23 appraisal district or appraisal review board, as applicable, to the  
24 market value of the property according to law. The appraisal ratio  
25 is not calculated according to the appraised value of the property  
26 as limited by Section 23.23 or 23.231.

27 SECTION 4.02. Effective January 1, 2027, Section 1.12(d),



1 Tax Code, is amended to read as follows:

2 (d) For purposes of this section, the appraisal ratio of a  
3 homestead to which Section 23.23 applies is the ratio of the  
4 property's market value as determined by the appraisal district or  
5 appraisal review board, as applicable, to the market value of the  
6 property according to law. The appraisal ratio is not calculated  
7 according to the appraised value of the property as limited by  
8 Section 23.23.

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

11 Sec. 23.231. CIRCUIT BREAKER LIMITATION ON APPRAISED VALUE  
12 OF REAL PROPERTY OTHER THAN RESIDENCE HOMESTEAD. (a) In this  
13 section:

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

19 (2) "Disaster recovery program" means a disaster  
20 recovery program funded with community development block grant  
21 disaster recovery money authorized by federal law.

22 (3) "New improvement" means an improvement to real  
23 property made after the most recent appraisal of the property that  
24 increases the market value of the property and the value of which is  
25 not included in the appraised value of the property for the  
26 preceding tax year. The term does not include repairs to or  
27 ordinary maintenance of an existing structure or the grounds or

1 another feature of the property.

2 (b) This section applies only to real property with an  
3 appraised value of not more than the amount determined under  
4 Subsection (j) for the tax year in which the property first  
5 qualifies for the circuit breaker limitation authorized by this  
6 section.

7 (c) This section does not apply to:

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

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

12 (d) Notwithstanding the requirements of Section 25.18 and  
13 regardless of whether the appraisal office has appraised the  
14 property and determined the market value of the property for the tax  
15 year, an appraisal office may increase the appraised value of real  
16 property to which this section applies for a tax year to an amount  
17 not to exceed the lesser of:

18 (1) the market value of the property for the most  
19 recent tax year that the market value was determined by the  
20 appraisal office; or

21 (2) the sum of:

22 (A) 20 percent of the appraised value of the  
23 property for the preceding tax year;

24 (B) the appraised value of the property for the  
25 preceding tax year; and

26 (C) the market value of all new improvements to  
27 the property.

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

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

4               (2) include in the appraisal records both the market  
5 value of the property and the amount computed under Subsection  
6 (d)(2).

7       (f) The circuit breaker limitation provided by Subsection  
8 (d) takes effect as to a parcel of real property on January 1 of the  
9 tax year following the first tax year in which the owner owns the  
10 property on January 1. The circuit breaker limitation expires on  
11 January 1 of the tax year following the tax year in which the owner  
12 of the property ceases to own the property.

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

16       (h) Notwithstanding Subsections (a) and (d) and except as  
17 provided by Subdivision (2) of this subsection, an improvement to  
18 real property that would otherwise constitute a new improvement is  
19 not treated as a new improvement if the improvement is a replacement  
20 structure for a structure that was rendered uninhabitable or  
21 unusable by a casualty or by wind or water damage. For purposes of  
22 appraising the property under Subsection (d) in the tax year in  
23 which the structure would have constituted a new improvement:

24               (1) the appraised value the property would have had in  
25 the preceding tax year if the casualty or damage had not occurred is  
26 considered to be the appraised value of the property for that year,  
27 regardless of whether that appraised value exceeds the actual

1 appraised value of the property for that year as limited by  
2 Subsection (d); and

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

5 (A) the square footage of the replacement  
6 structure exceeds that of the replaced structure as that structure  
7 existed before the casualty or damage occurred; or

8 (B) the exterior of the replacement structure is  
9 of higher quality construction and composition than that of the  
10 replaced structure.

11 (i) Notwithstanding Subsection (h)(2), and only to the  
12 extent necessary to satisfy the requirements of a disaster recovery  
13 program, a replacement structure described by that subdivision is  
14 not considered to be a new improvement if to satisfy the  
15 requirements of the disaster recovery program it was necessary  
16 that:

17 (1) the square footage of the replacement structure  
18 exceed that of the replaced structure as that structure existed  
19 before the casualty or damage occurred; or

20 (2) the exterior of the replacement structure be of  
21 higher quality construction and composition than that of the  
22 replaced structure.

23 (j) For the purpose of Subsection (b), for the 2024 tax  
24 year, the amount is \$5 million. For the 2025 tax year, the  
25 comptroller shall determine the amount for purposes of Subsection  
26 (b) by increasing or decreasing, as applicable, the amount in  
27 effect for the 2024 tax year by an amount equal to \$5 million

1 multiplied by the percentage increase or decrease during the  
2 preceding state fiscal year in the consumer price index. For each  
3 subsequent tax year, the comptroller shall determine the amount for  
4 purposes of Subsection (b) by increasing or decreasing, as  
5 applicable, the amount in effect for the preceding tax year by an  
6 amount equal to that amount multiplied by the percentage increase  
7 or decrease during the preceding state fiscal year in the consumer  
8 price index, rounded to the nearest \$10,000. The comptroller shall  
9 publish the amount in effect for a tax year under this subsection as  
10 soon as practicable after January 1 of the tax year.

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

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

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

16 (1) a list of the taxing units in which the property is  
17 taxable;

18 (2) the appraised value of the property in the  
19 preceding year;

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

22 (4) the appraised value of the property for the  
23 current year, the kind and amount of each exemption and partial  
24 exemption, if any, approved for the property for the current year  
25 and for the preceding year, and, if an exemption or partial  
26 exemption that was approved for the preceding year was canceled or  
27 reduced for the current year, the amount of the exemption or partial

1 exemption canceled or reduced;

2 (4-a) a statement of whether the property qualifies  
3 for the circuit breaker limitation on appraised value provided by  
4 Section 23.231;

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

10 (6) a detailed explanation of the time and procedure  
11 for protesting the value;

12 (7) the date and place the appraisal review board will  
13 begin hearing protests;

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

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

21 (g) By April 1 or as soon thereafter as practicable if the  
22 property is a single-family residence that qualifies for an  
23 exemption under Section 11.13, or by May 1 or as soon thereafter as  
24 practicable in connection with any other property, the chief  
25 appraiser shall deliver a written notice to the owner of each  
26 property not included in a notice required to be delivered under  
27 Subsection (a), if the property was reappraised in the current tax

1 year, if the ownership of the property changed during the preceding  
2 year, or if the property owner or the agent of a property owner  
3 authorized under Section 1.111 makes a written request for the  
4 notice. The chief appraiser shall separate real from personal  
5 property and include in the notice for each property:

6 (1) the appraised value of the property in the  
7 preceding year;

8 (2) the appraised value of the property for the  
9 current year and the kind of each partial exemption, if any,  
10 approved for the current year;

11 (2-a) a statement of whether the property qualifies  
12 for the circuit breaker limitation on appraised value provided by  
13 Section 23.231;

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

16 (4) the date and place the appraisal review board will  
17 begin hearing protests.

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

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

22 (1) a list of the taxing units in which the property is  
23 taxable;

24 (2) the appraised value of the property in the  
25 preceding year;

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

1           (4) the appraised value of the property for the  
2 current year, the kind and amount of each exemption and partial  
3 exemption, if any, approved for the property for the current year  
4 and for the preceding year, and, if an exemption or partial  
5 exemption that was approved for the preceding year was canceled or  
6 reduced for the current year, the amount of the exemption or partial  
7 exemption canceled or reduced;

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

13           (6) a detailed explanation of the time and procedure  
14 for protesting the value;

15           (7) the date and place the appraisal review board will  
16 begin hearing protests;

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

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

24           (g) By April 1 or as soon thereafter as practicable if the  
25 property is a single-family residence that qualifies for an  
26 exemption under Section 11.13, or by May 1 or as soon thereafter as  
27 practicable in connection with any other property, the chief



1 appraiser shall deliver a written notice to the owner of each  
2 property not included in a notice required to be delivered under  
3 Subsection (a), if the property was reappraised in the current tax  
4 year, if the ownership of the property changed during the preceding  
5 year, or if the property owner or the agent of a property owner  
6 authorized under Section 1.111 makes a written request for the  
7 notice. The chief appraiser shall separate real from personal  
8 property and include in the notice for each property:

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

11 (2) the appraised value of the property for the  
12 current year and the kind of each partial exemption, if any,  
13 approved for the current year;

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

16 (4) the date and place the appraisal review board will  
17 begin hearing protests.

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

20 (o) A notice required under Subsection (a) or (g) to be  
21 delivered to the owner of real property other than a single-family  
22 residence that qualifies for an exemption under Section 11.13 must  
23 include the following statement: "Under Section 23.231, Tax Code,  
24 for the 2024, 2025, and 2026 tax years, the appraised value of real  
25 property other than a residence homestead for ad valorem tax  
26 purposes may not be increased by more than 20 percent each year,  
27 with certain exceptions. The circuit breaker limitation provided

1 under Section 23.231, Tax Code, expires December 31, 2026. Unless  
2 this expiration date is extended by the Texas Legislature,  
3 beginning in the 2027 tax year, the circuit breaker limitation  
4 provided under Section 23.231, Tax Code, will no longer be in effect  
5 and may result in an increase in ad valorem taxes imposed on real  
6 property previously subject to the limitation." This subsection  
7 expires December 31, 2027.

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

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

12 (1) determination of the appraised value of the  
13 owner's property or, in the case of land appraised as provided by  
14 Subchapter C, D, E, or H, Chapter 23, determination of its appraised  
15 or market value;

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

17 (3) inclusion of the owner's property on the appraisal  
18 records;

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

21 (4-a) determination that the owner's property does not  
22 qualify for the circuit breaker limitation on appraised value  
23 provided by Section 23.231;

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

27 (6) identification of the taxing units in which the

1 owner's property is taxable in the case of the appraisal district's  
2 appraisal roll;

3 (7) determination that the property owner is the owner  
4 of property;

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

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

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

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

15 (1) determination of the appraised value of the  
16 owner's property or, in the case of land appraised as provided by  
17 Subchapter C, D, E, or H, Chapter 23, determination of its appraised  
18 or market value;

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

20 (3) inclusion of the owner's property on the appraisal  
21 records;

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

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

27 (6) identification of the taxing units in which the

1 owner's property is taxable in the case of the appraisal district's  
2 appraisal roll;

3 (7) determination that the property owner is the owner  
4 of property;

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

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

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

13 (d) For purposes of this section, the value of the property  
14 subject to the suit and the value of a comparable property or sample  
15 property that is used for comparison must be the market value  
16 determined by the appraisal district when the property is [~~a~~  
17 ~~residence homestead~~] subject to the limitation on appraised value  
18 imposed by Section 23.23 or 23.231.

19 SECTION 4.10. Effective January 1, 2027, Section 42.26(d),  
20 Tax Code, is amended to read as follows:

21 (d) For purposes of this section, the value of the property  
22 subject to the suit and the value of a comparable property or sample  
23 property that is used for comparison must be the market value  
24 determined by the appraisal district when the property is a  
25 residence homestead subject to the limitation on appraised value  
26 imposed by Section 23.23.

27 SECTION 4.11. Sections 403.302(d) and (i), Government Code,

1 are amended to read as follows:

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

4 (1) the total dollar amount of any residence homestead  
5 exemptions lawfully granted under Section 11.13(b) or (c), Tax  
6 Code, in the year that is the subject of the study for each school  
7 district;

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

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

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

17 (A) is within a reinvestment zone created on or  
18 before May 31, 1999, or is proposed to be included within the  
19 boundaries of a reinvestment zone as the boundaries of the zone and  
20 the proposed portion of tax increment paid into the tax increment  
21 fund by a school district are described in a written notification  
22 provided by the municipality or the board of directors of the zone  
23 to the governing bodies of the other taxing units in the manner  
24 provided by former Section 311.003(e), Tax Code, before May 31,  
25 1999, and within the boundaries of the zone as those boundaries  
26 existed on September 1, 1999, including subsequent improvements to  
27 the property regardless of when made;

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

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

7 (5) the total dollar amount of any captured appraised  
8 value of property that:

9 (A) is within a reinvestment zone:

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

12 (ii) the project plan for which includes  
13 the alteration, remodeling, repair, or reconstruction of a  
14 structure that is included on the National Register of Historic  
15 Places and requires that a portion of the tax increment of the zone  
16 be used for the improvement or construction of related facilities  
17 or for affordable housing;

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

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

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

24 (7) the difference between the comptroller's estimate  
25 of the market value and the productivity value of land that  
26 qualifies for appraisal on the basis of its productive capacity,  
27 except that the productivity value estimated by the comptroller may

1 not exceed the fair market value of the land;

2 (8) the portion of the appraised value of residence  
3 homesteads of individuals who receive a tax limitation under  
4 Section 11.26, Tax Code, on which school district taxes are not  
5 imposed in the year that is the subject of the study, calculated as  
6 if the residence homesteads were appraised at the full value  
7 required by law;

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

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

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

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

27 (13) the amount by which the market value of property

1 [~~a residence homestead~~] to which Section 23.23 or 23.231, Tax Code,  
2 applies exceeds the appraised value of that property as calculated  
3 under Section 23.23 or 23.231, Tax Code, as applicable [~~that~~  
4 ~~section~~]; and

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

7 (i) 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 valid, the comptroller,  
12 in determining the taxable value of property in the school district  
13 under Subsection (d), shall for purposes of Subsection (d)(13)  
14 subtract from the market value as determined by the appraisal  
15 district of properties [~~residence homesteads~~] to which Section  
16 23.23 or 23.231, Tax Code, applies the amount by which that amount  
17 exceeds the appraised value of those properties as calculated by  
18 the appraisal district under Section 23.23 or 23.231, Tax Code, as  
19 applicable. If the comptroller determines in the study that the  
20 market value of property in a school district as determined by the  
21 appraisal district that appraises property for the school district,  
22 less the total of the amounts and values listed in Subsection (d) as  
23 determined by that appraisal district, is not valid, the  
24 comptroller, in determining the taxable value of property in the  
25 school district under Subsection (d), shall for purposes of  
26 Subsection (d)(13) subtract from the market value as estimated by  
27 the comptroller of properties [~~residence homesteads~~] to which



1 Section [23.23](#) or 23.231, Tax Code, applies the amount by which that  
2 amount exceeds the appraised value of those properties as  
3 calculated by the appraisal district under Section [23.23](#) or 23.231,  
4 Tax Code, as applicable.

5 SECTION 4.12. Effective January 1, 2027, Sections  
6 [403.302](#)(d) and (i), Government Code, are amended to read as  
7 follows:

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

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

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

18 (3) the total dollar amount of any exemptions granted  
19 before May 31, 1993, within a reinvestment zone under agreements  
20 authorized by Chapter [312](#), Tax Code;

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

23 (A) is within a reinvestment zone created on or  
24 before May 31, 1999, or is proposed to be included within the  
25 boundaries of a reinvestment zone as the boundaries of the zone and  
26 the proposed portion of tax increment paid into the tax increment  
27 fund by a school district are described in a written notification

1 provided by the municipality or the board of directors of the zone  
2 to the governing bodies of the other taxing units in the manner  
3 provided by former Section 311.003(e), Tax Code, before May 31,  
4 1999, and within the boundaries of the zone as those boundaries  
5 existed on September 1, 1999, including subsequent improvements to  
6 the property regardless of when made;

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

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

13 (5) the total dollar amount of any captured appraised  
14 value of property that:

15 (A) is within a reinvestment zone:

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

18 (ii) the project plan for which includes  
19 the alteration, remodeling, repair, or reconstruction of a  
20 structure that is included on the National Register of Historic  
21 Places and requires that a portion of the tax increment of the zone  
22 be used for the improvement or construction of related facilities  
23 or for affordable housing;

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

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

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

3           (7) the difference between the comptroller's estimate  
4 of the market value and the productivity value of land that  
5 qualifies for appraisal on the basis of its productive capacity,  
6 except that the productivity value estimated by the comptroller may  
7 not exceed the fair market value of the land;

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

14           (9) a portion of the market value of property not  
15 otherwise fully taxable by the district at market value because of  
16 action required by statute or the constitution of this state, other  
17 than Section 11.311, Tax Code, that, if the tax rate adopted by the  
18 district is applied to it, produces an amount equal to the  
19 difference between the tax that the district would have imposed on  
20 the property if the property were fully taxable at market value and  
21 the tax that the district is actually authorized to impose on the  
22 property, if this subsection does not otherwise require that  
23 portion to be deducted;

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

27           (11) the appraised value of property the collection of

1 delinquent taxes on which is deferred under Section 33.06, Tax  
2 Code;

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

6 (13) the amount by which the market value of a  
7 residence homestead to which Section 23.23, Tax Code, applies  
8 exceeds the appraised value of that property as calculated under  
9 that section; and

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

12 (i) If the comptroller determines in the study that the  
13 market value of property in a school district as determined by the  
14 appraisal district that appraises property for the school district,  
15 less the total of the amounts and values listed in Subsection (d) as  
16 determined by that appraisal district, is valid, the comptroller,  
17 in determining the taxable value of property in the school district  
18 under Subsection (d), shall for purposes of Subsection (d)(13)  
19 subtract from the market value as determined by the appraisal  
20 district of residence homesteads to which Section 23.23, Tax Code,  
21 applies the amount by which that amount exceeds the appraised value  
22 of those properties as calculated by the appraisal district under  
23 Section 23.23, Tax Code. If the comptroller determines in the  
24 study that the market value of property in a school district as  
25 determined by the appraisal district that appraises property for  
26 the school district, less the total of the amounts and values listed  
27 in Subsection (d) as determined by that appraisal district, is not

1 valid, the comptroller, in determining the taxable value of  
2 property in the school district under Subsection (d), shall for  
3 purposes of Subsection (d)(13) subtract from the market value as  
4 estimated by the comptroller of residence homesteads to which  
5 Section 23.23, Tax Code, applies the amount by which that amount  
6 exceeds the appraised value of those properties as calculated by  
7 the appraisal district under Section 23.23, Tax Code.

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

12 ARTICLE 5. BOARDS OF DIRECTORS OF APPRAISAL DISTRICTS

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

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

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

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

21 (a-1) The appraisal district is governed by a board of  
22 directors. Five directors are appointed by the taxing units that  
23 participate in the district as provided by this section. If the  
24 county assessor-collector is not appointed to the board, the county  
25 assessor-collector serves as a nonvoting director. The county  
26 assessor-collector is ineligible to serve if the board enters into  
27 a contract under Section 6.05(b) or if the commissioners court of

1 the county enters into a contract under Section 6.24(b). To be  
2 eligible to serve on the board of directors, an individual other  
3 than a county assessor-collector serving as a nonvoting director  
4 must be a resident of the district and must have resided in the  
5 district for at least two years immediately preceding the date the  
6 individual takes office. An individual who is otherwise eligible  
7 to serve on the board is not ineligible because of membership on the  
8 governing body of a taxing unit. An employee of a taxing unit that  
9 participates in the district is not eligible to serve on the board  
10 unless the individual is also a member of the governing body or an  
11 elected official of a taxing unit that participates in the  
12 district.

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

15 Sec. 6.0301. BOARD OF DIRECTORS IN POPULOUS COUNTIES.

16 (a) This section applies only to an appraisal district established  
17 in a county with a population of 75,000 or more.

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

20 (c) The appraisal district is governed by a board of nine  
21 directors. Five directors are appointed by the taxing units that  
22 participate in the district in the manner prescribed by Section  
23 6.03. Three directors are elected by majority vote at the general  
24 election for state and county officers by the voters of the county  
25 in which the district is established. The county  
26 assessor-collector serves as an ex officio director.

27 (d) To be eligible to serve on the board of directors, an

1 individual other than the county assessor-collector must be a  
2 resident of the district and must have resided in the district for  
3 at least two years immediately preceding the date the individual  
4 takes office. An individual who is otherwise eligible to serve on  
5 the board is not ineligible because of membership on the governing  
6 body of a taxing unit. An employee of a taxing unit that  
7 participates in the district is not eligible to serve on the board  
8 unless the individual is also a member of the governing body or an  
9 elected official of a taxing unit that participates in the  
10 district.

11 (e) Members of the board of directors appointed by the  
12 taxing units participating in the district serve staggered  
13 four-year terms beginning on January 1 of every other even-numbered  
14 year. Elected members of the board of directors serve staggered  
15 four-year terms beginning on January 1 of every other odd-numbered  
16 year.

17 (f) If a vacancy occurs in an appointive position on the  
18 board of directors, each taxing unit that is entitled to vote under  
19 Section 6.03 may nominate by resolution adopted by its governing  
20 body a candidate to fill the vacancy. The taxing unit shall submit  
21 the name of its nominee to the chief appraiser within 45 days after  
22 notification from the board of directors of the existence of the  
23 vacancy, and the chief appraiser shall prepare and deliver to the  
24 board of directors within the next five days a list of the nominees.  
25 The board of directors shall appoint by majority vote of its members  
26 one of the nominees to fill the vacancy.

27 (g) If a vacancy occurs in an elective position on the board

1 of directors, the board of directors shall appoint by majority vote  
2 of its members a person to fill the vacancy. A person appointed to  
3 fill a vacancy in an elective position must have the qualifications  
4 required of a director elected at a general election.

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

7 Sec. 6.032. BALLOT PROCEDURES FOR ELECTED DIRECTORS; FILING  
8 FEE OR PETITION. (a) Except as provided by this section, Chapter  
9 144, Election Code, applies to a candidate for an elective position  
10 on an appraisal district board of directors.

11 (b) An application for a place on the ballot must be filed  
12 with the county judge of the county in which the appraisal district  
13 is established and be accompanied by a filing fee prescribed by  
14 Subsection (c) of this section or a petition in lieu of the filing  
15 fee that satisfies the requirements prescribed by Section 141.062,  
16 Election Code, and Subsection (d) of this section.

17 (c) The filing fee for a place on the ballot is:

18 (1) \$400 for a county with a population of 200,000 or  
19 more; or

20 (2) \$200 for a county with a population of less than  
21 200,000.

22 (d) The minimum number of signatures that must appear on the  
23 petition authorized by Subsection (b) is the lesser of:

24 (1) 500; or

25 (2) two percent of the total vote received in the  
26 county by all the candidates for governor in the most recent  
27 gubernatorial general election, unless that number is less than 50,



1 in which case the required number of signatures is the lesser of:

2 (A) 50; or

3 (B) 20 percent of that total vote.

4 (e) A filing fee received under this section shall be  
5 deposited in the county treasury to the credit of the county general  
6 fund.

7 (f) The secretary of state shall adopt rules as necessary to  
8 implement this section.

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  
23 after the date the board of directors, local administrative  
24 district judge, or judge's designee that appointed a member of the  
25 appraisal review board learns of a potential ground for removal of  
26 the member, the board of directors, local administrative district  
27 judge, or judge's designee, as applicable, shall remove the member

1 or find by official action that the member's removal is not  
2 warranted. 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 July 1, 2024.



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.