

By: Metcalf

H.B. No. 202

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to making permanent the limitation on increases in the  
3 appraised value of certain real property for ad valorem tax  
4 purposes.

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

6 SECTION 1. Section 25.19(o), Tax Code, is amended to read as  
7 follows:

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

23 SECTION 2. The following provisions are repealed:

24 (1) Section 23.231(k), Tax Code;

1           (2) Section 4.02, Chapter 1 (S.B. 2), Acts of the 88th  
2 Legislature, 2nd Called Session, 2023, which amended Section  
3 1.12(d), Tax Code, as effective January 1, 2027;

4           (3) Section 4.05, Chapter 1 (S.B. 2), Acts of the 88th  
5 Legislature, 2nd Called Session, 2023, which amended Sections  
6 25.19(b) and (g), Tax Code, as effective January 1, 2027;

7           (4) Section 4.08, Chapter 1 (S.B. 2), Acts of the 88th  
8 Legislature, 2nd Called Session, 2023, which amended Section  
9 41.41(a), Tax Code, as effective January 1, 2027;

10          (5) Section 4.10, Chapter 1 (S.B. 2), Acts of the 88th  
11 Legislature, 2nd Called Session, 2023, which amended Section  
12 42.26(d), Tax Code, as effective January 1, 2027; and

13          (6) Section 4.12, Chapter 1 (S.B. 2), Acts of the 88th  
14 Legislature, 2nd Called Session, 2023, which amended Sections  
15 403.302(d) and (i), Government Code, as effective January 1, 2027.

16          SECTION 3. This Act applies only to the appraisal of  
17 property for ad valorem tax purposes for a tax year that begins on  
18 or after the effective date of this Act.

19          SECTION 4. This Act takes effect January 1, 2026, but only  
20 if the constitutional amendment proposed by the 89th Legislature,  
21 Regular Session, 2025, to authorize the legislature to make  
22 permanent the limit on the maximum appraised value of real property  
23 other than a residence homestead for ad valorem tax purposes is  
24 approved by the voters. If that amendment is not approved by the  
25 voters, this Act has no effect.