

By: Raymond

H.B. No. 1548

A BILL TO BE ENTITLED

AN ACT

1
2 relating to an exemption from ad valorem taxation by certain taxing
3 units of a portion of the appraised value of the residence homestead
4 of the parent or guardian of a person who is disabled and who
5 resides with the parent or guardian.

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

7 SECTION 1. Section 11.13, Tax Code, is amended by amending
8 Subsections (c), (d), and (h) and adding Subsection (d-1) to read as
9 follows:

10 (c) In addition to the exemption provided by Subsection (b)
11 ~~[of this section]~~, an individual ~~[adult]~~ who is disabled, is the
12 parent or guardian of a person who is disabled and who resides with
13 the parent or guardian, or is 65 years of age or older is entitled to
14 an exemption from taxation by a school district of \$10,000 of the
15 appraised value of the individual's ~~[his]~~ residence homestead.

16 (d) In addition to the exemptions provided by Subsections
17 (b) and (c) ~~[of this section]~~, an individual who is disabled, is the
18 parent or guardian of a person who is disabled and who resides with
19 the parent or guardian, or is 65 years of age or older is entitled to
20 an exemption from taxation by a taxing unit of the ~~[a]~~ portion
21 determined ~~[(the amount of which is fixed)]~~ as provided by
22 Subsection (e) ~~[of this section]~~ of the appraised value of the
23 individual's ~~[his]~~ residence homestead if the exemption is adopted
24 by ~~[either]~~:

1 (1) ~~by~~ the governing body of the taxing unit; or

2 (2) ~~by~~ a favorable vote of a majority of the
3 qualified voters of the taxing unit at an election called by the
4 governing body of the ~~a~~ taxing unit.

5 (d-1) The ~~, and the~~ governing body of a taxing unit shall
6 call an ~~the~~ election described by Subsection (d)(2) on the
7 petition of at least 20 percent of the number of qualified voters
8 who voted in the preceding election of the taxing unit.

9 (h) Joint, community, or successive owners may not each
10 receive the same exemption provided by or pursuant to this section
11 for the same residence homestead in the same tax year. An individual
12 who is eligible for more than one ~~[disabled person who is 65 or~~
13 ~~older may not receive both a disabled and an elderly residence~~
14 ~~homestead]~~ exemption under Subsection (c) or more than one
15 exemption under Subsection (d) from the same taxing unit in the same
16 tax year is entitled to ~~but may~~ choose and receive from that
17 taxing unit in that tax year only one exemption under each of those
18 subsections ~~[either if a taxing unit has adopted both]~~. An
19 individual who is eligible for more than one ~~[disabled person who is~~
20 ~~65 or older may receive both a disabled and an elderly residence~~
21 ~~homestead]~~ exemption under Subsection (c) or (d) in the same tax
22 year is entitled to receive each of those exemptions if the person
23 receives the exemptions with respect to taxes levied by different
24 taxing units. A person may not receive an exemption under this
25 section for more than one residence homestead in the same tax year.
26 An heir property owner who qualifies heir property as the owner's
27 residence homestead under this chapter is considered the sole

1 recipient of any exemption granted to the owner for the residence
2 homestead by or pursuant to this section.

3 SECTION 2. Section 25.19(1), Tax Code, is amended to read as
4 follows:

5 (1) In addition to the information required by Subsection
6 (b), the chief appraiser shall include with a notice required by
7 Subsection (a) a brief explanation of each total or partial
8 exemption of property from taxation required or authorized by this
9 title that is available to:

10 (1) a disabled veteran or the veteran's surviving
11 spouse or child;

12 (2) an individual who is 65 years of age or older or
13 the individual's surviving spouse;

14 (3) an individual who is disabled or the individual's
15 surviving spouse;

16 (4) an individual who is the parent or guardian of a
17 person who is disabled and who resides with the parent or guardian;

18 (5) the surviving spouse of a member of the armed
19 services of the United States who is killed in action; or

20 (6) (5) ~~(5)~~ the surviving spouse of a first responder
21 who is killed or fatally injured in the line of duty.

22 SECTION 3. Section 26.062(h), Tax Code, is amended to read
23 as follows:

24 (h) In calculating the average taxable value of a residence
25 homestead in the taxing unit for the preceding tax year and the
26 current tax year for purposes of Subsections (e) and (f), any
27 residence homestead exemption available only to individuals who are

1 disabled [~~persons~~], are the parents or guardians of persons who are
2 disabled and who reside with the parents or guardians, or are
3 [~~persons~~] 65 years of age or older[7] or their surviving spouses
4 must be disregarded.

5 SECTION 4. Section 44.004(c), Education Code, is amended to
6 read as follows:

7 (c) The notice of public meeting to discuss and adopt the
8 budget and the proposed tax rate may not be smaller than one-quarter
9 page of a standard-size or a tabloid-size newspaper, and the
10 headline on the notice must be in 18-point or larger type. Subject
11 to Subsection (d), the notice must:

12 (1) contain a statement in the following form:

13 "NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE
14 "The (name of school district) will hold a public meeting at
15 (time, date, year) in (name of room, building, physical location,
16 city, state). The purpose of this meeting is to discuss the school
17 district's budget that will determine the tax rate that will be
18 adopted. Public participation in the discussion is invited." The
19 statement of the purpose of the meeting must be in bold type. In
20 reduced type, the notice must state: "The tax rate that is
21 ultimately adopted at this meeting or at a separate meeting at a
22 later date may not exceed the proposed rate shown below unless the
23 district publishes a revised notice containing the same information
24 and comparisons set out below and holds another public meeting to
25 discuss the revised notice." In addition, in reduced type, the
26 notice must state: "Visit Texas.gov/PropertyTaxes to find a link to
27 your local property tax database on which you can easily access

1 information regarding your property taxes, including information
2 about proposed tax rates and scheduled public hearings of each
3 entity that taxes your property.";

4 (2) contain a section entitled "Comparison of Proposed
5 Budget with Last Year's Budget," which must show the difference,
6 expressed as a percent increase or decrease, as applicable, in the
7 amounts budgeted for the preceding fiscal year and the amount
8 budgeted for the fiscal year that begins in the current tax year for
9 each of the following:

10 (A) maintenance and operations;

11 (B) debt service; and

12 (C) total expenditures;

13 (3) contain a section entitled "Total Appraised Value
14 and Total Taxable Value," which must show the total appraised value
15 and the total taxable value of all property and the total appraised
16 value and the total taxable value of new property taxable by the
17 district in the preceding tax year and the current tax year as
18 calculated under Section 26.04, Tax Code;

19 (4) contain a statement of the total amount of the
20 outstanding and unpaid bonded indebtedness of the school district;

21 (5) contain a section entitled "Comparison of Proposed
22 Rates with Last Year's Rates," which must:

23 (A) show in rows the tax rates described by
24 Subparagraphs (i)-(iii), expressed as amounts per \$100 valuation of
25 property, for columns entitled "Maintenance & Operations,"
26 "Interest & Sinking Fund," and "Total," which is the sum of
27 "Maintenance & Operations" and "Interest & Sinking Fund":

1 (i) the school district's "Last Year's
2 Rate";

3 (ii) the "Rate to Maintain Same Level of
4 Maintenance & Operations Revenue & Pay Debt Service," which:

5 (a) in the case of "Maintenance &
6 Operations," is the tax rate that, when applied to the current
7 taxable value for the district, as certified by the chief appraiser
8 under Section 26.01, Tax Code, and as adjusted to reflect changes
9 made by the chief appraiser as of the time the notice is prepared,
10 would impose taxes in an amount that, when added to state funds to
11 be distributed to the district under Chapter 48, would provide the
12 same amount of maintenance and operations taxes and state funds
13 distributed under Chapter 48 per student in average daily
14 attendance for the applicable school year that was available to the
15 district in the preceding school year; and

16 (b) in the case of "Interest & Sinking
17 Fund," is the tax rate that, when applied to the current taxable
18 value for the district, as certified by the chief appraiser under
19 Section 26.01, Tax Code, and as adjusted to reflect changes made by
20 the chief appraiser as of the time the notice is prepared, and when
21 multiplied by the district's anticipated collection rate, would
22 impose taxes in an amount that, when added to state funds to be
23 distributed to the district under Chapter 46 and any excess taxes
24 collected to service the district's debt during the preceding tax
25 year but not used for that purpose during that year, would provide
26 the amount required to service the district's debt; and

27 (iii) the "Proposed Rate";

1 (B) contain fourth and fifth columns aligned with
2 the columns required by Paragraph (A) that show, for each row
3 required by Paragraph (A):

4 (i) the "Local Revenue per Student," which
5 is computed by multiplying the district's total taxable value of
6 property, as certified by the chief appraiser for the applicable
7 school year under Section 26.01, Tax Code, and as adjusted to
8 reflect changes made by the chief appraiser as of the time the
9 notice is prepared, by the total tax rate, and dividing the product
10 by the number of students in average daily attendance in the
11 district for the applicable school year; and

12 (ii) the "State Revenue per Student," which
13 is computed by determining the amount of state aid received or to be
14 received by the district under Chapters 43, 46, and 48 and dividing
15 that amount by the number of students in average daily attendance in
16 the district for the applicable school year; and

17 (C) contain an asterisk after each calculation
18 for "Interest & Sinking Fund" and a footnote to the section that, in
19 reduced type, states "The Interest & Sinking Fund tax revenue is
20 used to pay for bonded indebtedness on construction, equipment, or
21 both. The bonds, and the tax rate necessary to pay those bonds, were
22 approved by the voters of this district.";

23 (6) contain a section entitled "Comparison of Proposed
24 Levy with Last Year's Levy on Average Residence," which must:

25 (A) show in rows the information described by
26 Subparagraphs (i)-(iv), rounded to the nearest dollar, for columns
27 entitled "Last Year" and "This Year":

1 (i) "Average Market Value of Residences,"
2 determined using the same group of residences for each year;

3 (ii) "Average Taxable Value of Residences,"
4 determined after taking into account the limitation on the
5 appraised value of residences under Section 23.23, Tax Code, and
6 after subtracting all homestead exemptions applicable in each year,
7 other than exemptions available only to individuals who are
8 disabled, are the parents or guardians of persons who are disabled
9 and who reside with the parents or guardians, [persons] or are
10 [persons] 65 years of age or older or their surviving spouses, and
11 using the same group of residences for each year;

12 (iii) "Last Year's Rate Versus Proposed
13 Rate per \$100 Value"; and

14 (iv) "Taxes Due on Average Residence,"
15 determined using the same group of residences for each year; and

16 (B) contain the following information: "Increase
17 (Decrease) in Taxes" expressed in dollars and cents, which is
18 computed by subtracting the "Taxes Due on Average Residence" for
19 the preceding tax year from the "Taxes Due on Average Residence" for
20 the current tax year;

21 (7) contain the following statement in bold print:
22 "Under state law, the dollar amount of school taxes imposed on the
23 residence of a person 65 years of age or older or of the surviving
24 spouse of such a person, if the surviving spouse was 55 years of age
25 or older when the person died, may not be increased above the amount
26 paid in the first year after the person turned 65, regardless of
27 changes in tax rate or property value.";

1 (8) contain the following statement in bold print:
2 "Notice of Voter-Approval Rate: The highest tax rate the district
3 can adopt before requiring voter approval at an election is (the
4 school district voter-approval rate determined under Section
5 26.08, Tax Code). This election will be automatically held if the
6 district adopts a rate in excess of the voter-approval rate of (the
7 school district voter-approval rate)."; and

8 (9) contain a section entitled "Fund Balances," which
9 must include the estimated amount of interest and sinking fund
10 balances and the estimated amount of maintenance and operation or
11 general fund balances remaining at the end of the current fiscal
12 year that are not encumbered with or by corresponding debt
13 obligation, less estimated funds necessary for the operation of the
14 district before the receipt of the first payment under Chapter 48 in
15 the succeeding school year.

16 SECTION 5. Section 49.236(a), Water Code, is amended to
17 read as follows:

18 (a) Before the board adopts an ad valorem tax rate for the
19 district for debt service, operation and maintenance purposes, or
20 contract purposes, the board shall give notice of each meeting of
21 the board at which the adoption of a tax rate will be considered.
22 The notice must:

23 (1) contain a statement in substantially the following
24 form:

25 "NOTICE OF PUBLIC HEARING ON TAX RATE

26 "The (name of the district) will hold a public hearing on a
27 proposed tax rate for the tax year (year of tax levy) on (date and

1 time) at (meeting place). Your individual taxes may increase at a
2 greater or lesser rate, or even decrease, depending on the tax rate
3 that is adopted and on the change in the taxable value of your
4 property in relation to the change in taxable value of all other
5 property. The change in the taxable value of your property in
6 relation to the change in the taxable value of all other property
7 determines the distribution of the tax burden among all property
8 owners.

9 "Visit Texas.gov/PropertyTaxes to find a link to your local
10 property tax database on which you can easily access information
11 regarding your property taxes, including information about
12 proposed tax rates and scheduled public hearings of each entity
13 that taxes your property.

14 "(Names of all board members and, if a vote was taken, an
15 indication of how each voted on the proposed tax rate and an
16 indication of any absences.)";

17 (2) contain the following information:

18 (A) the district's total adopted tax rate for the
19 preceding year and the proposed tax rate, expressed as an amount per
20 \$100;

21 (B) the difference, expressed as an amount per
22 \$100 and as a percent increase or decrease, as applicable, in the
23 proposed tax rate compared to the adopted tax rate for the preceding
24 year;

25 (C) the average appraised value of a residence
26 homestead in the district in the preceding year and in the current
27 year; the district's total homestead exemption, other than an

1 exemption available only to individuals who are disabled, are the
2 parents or guardians of persons who are disabled and who reside with
3 the parents or guardians, [persons] or are [persons] 65 years of age
4 or older, applicable to that appraised value in each of those years;
5 and the average taxable value of a residence homestead in the
6 district in each of those years, disregarding any homestead
7 exemption available only to individuals who are disabled, are the
8 parents or guardians of persons who are disabled and who reside with
9 the parents or guardians, [persons] or are [persons] 65 years of age
10 or older;

11 (D) the amount of tax that would have been
12 imposed by the district in the preceding year on a residence
13 homestead appraised at the average appraised value of a residence
14 homestead in that year, disregarding any homestead exemption
15 available only to individuals who are disabled, are the parents or
16 guardians of persons who are disabled and who reside with the
17 parents or guardians, [persons] or are [persons] 65 years of age or
18 older;

19 (E) the amount of tax that would be imposed by the
20 district in the current year on a residence homestead appraised at
21 the average appraised value of a residence homestead in that year,
22 disregarding any homestead exemption available only to individuals
23 who are disabled, are the parents or guardians of persons who are
24 disabled and who reside with the parents or guardians, [persons] or
25 are [persons] 65 years of age or older, if the proposed tax rate is
26 adopted;

27 (F) the difference between the amounts of tax

1 calculated under Paragraphs (D) and (E), expressed in dollars and
2 cents and described as the annual percentage increase or decrease,
3 as applicable, in the tax to be imposed by the district on the
4 average residence homestead in the district in the current year if
5 the proposed tax rate is adopted; and

6 (G) if the proposed combined debt service,
7 operation and maintenance, and contract tax rate requires or
8 authorizes an election to approve or reduce the tax rate, as
9 applicable, a description of the purpose of the proposed tax
10 increase;

11 (3) contain a statement in substantially the following
12 form, as applicable:

13 (A) if the district is a district described by
14 Section [49.23601](#):

15 "NOTICE OF VOTE ON TAX RATE

16 "If the district adopts a combined debt service, operation
17 and maintenance, and contract tax rate that would result in the
18 taxes on the average residence homestead increasing by more than
19 eight percent, an election must be held to determine whether to
20 approve the operation and maintenance tax rate under Section
21 [49.23601](#), Water Code.";

22 (B) if the district is a district described by
23 Section [49.23602](#):

24 "NOTICE OF VOTE ON TAX RATE

25 "If the district adopts a combined debt service, operation
26 and maintenance, and contract tax rate that would result in the
27 taxes on the average residence homestead increasing by more than

1 3.5 percent, an election must be held to determine whether to
2 approve the operation and maintenance tax rate under Section
3 49.23602, Water Code."; or

4 (C) if the district is a district described by
5 Section 49.23603:

6 "NOTICE OF TAXPAYERS' RIGHT TO ELECTION TO REDUCE TAX RATE

7 "If the district adopts a combined debt service, operation
8 and maintenance, and contract tax rate that would result in the
9 taxes on the average residence homestead increasing by more than
10 eight percent, the qualified voters of the district by petition may
11 require that an election be held to determine whether to reduce the
12 operation and maintenance tax rate to the voter-approval tax rate
13 under Section 49.23603, Water Code."; and

14 (4) include the following statement: "The 86th Texas
15 Legislature modified the manner in which the voter-approval tax
16 rate is calculated to limit the rate of growth of property taxes in
17 the state.".

18 SECTION 6. Sections 49.23601(a) and (c), Water Code, are
19 amended to read as follows:

20 (a) In this section, "voter-approval tax rate" means the
21 rate equal to the sum of the following tax rates for the district:

- 22 (1) the current year's debt service tax rate;
23 (2) the current year's contract tax rate; and
24 (3) the operation and maintenance tax rate that would
25 impose 1.08 times the amount of the operation and maintenance tax
26 imposed by the district in the preceding year on a residence
27 homestead appraised at the average appraised value of a residence

1 homestead in the district in that year, disregarding any homestead
2 exemption available only to individuals who are disabled, are the
3 parents or guardians of persons who are disabled and who reside with
4 the parents or guardians, [~~persons~~] or are [~~persons~~] 65 years of age
5 or older.

6 (c) If the board of a district adopts a combined debt
7 service, contract, and operation and maintenance tax rate that
8 would impose more than 1.08 times the amount of tax imposed by the
9 district in the preceding year on a residence homestead appraised
10 at the average appraised value of a residence homestead in the
11 district in that year, disregarding any homestead exemption
12 available only to individuals who are disabled, are the parents or
13 guardians of persons who are disabled and who reside with the
14 parents or guardians, [~~persons~~] or are [~~persons~~] 65 years of age or
15 older, an election must be held in accordance with the procedures
16 provided by Sections 26.07(c)-(g), Tax Code, to determine whether
17 to approve the adopted tax rate. If the adopted tax rate is not
18 approved at the election, the district's tax rate is the
19 voter-approval tax rate.

20 SECTION 7. Sections 49.23602(a)(2) and (4), Water Code, are
21 amended to read as follows:

22 (2) "Mandatory tax election rate" means the rate equal
23 to the sum of the following tax rates for the district:

24 (A) the rate that would impose 1.035 times the
25 amount of tax imposed by the district in the preceding year on a
26 residence homestead appraised at the average appraised value of a
27 residence homestead in the district in that year, disregarding any

1 homestead exemption available only to individuals who are disabled,
2 are the parents or guardians of persons who are disabled and who
3 reside with the parents or guardians, [persons] or are [persons] 65
4 years of age or older; and

5 (B) the unused increment rate.

6 (4) "Voter-approval tax rate" means the rate equal to
7 the sum of the following tax rates for the district:

8 (A) the current year's debt service tax rate;

9 (B) the current year's contract tax rate;

10 (C) the operation and maintenance tax rate that
11 would impose 1.035 times the amount of the operation and
12 maintenance tax imposed by the district in the preceding year on a
13 residence homestead appraised at the average appraised value of a
14 residence homestead in the district in that year, disregarding any
15 homestead exemption available only to individuals who are disabled,
16 are the parents or guardians of persons who are disabled and who
17 reside with the parents or guardians, [persons] or are [persons] 65
18 years of age or older; and

19 (D) the unused increment rate.

20 SECTION 8. Sections 49.23603(a) and (c), Water Code, are
21 amended to read as follows:

22 (a) In this section, "voter-approval tax rate" means the
23 rate equal to the sum of the following tax rates for the district:

24 (1) the current year's debt service tax rate;

25 (2) the current year's contract tax rate; and

26 (3) the operation and maintenance tax rate that would
27 impose 1.08 times the amount of the operation and maintenance tax

1 imposed by the district in the preceding year on a residence
2 homestead appraised at the average appraised value of a residence
3 homestead in the district in that year, disregarding any homestead
4 exemption available only to individuals who are disabled, are the
5 parents or guardians of persons who are disabled and who reside with
6 the parents or guardians, ~~[persons]~~ or are ~~[persons]~~ 65 years of age
7 or older.

8 (c) If the board of a district adopts a combined debt
9 service, contract, and operation and maintenance tax rate that
10 would impose more than 1.08 times the amount of tax imposed by the
11 district in the preceding year on a residence homestead appraised
12 at the average appraised value of a residence homestead in the
13 district in that year, disregarding any homestead exemption
14 available only to individuals who are disabled, are the parents or
15 guardians of persons who are disabled and who reside with the
16 parents or guardians, ~~[persons]~~ or are ~~[persons]~~ 65 years of age or
17 older, the qualified voters of the district by petition may require
18 that an election be held to determine whether to reduce the tax rate
19 adopted for the current year to the voter-approval tax rate in
20 accordance with the procedures provided by Sections [26.075](#) and
21 [26.081](#), Tax Code.

22 SECTION 9. This Act applies only to ad valorem taxes imposed
23 for a tax year that begins on or after the effective date of this
24 Act.

25 SECTION 10. This Act takes effect January 1, 2026, but only
26 if the constitutional amendment proposed by the 89th Legislature,
27 Regular Session, 2025, to provide for an exemption from ad valorem

H.B. No. 1548

1 taxation by certain political subdivisions of a portion of the
2 market value of the residence homestead of the parent or guardian of
3 a person who is disabled and who resides with the parent or guardian
4 is approved by the voters. If that amendment is not approved by the
5 voters, this Act has no effect.