

By: Bettencourt, et al.

S.B. No. 1

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a reduction in the maximum compressed tax rate of a
3 school district and additional state aid for certain school
4 districts impacted by compression, an increase in the amount of
5 certain exemptions from ad valorem taxation by a school district
6 applicable to residence homesteads, an adjustment in the amount of
7 the limitation on school district ad valorem taxes imposed on the
8 residence homesteads of the elderly or disabled to reflect
9 increases in the exemption amounts, and the protection of school
10 districts against the resulting loss in local revenue.

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

12 ARTICLE 1. SHORT TITLE

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

15 ARTICLE 2. SCHOOL DISTRICT TAX RATE COMPRESSION

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

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

1 by \$0.10.

2 (b) If a school district's maximum compressed tax rate as
3 calculated under Subsection (a) would be less than 90 percent of
4 another school district's maximum compressed tax rate under
5 Subsection (a), the district's maximum compressed tax rate is the
6 value at which the district's maximum compressed tax rate would be
7 equal to 90 percent of the other district's maximum compressed tax
8 rate.

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

- 16 (1) Section 13.054(f);
- 17 (2) Section 45.003(d);
- 18 (3) Section 45.0032(a);
- 19 (4) Section 48.051(a);
- 20 (5) Sections 48.2553(a) and (e); and
- 21 (6) Section 26.08(n), Tax Code.

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

24 (e) Notwithstanding any other provision of this title, for
25 purposes of determining a school district's maximum compressed tax
26 rate under Section 48.2551 for the 2024-2025 school year, the value
27 of the district's "PYMCR" is the maximum compressed tax rate

1 determined for the district under this section for the preceding
2 school year.

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

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

10 (1) the amount of state and local revenue that would
11 have been available to the district under this chapter and Chapter
12 49 for the current school year if the district's maximum compressed
13 tax rate had not been reduced under Section 48.2555, as added by
14 S.B. 1, Acts of the 88th Legislature, 1st Called Session, 2023; and

15 (2) the amount of state and local revenue available to
16 the district under this chapter and Chapter 49 for the current
17 school year.

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

19 ARTICLE 3. SCHOOL DISTRICT RESIDENCE HOMESTEAD EXEMPTION

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

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

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 1st 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, 1st Called Session, 2023, is not
3 offset by a gain in state aid under this chapter.

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

11 SECTION 3.04. Section 48.2542, Education Code, is amended
12 to read as follows:

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

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

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

14 SECTION 3.06. Section 48.2543, Education Code, is amended
15 to read as follows:

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

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

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

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

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

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

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

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

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

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

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

3 SECTION 3.08. Effective January 1, 2025, Section
4 48.2556(a), Education Code, is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

9 (1) fails to hold the election; or

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

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

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

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

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

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

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

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

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

3 or

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

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

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

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

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

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

27 (j-2) In the final certification of the study under

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

7 SECTION 3.15. Section 25.23, Tax Code, is amended by adding
8 Subsection (a-1) to read as follows:

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

14 SECTION 3.16. Section 26.04, Tax Code, is amended by adding
15 Subsections (a-1) and (c-1) to read as follows:

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

22 (c-1) An officer or employee designated by the governing
23 body of a school district shall calculate the no-new-revenue tax
24 rate and the voter-approval tax rate of the district for the 2023
25 tax year as if the changes in law made by S.B. 1, Acts of the 88th
26 Legislature, 1st Called Session, 2023, were in effect for that tax
27 year. This subsection expires December 31, 2024.

1 SECTION 3.17. Section 26.08, Tax Code, is amended by adding
2 Subsection (q) to read as follows:

3 (q) For purposes of this section, the voter-approval tax
4 rate of a school district for the 2023 tax year shall be calculated
5 as if the changes in law made by S.B. 1, Acts of the 88th
6 Legislature, 1st Called Session, 2023, were in effect for that tax
7 year. This subsection expires December 31, 2024.

8 SECTION 3.18. Section 26.09, Tax Code, is amended by adding
9 Subsection (c-1) to read as follows:

10 (c-1) The assessor for a school district shall calculate the
11 amount of tax imposed by the district on a residence homestead for
12 the 2023 tax year as if the changes in law made by S.B. 1, Acts of
13 the 88th Legislature, 1st Called Session, 2023, were in effect for
14 that tax year and also as if the changes in law made by that Act were
15 not in effect for that tax year. This subsection expires December
16 31, 2024.

17 SECTION 3.19. Section 26.15, Tax Code, is amended by adding
18 Subsection (h) to read as follows:

19 (h) The assessor for a school district shall correct the tax
20 roll for the district for the 2023 tax year to reflect the results
21 of the election to approve the constitutional amendment proposed by
22 S.J.R. 1, 88th Legislature, 1st Called Session, 2023. This
23 subsection expires December 31, 2024.

24 SECTION 3.20. Section 31.01, Tax Code, is amended by adding
25 Subsections (d-2), (d-3), (d-4), and (d-5) to read as follows:

26 (d-2) This subsection and Subsections (d-3) and (d-4) apply
27 only to taxes imposed by a school district on a residence homestead

1 for the 2023 tax year and only if the changes in law made by S.B. 1,
2 Acts of the 88th Legislature, 1st Called Session, 2023, would lower
3 the taxes imposed by the district on the property for that tax year.
4 The assessor for the district shall compute the amount of taxes
5 imposed and the other information required by this section as if the
6 changes in law made by S.B. 1, Acts of the 88th Legislature, 1st
7 Called Session, 2023, were in effect for that tax year. The tax
8 bill or the separate statement must indicate that the bill is a
9 provisional tax bill and include a statement in substantially the
10 following form:

11 "If the Texas Legislature had not enacted property tax relief
12 legislation during the 2023 legislative session, your tax bill
13 would have been \$_____ (insert amount of tax bill if the changes in
14 law made by S.B. 1, Acts of the 88th Legislature, 1st Called
15 Session, 2023, were not in effect for that tax year). Because of
16 action by the Texas Legislature, your tax bill has been lowered by
17 \$_____ (insert difference between amount of tax bill if the changes
18 in law made by S.B. 1, Acts of the 88th Legislature, 1st Called
19 Session, 2023, were not in effect for that tax year and amount of
20 tax bill if that Act were in effect for that tax year), resulting in
21 a lower tax bill of \$_____ (insert amount of tax bill if the changes
22 in law made by S.B. 1, Acts of the 88th Legislature, 1st Called
23 Session, 2023, were in effect for that tax year), contingent on
24 the approval by the voters at an election to be held November 7,
25 2023, of the constitutional amendment proposed by S.J.R. 1, 88th
26 Legislature, 1st Called Session, 2023. If that constitutional
27 amendment is not approved by the voters at the election, a

1 supplemental tax bill in the amount of \$_____ (insert difference
2 between amount of tax bill if the changes in law made by S.B. 1, Acts
3 of the 88th Legislature, 1st Called Session, 2023, were not in
4 effect for that tax year and amount of tax bill if that Act were in
5 effect for that tax year) will be mailed to you."

6 (d-3) A tax bill prepared by the assessor for a school
7 district as provided by Subsection (d-2) and mailed as provided by
8 Subsection (a) is considered to be a provisional tax bill until the
9 canvass of the votes on the constitutional amendment proposed by
10 S.J.R. 1, 88th Legislature, 1st Called Session, 2023. If the
11 constitutional amendment is approved by the voters, the tax bill is
12 considered to be a final tax bill for the taxes imposed on the
13 property for the 2023 tax year, and no additional tax bill is
14 required to be mailed unless another provision of this title
15 requires the mailing of a corrected tax bill. If the constitutional
16 amendment is not approved by the voters:

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

21 (2) the amount of taxes imposed by each school
22 district on a residence homestead for the 2023 tax year is
23 calculated as if the changes in law made by S.B. 1, Acts of the 88th
24 Legislature, 1st Called Session, 2023, were not in effect for that
25 tax year; and

26 (3) except as provided by Subsections (f), (i-1), and
27 (k), the assessor for each school district shall prepare and mail a

1 supplemental tax bill, by December 1 or as soon thereafter as
2 practicable, in an amount equal to the difference between the
3 amount of the tax bill if the changes in law made by S.B. 1, Acts of
4 the 88th Legislature, 1st Called Session, 2023, were not in effect
5 for that tax year and the amount of the tax bill if that Act were in
6 effect for that tax year.

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

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

12 SECTION 3.21. Section 31.02, Tax Code, is amended by adding
13 Subsection (a-1) to read as follows:

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

20 SECTION 3.22. (a) Sections 11.26(a-1), (a-2), and (a-3),
21 Tax Code, are repealed.

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

24 SECTION 3.23. The changes in law made by this article to
25 Sections 11.13 and 11.26, Tax Code, apply beginning with the ad
26 valorem tax year that begins January 1, 2023.

27 ARTICLE 4. EFFECTIVE DATES

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

4 SECTION 4.02. (a) Except as provided by Subsection (b) of
5 this section or as otherwise provided by Article 3 of this Act:

6 (1) Article 3 of this Act takes effect on the date on
7 which the constitutional amendment proposed by S.J.R. 1, 88th
8 Legislature, 1st Called Session, 2023, takes effect; and

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

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