

All Published Pre-filed Amendments for HB 2

Bryant

Barcode

Amendment

881411

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FLOOR AMENDMENT NO. _____

BY: Bryant

Amend H.B. 2 (house committee report) by striking all below the enacting clause and substituting the following:

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 value at which the district's maximum compressed tax rate would be equal to 90 percent of the other district's maximum compressed tax rate.

(c) Notwithstanding any other provision of this title or Chapter 26, Tax Code, for purposes of determining funding for

school districts for the 2023-2024 school year, a reference in any of the following provisions of law to a school district's maximum compressed tax rate or maximum compressed rate as determined under Section 48.2551 means the maximum compressed tax rate determined for the district under this section:

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

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

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

(f) This section expires September 1, 2025.

Sec. 48.283. ADDITIONAL STATE AID FOR CERTAIN DISTRICTS IMPACTED BY COMPRESSION. (a) A school district that received an adjustment under Section 48.257(b) for the 2022-2023 school year is entitled to additional state aid for each school year in an amount equal to the amount of that adjustment for the 2022-2023 school year less the difference, if the difference is greater than

zero, between:

(1) the amount to which the district is entitled under this chapter for the current school year; and

(2) the amount to which the district would be entitled under this chapter for the current school year if the district's maximum compressed tax rate had not been reduced under Section 48.2555, as added by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023.

(b) For the 2023-2024 and 2024-2025 school years, a school district that compressed its tax rate as a result of Section 48.2555 is entitled to additional state aid, which shall be used in the manner prescribed by Section 48.051(c), equal to \$1,000 for each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C.

ARTICLE 3. SCHOOL DISTRICT RESIDENCE HOMESTEAD EXEMPTION

SECTION 3.01. Section 11.13, Tax Code, is amended by amending Subsection (b) and adding Subsections (b-1) and (n-1) to read as follows:

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

on May 1, 1995, as permitted by Section 11.301, Education Code.

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

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

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

(a) The tax officials shall appraise the property to which this section applies and calculate taxes as on other property, but if the tax so calculated exceeds the limitation imposed by this section, the tax imposed is the amount of the tax as limited by this section, except as otherwise provided by this section. A school district may not increase the total annual amount of ad valorem tax it imposes on the residence homestead of an individual 65 years of age or older or on the residence homestead of an individual who is disabled, as defined by Section 11.13, above the amount of the tax it imposed in the first tax year in which the individual qualified that residence homestead for the applicable exemption provided by Section 11.13(c) for an individual who is 65 years of age or older or is disabled. If the individual qualified that residence homestead for the exemption after the beginning of that first year and the residence homestead remains eligible for the same exemption for the next year, and if the school district

taxes imposed on the residence homestead in the next year are less than the amount of taxes imposed in that first year, a school district may not subsequently increase the total annual amount of ad valorem taxes it imposes on the residence homestead above the amount it imposed in the year immediately following the first year for which the individual qualified that residence homestead for the same exemption, except as provided by Subsection (b). ~~[If the first tax year the individual qualified the residence homestead for the exemption provided by Section 11.13(c) for individuals 65 years of age or older or disabled was a tax year before the 2015 tax year, the amount of the limitation provided by this section is the amount of tax the school district imposed for the 2014 tax year less an amount equal to the amount determined by multiplying \$10,000 times the tax rate of the school district for the 2015 tax year, plus any 2015 tax attributable to improvements made in 2014, other than improvements made to comply with governmental regulations or repairs.]~~

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

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

the current tax year;

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

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

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

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

(a-11) This subsection applies only to an individual who in the 2023 tax year qualifies for a limitation under this section and for whom the 2022 tax year or an earlier tax year was the first tax year the individual or the individual's spouse qualified for an exemption under Section 11.13(c). The amount of the limitation provided by this section on the residence homestead of an individual to which this subsection applies for the 2023 tax year is the amount of the limitation as computed under Subsection (a-5), (a-6), (a-7), (a-8), or (a-9) of this section, as applicable, less an amount equal to the product of \$60,000 and the tax rate of the school district for the 2023 tax year. This subsection expires January 1, 2025.

(a-12) This subsection applies only to an individual who in the 2023 tax year qualifies for a limitation under this section and for whom the 2021 tax year or an earlier tax year was the first tax year the individual or the individual's spouse qualified for an exemption under Section 11.13(c). The amount of the limitation provided by this section on the residence homestead of an individual to which this subsection applies for the 2023 tax year is the amount of the limitation as computed under Subsection (a-11) of this section less an amount equal to the product of \$15,000 and the tax rate of the school district for the 2022 tax year. This subsection expires January 1, 2025.

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

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

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

SECTION 3.03. Section 46.071, Education Code, is amended by amending Subsections (a-1) and (b-1) and adding Subsections (a-2), (b-2), and (c-2) to read as follows:

(a-1) For [~~Beginning with~~] the 2022-2023 school year, a school district is entitled to additional state aid under this subchapter to the extent that state and local revenue used to service debt eligible under this chapter is less than the state and local revenue that would have been available to the district under this chapter as it existed on September 1, 2021, if any increase in the residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, as proposed by the 87th Legislature, 3rd Called Session, 2021, had not occurred.

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

(b-1) Subject to Subsections (c-1), (d), and (e), additional state aid under this section for [~~beginning with~~] the 2022-2023 school year is equal to the amount by which the loss of local interest and sinking revenue for debt service attributable to any increase in the residence homestead exemption under Section 1-

b(c), Article VIII, Texas Constitution, as proposed by the 87th Legislature, 3rd Called Session, 2021, is not offset by a gain in state aid under this chapter.

(b-2) Subject to Subsections (c-2), (d), and (e), additional state aid under this section beginning with the 2023-2024 school year is equal to the amount by which the loss of local interest and sinking revenue for debt service attributable to any increase in a residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, and any additional limitation on tax increases under Section 1-b(d) of that article as proposed by the 88th Legislature, 2nd Called Session, 2023, is not offset by a gain in state aid under this chapter.

(c-2) For the purpose of determining state aid under Subsections (a-2) and (b-2), local interest and sinking revenue for debt service is limited to revenue required to service debt eligible under this chapter as of September 1, 2023, or authorized by the voters but not yet issued as of September 1, 2023, that later becomes eligible under this chapter, including refunding of that debt, subject to Section 46.061. The limitation imposed by Section 46.034(a) does not apply for the purpose of determining state aid under this section.

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

Sec. 48.2542. ADDITIONAL STATE AID FOR ADJUSTMENT OF LIMITATION ON TAX INCREASES ON HOMESTEAD OF ELDERLY OR DISABLED. Notwithstanding any other provision of this chapter, if a school district is not fully compensated through state aid or the

calculation of excess local revenue under this chapter based on the determination of the district's taxable value of property under Subchapter M, Chapter 403, Government Code, the district is entitled to additional state aid in the amount necessary to fully compensate the district for the amount of ad valorem tax revenue lost due to a reduction of the amount of the limitation on tax increases provided by Sections 11.26(a-4), (a-5), (a-6), (a-7), (a-8), (a-9), [~~and~~] (a-10), (a-11), and (a-12), Tax Code, as applicable.

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

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

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

Sec. 48.2543. ADDITIONAL STATE AID FOR HOMESTEAD EXEMPTION.

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

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

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

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

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

SECTION 3.07. Section 48.2556(a), Education Code, is amended

to read as follows:

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

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

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

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

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

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

~~[(2)]~~ each school district's tier one maintenance and

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

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

(a-1) This subsection applies only if the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023, is approved by the voters in an election held for that purpose. As soon as practicable after receiving revised property values that reflect adoption of the constitutional amendment, the commissioner shall review the local revenue level of districts in the state and revise as necessary the notifications provided under Subsection (a) for the 2023-2024 school year. This subsection expires September 1, 2024.

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

(c-1) Notwithstanding Subsection (c), a district that receives approval from the commissioner to delay an election as provided by Subsection (b-1) may adopt a tax rate for the 2023 tax year before the commissioner certifies that the district has

reduced its local revenue level to the level established by Section 48.257. This subsection expires September 1, 2024.

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

Sec. 49.0042. TRANSITIONAL PROVISIONS: INCREASED HOMESTEAD EXEMPTION AND LIMITATION ON TAX INCREASES. (a) The commissioner shall approve a district's request under Section 49.004(b-1) to delay the date of an election required under this chapter if the commissioner determines that the district would not have a local revenue level in excess of entitlement if the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023, were approved by the voters.

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

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

(1) fails to hold the election; or

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

(d) This section expires September 1, 2025.

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

Sec. 49.0121. TRANSITIONAL ELECTION DATES. (a) This section applies only to an election under this chapter that occurs

during the 2023-2024 school year.

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

(c) This section expires September 1, 2024.

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

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

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

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

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

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

(a-1) Notwithstanding Subsection (a), for the 2023-2024 school year, the commissioner shall order any detachments and annexations of property under this subchapter as soon as practicable after the canvass of the votes on the constitutional

amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023. This subsection expires September 1, 2024.

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

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

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

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

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

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

ARTICLE 4. PROPERTY TAX RELIEF FOR RENTERS

SECTION 4.01. Chapter 5, Tax Code, is amended by adding

Section 5.17 to read as follows:

Sec. 5.17. PROPERTY TAX RELIEF TO RENTAL HOUSEHOLDS. (a)

In this section:

(1) "Fund" means the property tax relief to rental households fund established under Section 30, Article VIII, Texas Constitution.

(2) "Rental household" means a household that rents the household's primary residence.

(b) The comptroller by rule shall establish a program to provide annual payments to eligible rental households in an amount determined under this section from money appropriated to the comptroller for that purpose from the fund.

(c) A rental household is eligible to receive a payment under this section if the rental household:

(1) has paid rent for the rental household's primary residence in the 12 calendar months of the year for which the rental household applies for the payment; and

(2) submits an application for the payment before a date prescribed by comptroller rule.

(d) Not later than February 1 of each year, each person who owns real property and leases that property to a rental household for use as that household's primary residence shall file with the comptroller an affidavit stating the number of monthly payments received and the amount of rent received by the person from the rental household during the preceding calendar year.

(e) Subject to Subsection (f), an eligible rental household is entitled to receive a payment under this section each year on

a date prescribed by comptroller rule in an amount equal to 10 percent of the total amount of rent the rental household paid for their primary residence during the preceding calendar year up to a maximum payment of \$1500.

(f) If the comptroller determines that the total amount of payments from the fund to eligible rental households in a year as determined under Subsection (e) would exceed an amount equal to 50 percent of the balance of the fund, the comptroller shall proportionally reduce the amount of the payment to each eligible rental household for that year by the amount necessary to prevent the total amount of payments from the fund in that year from exceeding 50 percent of the balance of the fund.

(g) The comptroller:

(1) by rule shall establish the procedure and prescribe a form to be used by a rental household to apply for a payment authorized by this section and a form to be used to certify rent paid and the number of monthly payments by a person who owns real property and leases that property to a rental household for use as that household's primary residence; and

(2) may adopt additional rules necessary for the implementation and administration of this section.

ARTICLE 5. TRANSITIONAL TAX YEAR PROVISIONS

SECTION 5.01. Section 25.23, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) This subsection applies only to the appraisal records for the 2023 tax year. The chief appraiser shall prepare supplemental appraisal records to account for the changes in law

made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023. This subsection expires December 31, 2024.

SECTION 5.02. Section 26.04, Tax Code, is amended by adding Subsections (a-1) and (c-1) to read as follows:

(a-1) On receipt of the appraisal roll for the 2023 tax year, the assessor for a taxing unit shall determine the total taxable value of property taxable by the taxing unit and the taxable value of new property as if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were in effect for that tax year. This subsection expires December 31, 2024.

(c-1) An officer or employee designated by the governing body of a taxing unit shall calculate the no-new-revenue tax rate and the voter-approval tax rate of the taxing unit for the 2023 tax year as if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were in effect for that tax year. This subsection expires December 31, 2024.

SECTION 5.03. Chapter 26, Tax Code, is amended by adding Section 26.0401 to read as follows:

Sec. 26.0401. CALCULATION OF CERTAIN TAX RATES FOR 2023 TAX YEAR. (a) For the purposes of calculating the no-new-revenue tax rate, the voter-approval tax rate, and any related tax rate for the 2023 tax year, a taxing unit that calculates those rates under a provision of law other than Section 26.04 or 26.08 shall calculate those rates as if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were in effect for that tax year.

(b) This section expires December 31, 2024.

SECTION 5.04. Section 26.08, Tax Code, is amended by adding Subsection (q) to read as follows:

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

SECTION 5.05. Section 26.09, Tax Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) The assessor for a taxing unit shall calculate the amount of tax imposed by the taxing unit on property for the 2023 tax year as if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were in effect for that tax year and also as if the changes in law made by that Act were not in effect for that tax year. This subsection expires December 31, 2024.

SECTION 5.06. Section 26.15, Tax Code, is amended by adding Subsection (h) to read as follows:

(h) The assessor for a taxing unit shall correct the tax roll for the taxing unit for the 2023 tax year to reflect the results of the election to approve the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023. This subsection expires December 31, 2024.

SECTION 5.07. Section 31.01, Tax Code, is amended by adding Subsections (d-2), (d-3), (d-4), and (d-5) to read as follows:

(d-2) This subsection and Subsections (d-3) and (d-4) apply only to taxes imposed by a taxing unit on property for the 2023

tax year and only if the changes in law made by S.B. 2, Acts of the 88th Legislature; 2nd Called Session, 2023, would lower the taxes imposed by the taxing unit on the property for that tax year. The assessor for the taxing unit shall compute the amount of taxes imposed and the other information required by this section as if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were in effect for that tax year. The tax bill or the separate statement must indicate that the bill is a provisional tax bill and include a statement in substantially the following form:

"If the Texas Legislature had not enacted property tax relief legislation during the 2023 legislative session, your tax bill would have been \$ (insert amount of tax bill if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were not in effect for that tax year). Because of action by the Texas Legislature, your tax bill has been lowered by \$ (insert difference between amount of tax bill if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were not in effect for that tax year and amount of tax bill if that Act were in effect for that tax year), resulting in a lower tax bill of \$ (insert amount of tax bill if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were in effect for that tax year), contingent on the approval by the voters at an election to be held November 7, 2023, of the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023. If that constitutional amendment is not approved by the voters at the election, a

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

(d-3) A tax bill prepared by the assessor for a taxing unit as provided by Subsection (d-2) and mailed as provided by Subsection (a) is considered to be a provisional tax bill until the canvass of the votes on the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023. If the constitutional amendment is approved by the voters, the tax bill is considered to be a final tax bill for the taxes imposed on the property for the 2023 tax year, and no additional tax bill is required to be mailed unless another provision of this title requires the mailing of a corrected tax bill. If the constitutional amendment is not approved by the voters:

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

(2) the amount of taxes imposed by each taxing unit on property for the 2023 tax year is calculated as if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were not in effect for that tax year; and

(3) except as provided by Subsections (f), (i-1), and (k), the assessor for each taxing unit shall prepare and mail a supplemental tax bill, by December 1 or as soon thereafter as

practicable, in an amount equal to the difference between the amount of the tax bill if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were not in effect for that tax year and the amount of the tax bill if that Act were in effect for that tax year.

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

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

SECTION 5.08. Section 31.02, Tax Code, is amended by adding Subsection (a-1) to read as follows:

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

ARTICLE 6. EFFECTIVE DATES

SECTION 6.01. Except as otherwise provided by this article, this Act takes effect on the 91st day after the last day of the legislative session.

SECTION 6.02. Article 2 of this Act takes effect on the date on which the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023, is approved by the voters. If that amendment is not approved by the voters, Article 2 of this Act has no effect.

SECTION 6.03. (a) Except as provided by Subsection (b) of this section or as otherwise provided by Article 3 of this Act:

(1) Article 3 of this Act takes effect on the date on which the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023, takes effect; and

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

(b) Sections 49.004(a-1), (b-1), and (c-1), 49.0042, 49.0121, 49.154(a-2) and (a-3), and 49.308(a-1), Education Code, as added by Article 3 of this Act, take effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for those sections to have immediate effect, those sections take effect on the 91st day after the last day of the legislative session.

SECTION 6.04. Article 4 of this Act takes effect January 1, 2024, but only if the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023, is approved by the voters. If that amendment is not approved by the voters, Article 3 of this Act has no effect.

SECTION 6.05. Article 5 of this Act takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for that article to have immediate effect, Article 6 of this Act takes effect on the 91st day after the last day of the legislative session.