

By: Bell of Montgomery

H.B. No. 207

A BILL TO BE ENTITLED

1 AN ACT

2 relating to an exemption from ad valorem taxation of the total  
3 appraised value of the residence homesteads of certain elderly  
4 persons and their surviving spouses.

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

6 SECTION 1. Section 11.13, Tax Code, is amended by amending  
7 Subsection (i) and adding Subsections (s) and (t) to read as  
8 follows:

9 (i) The assessor and collector for a taxing unit may  
10 disregard the exemptions authorized by Subsection (b), (c), (d),  
11 ~~[or] (n), (s), or (t) [of this section]~~ and assess and collect a tax  
12 pledged for payment of debt without deducting the amount of the  
13 exemption if:

14 (1) prior to adoption of the exemption, the taxing  
15 unit pledged the taxes for the payment of a debt; and

16 (2) granting the exemption would impair the obligation  
17 of the contract creating the debt.

18 (s) In addition to any other exemptions provided by this  
19 section, an individual is entitled to an exemption from taxation of  
20 the total appraised value of the individual's residence homestead  
21 if:

22 (1) the individual is 72 years of age or older; and

23 (2) the individual has received an exemption under  
24 this section for the residence homestead for at least the preceding

1 10 years.

2 (t) The surviving spouse of an individual who qualified for  
3 an exemption under Subsection (s) is entitled to an exemption from  
4 taxation of the total appraised value of the same property to which  
5 the deceased spouse's exemption applied if:

6 (1) the deceased spouse died in a year in which the  
7 deceased spouse qualified for the exemption;

8 (2) the surviving spouse was 55 years of age or older  
9 when the deceased spouse died; and

10 (3) the property was the residence homestead of the  
11 surviving spouse when the deceased spouse died and remains the  
12 residence homestead of the surviving spouse.

13 SECTION 2. Section 11.42(c), Tax Code, is amended to read as  
14 follows:

15 (c) An exemption authorized by Section 11.13(c), ~~(d)~~,  
16 or (s), 11.132, 11.133, or 11.134 is effective as of January 1 of  
17 the tax year in which the person qualifies for the exemption and  
18 applies to the entire tax year.

19 SECTION 3. Sections 11.43(k), (l), (m), (m-2), and (q), Tax  
20 Code, as effective January 1, 2024, are amended to read as follows:

21 (k) A person who qualifies for an exemption authorized by  
22 Section 11.13(c), ~~(d)~~, or (s) or 11.132 must apply for the  
23 exemption no later than the first anniversary of the date the person  
24 qualified for the exemption.

25 (l) The form for an application under Section 11.13 must  
26 include a space for the applicant to state the applicant's date of  
27 birth and, if applicable, the date of birth of the applicant's

1 spouse. Failure to provide the applicant's date of birth does not  
2 affect the applicant's eligibility for an exemption under that  
3 section, other than an exemption under Section 11.13(c) or (d) for  
4 an individual 65 years of age or older or an exemption under Section  
5 11.13(s) for an individual 72 years of age or older. Failure to  
6 provide the date of birth of the applicant's spouse does not affect  
7 the applicant's eligibility for an exemption under Section 11.13 or  
8 the applicant's spouse's eligibility for an exemption under that  
9 section, other than an exemption under Section 11.13(q) for the  
10 surviving spouse of an individual 65 years of age or older or an  
11 exemption under Section 11.13(t) for the surviving spouse of an  
12 individual 72 years of age or older.

13 (m) Notwithstanding Subsections (a) and (k), if a person who  
14 receives an exemption under Section 11.13, other than an exemption  
15 under Section 11.13(c) or (d) for an individual 65 years of age or  
16 older or an exemption under Section 11.13(s) for an individual 72  
17 years of age or older, in a tax year becomes 65 or 72 years of age in  
18 the next tax year, as applicable, the person is entitled to receive  
19 and the chief appraiser shall allow an exemption under Section  
20 11.13(c) or (d) for an individual 65 years of age or older or an  
21 exemption under Section 11.13(s) for an individual 72 years of age  
22 or older, as applicable, in that next tax year on the same property  
23 without requiring the person to apply for or otherwise request the  
24 exemption if the person's age is shown by:

25 (1) information in the records of the appraisal  
26 district that was provided to the appraisal district by the  
27 individual in an application for an exemption under Section 11.13

1 on the property or in correspondence relating to the property; or

2 (2) the information provided by the Texas Department  
3 of Public Safety to the appraisal district under Section 521.049,  
4 Transportation Code.

5 (m-2) Notwithstanding Subsection (a), if a person who  
6 receives an exemption under Section 11.13(d) for an individual 65  
7 years of age or older or an exemption under Section 11.13(s) for an  
8 individual 72 years of age or older dies in a tax year, that  
9 person's surviving spouse is entitled to receive an exemption under  
10 Section 11.13(q) or (t), as applicable, in the next tax year on the  
11 same property without applying for the exemption if:

12 (1) the appraisal district learns of the person's  
13 death from any source, including the death records maintained by  
14 the vital statistics unit of the Department of State Health  
15 Services or a local registration official; and

16 (2) the surviving spouse is otherwise eligible to  
17 receive the exemption as shown by:

18 (A) information in the records of the appraisal  
19 district that was provided to the appraisal district in an  
20 application for an exemption under Section 11.13 on the property or  
21 in correspondence relating to the property; or

22 (B) information provided by the Texas Department  
23 of Public Safety to the appraisal district under Section 521.049,  
24 Transportation Code.

25 (q) A chief appraiser may not cancel an exemption under  
26 Section 11.13 that is received by an individual who is 65 years of  
27 age or older without first providing written notice of the

1 cancellation to the individual receiving the exemption. The notice  
2 must include a form on which the individual may indicate whether the  
3 individual is qualified to receive the exemption and a  
4 self-addressed postage prepaid envelope with instructions for  
5 returning the form to the chief appraiser. The chief appraiser  
6 shall consider the individual's response on the form in determining  
7 whether to continue to allow the exemption. If the chief appraiser  
8 does not receive a response on or before the 60th day after the date  
9 the notice is mailed, the chief appraiser may cancel the exemption  
10 on or after the 30th day after the expiration of the 60-day period,  
11 but only after making a reasonable effort to locate the individual  
12 and determine whether the individual is qualified to receive the  
13 exemption. For purposes of this subsection, sending an additional  
14 notice of cancellation that includes, in bold font equal to or  
15 greater in size than the surrounding text, the date on which the  
16 chief appraiser is authorized to cancel the exemption to the  
17 individual receiving the exemption immediately after the  
18 expiration of the 60-day period by first class mail in an envelope  
19 on which is written, in all capital letters, "RETURN SERVICE  
20 REQUESTED," or another appropriate statement directing the United  
21 States Postal Service to return the notice if it is not deliverable  
22 as addressed, or providing the additional notice in another manner  
23 that the chief appraiser determines is appropriate, constitutes a  
24 reasonable effort on the part of the chief appraiser. This  
25 subsection does not apply to an exemption under Section 11.13(c) or  
26 (d) for an individual 65 years of age or older or an exemption under  
27 Section 11.13(s) for an individual 72 years of age or older that is

1 canceled because the chief appraiser determines that the individual  
2 receiving the exemption no longer owns the property subject to the  
3 exemption.

4 SECTION 4. Section 26.10(b), Tax Code, is amended to read as  
5 follows:

6 (b) If the appraisal roll shows that a residence homestead  
7 exemption under Section 11.13(c), ~~[or]~~ (d), or (s), 11.132, 11.133,  
8 or 11.134 applicable to a property on January 1 of a year terminated  
9 during the year and if the owner of the property qualifies a  
10 different property for one of those residence homestead exemptions  
11 during the same year, the tax due against the former residence  
12 homestead is calculated by:

13 (1) subtracting:

14 (A) the amount of the taxes that otherwise would  
15 be imposed on the former residence homestead for the entire year had  
16 the owner qualified for the residence homestead exemption for the  
17 entire year; from

18 (B) the amount of the taxes that otherwise would  
19 be imposed on the former residence homestead for the entire year had  
20 the owner not qualified for the residence homestead exemption  
21 during the year;

22 (2) multiplying the remainder determined under  
23 Subdivision (1) by a fraction, the denominator of which is 365 and  
24 the numerator of which is the number of days that elapsed after the  
25 date the exemption terminated; and

26 (3) adding the product determined under Subdivision  
27 (2) and the amount described by Subdivision (1)(A).

1 SECTION 5. Section 26.112, Tax Code, is amended to read as  
2 follows:

3 Sec. 26.112. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF  
4 CERTAIN PERSONS. (a) Except as provided by Section 26.10(b), if at  
5 any time during a tax year property is owned by an individual who  
6 qualifies for an exemption under Section 11.13(c), ~~(d)~~, or  
7 (s), 11.133, or 11.134, the amount of the tax due on the property  
8 for the tax year is calculated as if the individual qualified for  
9 the exemption on January 1 and continued to qualify for the  
10 exemption for the remainder of the tax year.

11 (b) If an individual qualifies for an exemption under  
12 Section 11.13(c), ~~(d)~~, (s), 11.133, or 11.134 with respect  
13 to the property after the amount of the tax due on the property is  
14 calculated and the effect of the qualification is to reduce the  
15 amount of the tax due on the property, the assessor for each taxing  
16 unit shall recalculate the amount of the tax due on the property and  
17 correct the tax roll. If the tax bill has been mailed and the tax on  
18 the property has not been paid, the assessor shall mail a corrected  
19 tax bill to the person in whose name the property is listed on the  
20 tax roll or to the person's authorized agent. If the tax on the  
21 property has been paid, the tax collector for the taxing unit shall  
22 refund to the person who was the owner of the property on the date  
23 the tax was paid the amount by which the payment exceeded the tax  
24 due.

25 SECTION 6. Section 33.01(d), Tax Code, is amended to read as  
26 follows:

27 (d) In lieu of the penalty imposed under Subsection (a), a

1 delinquent tax incurs a penalty of 50 percent of the amount of the  
2 tax without regard to the number of months the tax has been  
3 delinquent if the tax is delinquent because the property owner  
4 received an exemption under:

5 (1) Section 11.13 and the chief appraiser subsequently  
6 cancels the exemption because the residence was not the principal  
7 residence of the property owner and the property owner received an  
8 exemption for two or more additional residence homesteads for the  
9 tax year in which the tax was imposed;

10 (2) Section 11.13(c) or (d) for a person who is 65  
11 years of age or older and the chief appraiser subsequently cancels  
12 the exemption because the property owner was younger than 65 years  
13 of age; ~~or~~

14 (3) Section 11.13(s) for a person who is 72 years of  
15 age or older and the chief appraiser subsequently cancels the  
16 exemption because the property owner was younger than 72 years of  
17 age; or

18 (4) Section 11.13(q) or (t) and the chief appraiser  
19 subsequently cancels the exemption because the property owner was  
20 younger than 55 years of age when the property owner's spouse died.

21 SECTION 7. Section 44.004(c), Education Code, is amended to  
22 read as follows:

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



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

2       "NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

3           "The (name of school district) will hold a public meeting at  
4 (time, date, year) in (name of room, building, physical location,  
5 city, state). The purpose of this meeting is to discuss the school  
6 district's budget that will determine the tax rate that will be  
7 adopted. Public participation in the discussion is invited." The  
8 statement of the purpose of the meeting must be in bold type. In  
9 reduced type, the notice must state: "The tax rate that is  
10 ultimately adopted at this meeting or at a separate meeting at a  
11 later date may not exceed the proposed rate shown below unless the  
12 district publishes a revised notice containing the same information  
13 and comparisons set out below and holds another public meeting to  
14 discuss the revised notice." In addition, in reduced type, the  
15 notice must state: "Visit [Texas.gov/PropertyTaxes](http://Texas.gov/PropertyTaxes) to find a link to  
16 your local property tax database on which you can easily access  
17 information regarding your property taxes, including information  
18 about proposed tax rates and scheduled public hearings of each  
19 entity that taxes your property.";

20           (2) contain a section entitled "Comparison of Proposed  
21 Budget with Last Year's Budget," which must show the difference,  
22 expressed as a percent increase or decrease, as applicable, in the  
23 amounts budgeted for the preceding fiscal year and the amount  
24 budgeted for the fiscal year that begins in the current tax year for  
25 each of the following:

26                       (A) maintenance and operations;

27                       (B) debt service; and

1 (C) total expenditures;

2 (3) contain a section entitled "Total Appraised Value  
3 and Total Taxable Value," which must show the total appraised value  
4 and the total taxable value of all property and the total appraised  
5 value and the total taxable value of new property taxable by the  
6 district in the preceding tax year and the current tax year as  
7 calculated under Section 26.04, Tax Code;

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

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

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

17 (i) the school district's "Last Year's  
18 Rate";

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

21 (a) in the case of "Maintenance &  
22 Operations," is the tax rate that, when applied to the current  
23 taxable value for the district, as certified by the chief appraiser  
24 under Section 26.01, Tax Code, and as adjusted to reflect changes  
25 made by the chief appraiser as of the time the notice is prepared,  
26 would impose taxes in an amount that, when added to state funds to  
27 be distributed to the district under Chapter 48, would provide the

1 same amount of maintenance and operations taxes and state funds  
2 distributed under Chapter 48 per student in average daily  
3 attendance for the applicable school year that was available to the  
4 district in the preceding school year; and

5 (b) in the case of "Interest & Sinking  
6 Fund," is the tax rate that, when applied to the current taxable  
7 value for the district, as certified by the chief appraiser under  
8 Section 26.01, Tax Code, and as adjusted to reflect changes made by  
9 the chief appraiser as of the time the notice is prepared, and when  
10 multiplied by the district's anticipated collection rate, would  
11 impose taxes in an amount that, when added to state funds to be  
12 distributed to the district under Chapter 46 and any excess taxes  
13 collected to service the district's debt during the preceding tax  
14 year but not used for that purpose during that year, would provide  
15 the amount required to service the district's debt; and

16 (iii) the "Proposed Rate";

17 (B) contain fourth and fifth columns aligned with  
18 the columns required by Paragraph (A) that show, for each row  
19 required by Paragraph (A):

20 (i) the "Local Revenue per Student," which  
21 is computed by multiplying the district's total taxable value of  
22 property, as certified by the chief appraiser for the applicable  
23 school year under Section 26.01, Tax Code, and as adjusted to  
24 reflect changes made by the chief appraiser as of the time the  
25 notice is prepared, by the total tax rate, and dividing the product  
26 by the number of students in average daily attendance in the  
27 district for the applicable school year; and

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

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

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

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

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

19 (ii) "Average Taxable Value of Residences,"  
20 determined after taking into account the limitation on the  
21 appraised value of residences under Section 23.23, Tax Code, and  
22 after subtracting all homestead exemptions applicable in each year,  
23 other than exemptions available only to disabled persons, ~~or~~  
24 persons 65 years of age or older or their surviving spouses, or  
25 persons 72 years of age or older or their surviving spouses, and  
26 using the same group of residences for each year;

27 (iii) "Last Year's Rate Versus Proposed

1 Rate per \$100 Value"; and

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

4 (B) contain the following information: "Increase  
5 (Decrease) in Taxes" expressed in dollars and cents, which is  
6 computed by subtracting the "Taxes Due on Average Residence" for  
7 the preceding tax year from the "Taxes Due on Average Residence" for  
8 the current tax year;

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

16 (8) contain the following statement in bold print:  
17 "Notice of Voter-Approval Rate: The highest tax rate the district  
18 can adopt before requiring voter approval at an election is (the  
19 school district voter-approval rate determined under Section  
20 [26.08](#), Tax Code). This election will be automatically held if the  
21 district adopts a rate in excess of the voter-approval rate of (the  
22 school district voter-approval rate)."; ~~and~~

23 (9) contain a section entitled "Fund Balances," which  
24 must include the estimated amount of interest and sinking fund  
25 balances and the estimated amount of maintenance and operation or  
26 general fund balances remaining at the end of the current fiscal  
27 year that are not encumbered with or by corresponding debt

1 obligation, less estimated funds necessary for the operation of the  
2 district before the receipt of the first payment under Chapter 48 in  
3 the succeeding school year; and

4 (10) contain the following statement in bold print:  
5 "Under state law, the residence of a person 72 years of age or older  
6 or of the surviving spouse of such a person, if the surviving spouse  
7 was 55 years of age or older when the person died, is exempt from  
8 taxes."

9 SECTION 8. (a) This section takes effect only if the  
10 constitutional amendment proposed by H.J.R. 2, 88th Legislature,  
11 2nd Called Session, 2023, is approved by the voters.

12 (b) Section 46.071, Education Code, is amended by adding  
13 Subsection (a-3) and amending Subsections (b-2) and (c-2) to read  
14 as follows:

15 (a-3) Beginning with the 2025-2026 school year, in addition  
16 to state aid a school district is entitled to under Subsection  
17 (a-2), a school district is also entitled to additional state aid  
18 under this subchapter to the extent that state and local revenue  
19 used to service debt eligible under this chapter is less than the  
20 state and local revenue that would have been available to the  
21 district under this chapter as it existed on September 1, 2024, if  
22 the residence homestead exemption for a person 72 years of age or  
23 older or the person's surviving spouse under Section 1-b(q),  
24 Article VIII, Texas Constitution, as proposed by the 88th  
25 Legislature, 3rd Called Session, 2023, had not been adopted.

26 (b-2) Subject to Subsections (c-2), (d), and (e),  
27 additional state aid under this section beginning with the

1 2023-2024 school year is equal to the amount by which the loss of  
2 local interest and sinking revenue for debt service attributable to  
3 any increase in a residence homestead exemption under Section  
4 1-b(c), Article VIII, Texas Constitution, and any additional  
5 limitation on tax increases under Section 1-b(d) of that article as  
6 proposed by the 88th Legislature, 2nd Called Session, 2023, and the  
7 residence homestead exemption under Section 1-b(g), Article VIII,  
8 Texas Constitution, as proposed by the 88th Legislature, 3rd Called  
9 Session, 2023, is not offset by a gain in state aid under this  
10 chapter.

11 (c-2) For the purpose of determining state aid under  
12 Subsection [Subsections] (a-2) or (a-3) [and (b-2)], local interest  
13 and sinking revenue for debt service is limited to revenue required  
14 to service debt eligible under this chapter as of September 1, 2023,  
15 or as of September 1, 2024, respectively, or authorized by the  
16 voters but not yet issued as of September 1, 2023, or as of  
17 September 1, 2024, respectively, that later becomes eligible under  
18 this chapter, including refunding of the applicable [that] debt,  
19 subject to Section 46.061. The limitation imposed by Section  
20 46.034(a) does not apply for the purpose of determining state aid  
21 under Subsection (a-2) or (a-3) [this section].

22 SECTION 9. (a) This section takes effect only if the  
23 constitutional amendment proposed by H.J.R. 2, 88th Legislature,  
24 2nd Called Session, 2023, is not approved by the voters.

25 (b) Section 46.071, Education Code, is amended by adding  
26 Subsection (a-2) and amending Subsections (b-1) and (c-1) to read  
27 as follows:

1        (a-2) Beginning with the 2025-2026 school year, in addition  
2 to state aid a school district is entitled to under Subsection  
3 (a-1), a school district is also entitled to additional state aid  
4 under this subchapter to the extent that state and local revenue  
5 used to service debt eligible under this chapter is less than the  
6 state and local revenue that would have been available to the  
7 district under this chapter as it existed on September 1, 2024, if  
8 the residence homestead exemption for a person 72 years of age or  
9 older or the person's surviving spouse under Section 1-b(q),  
10 Article VIII, Texas Constitution, as proposed by the 88th  
11 Legislature, 3rd Called Session, 2023, had not been adopted.

12        (b-1) Subject to Subsections (c-1), (d), and (e),  
13 additional state aid under this section beginning with the  
14 2022-2023 school year is equal to the amount by which the loss of  
15 local interest and sinking revenue for debt service attributable to  
16 any increase in the residence homestead exemption under Section  
17 1-b(c), Article VIII, Texas Constitution, as proposed by the 87th  
18 Legislature, 3rd Called Session, 2021, and the residence homestead  
19 exemption under Section 1-b(q), Article VIII, Texas Constitution,  
20 as proposed by the 88th Legislature, 3rd Called Session, 2023, is  
21 not offset by a gain in state aid under this chapter.

22        (c-1) For the purpose of determining state aid under  
23 Subsection ~~[Subsections]~~ (a-1) or (a-2) ~~[and (b-1)]~~, local interest  
24 and sinking revenue for debt service is limited to revenue required  
25 to service debt eligible under this chapter as of September 1, 2021,  
26 or as of September 1, 2024, respectively, including refunding of  
27 the applicable ~~[that]~~ debt, subject to Section 46.061. The



1 limitation imposed by Section 46.034(a) does not apply for the  
2 purpose of determining state aid under Subsection (a-1) or (a-2)  
3 ~~[this section]~~.

4 SECTION 10. (a) This section takes effect only if the  
5 constitutional amendment proposed by H.J.R. 2, 88th Legislature,  
6 2nd Called Session, 2023, is approved by the voters.

7 (b) Section 48.2543, Education Code, is amended by adding  
8 Subsection (a-2) and amending Subsection (b) to read as follows:

9 (a-2) Beginning with the 2025-2026 school year, in addition  
10 to state aid a school district is entitled to under Subsection  
11 (a-1), a school district is entitled to additional state aid to the  
12 extent that state and local revenue under this chapter and Chapter  
13 49 is less than the state and local revenue that would have been  
14 available to the district under this chapter and Chapter 49 as those  
15 chapters existed on September 1, 2024, if the residence homestead  
16 exemption for a person 72 years of age or older or the person's  
17 surviving spouse under Section 1-b(q), Article VIII, Texas  
18 Constitution, as proposed by the joint resolution to add that  
19 subsection adopted by the 88th Legislature, 3rd Called Session,  
20 2023, had not been adopted.

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

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

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

1           (3) the 2024 tax year is used for the purpose of  
2 determining additional state aid under Subsection (a-2).

3           SECTION 11. (a) This section takes effect only if the  
4 constitutional amendment proposed by H.J.R. 2, 88th Legislature,  
5 2nd Called Session, 2023, is not approved by the voters.

6           (b) Section 48.2543, Education Code, is amended by adding  
7 Subsection (a-1) and amending Subsection (b) to read as follows:

8           (a-1) Beginning with the 2025-2026 school year, in addition  
9 to state aid a school district is entitled to under Subsection (a),  
10 a school district is entitled to additional state aid to the extent  
11 that state and local revenue under this chapter and Chapter 49 is  
12 less than the state and local revenue that would have been available  
13 to the district under this chapter and Chapter 49 as those chapters  
14 existed on September 1, 2024, if the residence homestead exemption  
15 for a person 72 years of age or older or the person's surviving  
16 spouse under Section 1-b(q), Article VIII, Texas Constitution, as  
17 proposed by the joint resolution to add that subsection adopted by  
18 the 88th Legislature, 3rd Called Session, 2023, had not been  
19 adopted.

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

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

25           (2) the 2024 tax year is used for the purpose of  
26 determining additional state aid under Subsection (a-1).

27           SECTION 12. Section 403.302(d-1), Government Code, is

1 amended to read as follows:

2 (d-1) For purposes of Subsection (d), a residence homestead  
3 that receives an exemption under Section 11.13(s) or (t), 11.131,  
4 11.133, or 11.134, Tax Code, in the year that is the subject of the  
5 study is not considered to be taxable property.

6 SECTION 13. The exemptions from ad valorem taxation of a  
7 residence homestead authorized by Sections 11.13(s) and (t), Tax  
8 Code, as added by this Act, apply only to taxes imposed beginning  
9 with the 2025 tax year.

10 SECTION 14. This Act takes effect January 1, 2025, but only  
11 if the constitutional amendment proposed by the 88th Legislature,  
12 3rd Called Session, 2023, to exempt from ad valorem taxation the  
13 total market value of the residence homesteads of certain elderly  
14 persons and their surviving spouses is approved by the voters. If  
15 that constitutional amendment is not approved by the voters, this  
16 Act has no effect.