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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. \_\_\_\_\_

BY: Martinez Fischer

1 Amend C.S.H.B. No. 2 (house committee report) as follows:

2 (1) On page 4, line 10, strike "five" and substitute "7.5".

3 (2) On page 10, between lines 24 and 25, insert the  
4 following:

5 ARTICLE 5. SCHOOL DISTRICT RESIDENCE HOMESTEAD EXEMPTIONS

6 SECTION 5.01. Sections 11.13(b) and (c), Tax Code, are  
7 amended to read as follows:

8 (b) An adult is entitled to exemption from taxation by a  
9 school district of \$70,000 [~~\$40,000~~] of the appraised value of the  
10 adult's residence homestead, except that only \$5,000 of the  
11 exemption applies to an entity operating under former Chapter 17,  
12 18, 25, 26, 27, or 28, Education Code, as those chapters existed on  
13 May 1, 1995, as permitted by Section 11.301, Education Code.

14 (c) In addition to the exemption provided by Subsection (b)  
15 [~~of this section~~], an adult who is disabled or is 65 or older is  
16 entitled to an exemption from taxation by a school district of  
17 \$30,000 [~~\$10,000~~] of the appraised value of the person's [~~his~~]  
18 residence homestead.

19 SECTION 5.02. Section 11.26, Tax Code, is amended by  
20 amending Subsections (a), (a-10), and (o) and adding Subsections  
21 (a-11) and (a-12) to read as follows:

22 (a) The tax officials shall appraise the property to which  
23 this section applies and calculate taxes as on other property, but  
24 if the tax so calculated exceeds the limitation imposed by this  
25 section, the tax imposed is the amount of the tax as limited by this  
26 section, except as otherwise provided by this section. A school  
27 district may not increase the total annual amount of ad valorem tax  
28 it imposes on the residence homestead of an individual 65 years of  
29 age or older or on the residence homestead of an individual who is

1 disabled, as defined by Section 11.13, above the amount of the tax  
2 it imposed in the first tax year in which the individual qualified  
3 that residence homestead for the applicable exemption provided by  
4 Section 11.13(c) for an individual who is 65 years of age or older  
5 or is disabled. If the individual qualified that residence  
6 homestead for the exemption after the beginning of that first year  
7 and the residence homestead remains eligible for the same exemption  
8 for the next year, and if the school district taxes imposed on the  
9 residence homestead in the next year are less than the amount of  
10 taxes imposed in that first year, a school district may not  
11 subsequently increase the total annual amount of ad valorem taxes  
12 it imposes on the residence homestead above the amount it imposed in  
13 the year immediately following the first year for which the  
14 individual qualified that residence homestead for the same  
15 exemption, except as provided by Subsection (b). ~~[If the first tax  
16 year the individual qualified the residence homestead for the  
17 exemption provided by Section 11.13(c) for individuals 65 years of  
18 age or older or disabled was a tax year before the 2015 tax year, the  
19 amount of the limitation provided by this section is the amount of  
20 tax the school district imposed for the 2014 tax year less an amount  
21 equal to the amount determined by multiplying \$10,000 times the tax  
22 rate of the school district for the 2015 tax year, plus any 2015 tax  
23 attributable to improvements made in 2014, other than improvements  
24 made to comply with governmental regulations or repairs.]~~

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

31 (1) multiplying the taxable value of the homestead in

1 the preceding tax year by a tax rate equal to the difference between  
2 the school district's maximum compressed rate for the preceding tax  
3 year and the district's maximum compressed rate for the current tax  
4 year;

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

8 (3) adding any tax imposed in the current tax year  
9 attributable to improvements made in the preceding tax year as  
10 provided by Subsection (b) to the amount computed under Subdivision  
11 (2);

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

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

19 (a-11) 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 2022 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-5),  
27 (a-6), (a-7), (a-8), or (a-9) of this section, as applicable, less  
28 an amount equal to the product of \$50,000 and the tax rate of the  
29 school district for the 2023 tax year. This subsection expires  
30 January 1, 2025.

31 (a-12) This subsection applies only to an individual who in

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

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

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

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

27 SECTION 5.03. Section 25.23, Tax Code, is amended by adding  
28 Subsection (a-1) to read as follows:

29 (a-1) This subsection applies only to the appraisal records  
30 for the 2023 tax year. If the appraisal records submitted to the  
31 appraisal review board include the taxable value of residence

1 homesteads or show the amount of the exemptions under Sections  
2 11.13(b) and (c) applicable to residence homesteads, the chief  
3 appraiser shall prepare supplemental appraisal records that  
4 reflect exemption amounts under those sections of \$70,000 and  
5 \$30,000, respectively. This subsection expires December 31, 2024.

6 SECTION 5.04. Section 26.04, Tax Code, is amended by adding  
7 Subsections (a-1) and (c-1) to read as follows:

8 (a-1) On receipt of the appraisal roll for the 2023 tax  
9 year, the assessor for a school district shall determine the total  
10 taxable value of property taxable by the school district and the  
11 taxable value of new property based on a residence homestead  
12 exemption under Section 11.13(b) of \$70,000 and a residence  
13 homestead exemption under Section 11.13(c) of \$30,000. This  
14 subsection expires December 31, 2024.

15 (c-1) An officer or employee designated by the governing  
16 body of a school district shall calculate the no-new-revenue tax  
17 rate and the voter-approval tax rate of the school district for the  
18 2023 tax year based on a residence homestead exemption under  
19 Section 11.13(b) of \$70,000 and a residence homestead exemption  
20 under Section 11.13(c) of \$30,000. This subsection expires  
21 December 31, 2024.

22 SECTION 5.05. Section 26.08, Tax Code, is amended by adding  
23 Subsection (q) to read as follows:

24 (q) For purposes of this section, the voter-approval tax  
25 rate of a school district for the 2023 tax year shall be calculated  
26 based on a residence homestead exemption under Section 11.13(b) of  
27 \$70,000 and a residence homestead exemption under Section 11.13(c)  
28 of \$30,000. This subsection expires December 31, 2024.

29 SECTION 5.06. Section 26.09, Tax Code, is amended by adding  
30 Subsection (c-1) to read as follows:

31 (c-1) The assessor for a school district shall calculate the

1 amount of tax imposed by the school district on a residence  
2 homestead for the 2023 tax year based on exemptions under Sections  
3 11.13(b) and (c) of \$40,000 and \$10,000, respectively, and  
4 separately based on exemptions under those subsections of \$70,000  
5 and \$30,000, respectively. This subsection expires December 31,  
6 2024.

7 SECTION 5.07. Section 26.15, Tax Code, is amended by adding  
8 Subsection (h) to read as follows:

9 (h) The assessor for a school district shall correct the tax  
10 roll for the school district for the 2023 tax year to reflect the  
11 results of the election to approve the constitutional amendment  
12 proposed by H.J.R. 1, 88th Legislature, Regular Session, 2023.  
13 This subsection expires December 31, 2024.

14 SECTION 5.08. Section 31.01, Tax Code, is amended by adding  
15 Subsections (d-2), (d-3), (d-4), and (d-5) to read as follows:

16 (d-2) This subsection and Subsections (d-3) and (d-4) apply  
17 only to taxes imposed by a school district on a residence homestead  
18 for the 2023 tax year. The assessor for the school district shall  
19 compute the amount of taxes imposed and the other information  
20 required by this section based on a residence homestead exemption  
21 under Section 11.13(b) of \$70,000 and a residence homestead  
22 exemption under Section 11.13(c) of \$30,000. The tax bill or the  
23 separate statement must indicate that the bill is a provisional tax  
24 bill and include a statement in substantially the following form:

25 "If the amount of the exemption from ad valorem taxation by a  
26 school district of a residence homestead had not been increased by  
27 the Texas Legislature, your tax bill would have been \$\_\_\_\_\_ (insert  
28 amount equal to the sum of the amount calculated under Section  
29 26.09(c-1) based on an exemption under Section 11.13(b) of \$40,000  
30 and an exemption under Section 11.13(c) of \$10,000 and the total  
31 amount of taxes imposed by the other taxing units whose taxes are

1 included in the bill). Because of action by the Texas Legislature  
2 increasing the amounts of certain residence homestead exemptions,  
3 your tax bill has been lowered by \$\_\_\_\_\_ (insert difference between  
4 amount calculated under Section 26.09(c-1) based on an exemption  
5 under Section 11.13(b) of \$40,000 and an exemption under Section  
6 11.13(c) of \$10,000 and amount calculated under Section 26.09(c-1)  
7 based on an exemption under Section 11.13(b) of \$70,000 and an  
8 exemption under Section 11.13(c) of \$30,000), resulting in a lower  
9 tax bill of \$\_\_\_\_\_ (insert amount equal to the sum of the amount  
10 calculated under Section 26.09(c-1) based on an exemption under  
11 Section 11.13(b) of \$70,000 and an exemption under Section 11.13(c)  
12 of \$30,000 and the total amount of taxes imposed by the other taxing  
13 units whose taxes are included in the bill), contingent on the  
14 approval by the voters at an election to be held November 7, 2023,  
15 of a constitutional amendment authorizing the increase in the  
16 amounts of certain residence homestead exemptions. If the  
17 constitutional amendment is not approved by the voters at the  
18 election, a supplemental school district tax bill in the amount of  
19 \$\_\_\_\_\_ (insert difference between amount calculated under Section  
20 26.09(c-1) based on an exemption under Section 11.13(b) of \$40,000  
21 and an exemption under Section 11.13(c) of \$10,000 and amount  
22 calculated under Section 26.09(c-1) based on an exemption under  
23 Section 11.13(b) of \$70,000 and an exemption under Section 11.13(c)  
24 of \$30,000) will be mailed to you."

25 (d-3) A tax bill prepared by the assessor for a school  
26 district as provided by Subsection (d-2) and mailed to a person in  
27 whose name property subject to an exemption under Section 11.13(b)  
28 or (c) is listed on the tax roll and to the person's authorized  
29 agent as provided by Subsection (a) of this section is considered to  
30 be a provisional tax bill until the canvass of the votes on the  
31 constitutional amendment proposed by H.J.R. 1, 88th Legislature,

1 Regular Session, 2023. If the constitutional amendment is approved  
2 by the voters, the tax bill is considered to be a final tax bill for  
3 the taxes imposed on the property for the 2023 tax year, and no  
4 additional tax bill is required to be mailed to the person and to  
5 the person's authorized agent, unless another provision of this  
6 title requires the mailing of a corrected tax bill. If the  
7 constitutional amendment is not approved by the voters:

8 (1) a tax bill prepared by the assessor for a school  
9 district as provided by Subsection (d-2) and mailed to a person in  
10 whose name property subject to an exemption under Section 11.13(b)  
11 or (c) is listed on the tax roll and to the person's authorized  
12 agent as provided by Subsection (a) of this section is considered to  
13 be a final tax bill but only as to the portion of the taxes imposed  
14 on the property for the 2023 tax year that are included in the bill;

15 (2) the amount of taxes imposed by each school  
16 district on a residence homestead for the 2023 tax year is  
17 calculated based on an exemption under Section 11.13(b) of \$40,000  
18 and an exemption under Section 11.13(c) of \$10,000; and

19 (3) except as provided by Subsections (f), (i-1), and  
20 (k), the assessor for each school district shall prepare and mail a  
21 supplemental tax bill, by December 1 or as soon thereafter as  
22 practicable, to each person in whose name property subject to an  
23 exemption under Section 11.13(b) or (c) is listed on the tax roll  
24 and to the person's authorized agent in an amount equal to the  
25 difference between the amount calculated under Section 26.09(c-1)  
26 based on an exemption under Section 11.13(b) of \$40,000 and an  
27 exemption under Section 11.13(c) of \$10,000 and the amount  
28 calculated under Section 26.09(c-1) based on an exemption under  
29 Section 11.13(b) of \$70,000 and an exemption under Section 11.13(c)  
30 of \$30,000.

31 (d-4) Except as otherwise provided by Subsection (d-3), the



1 provisions of this section other than Subsection (d-2) apply to a  
2 supplemental tax bill mailed under Subsection (d-3).

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

5 SECTION 5.09. Section 31.02, Tax Code, is amended by adding  
6 Subsection (a-1) to read as follows:

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

13 SECTION 5.10. Section 46.071, Education Code, is amended by  
14 amending Subsections (a-1) and (b-1) and adding Subsections (a-2),  
15 (b-2), and (c-2) to read as follows:

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

25 (a-2) Beginning with the 2023-2024 school year, a school  
26 district is entitled to additional state aid under this subchapter  
27 to the extent that state and local revenue used to service debt  
28 eligible under this chapter is less than the state and local revenue  
29 that would have been available to the district under this chapter as  
30 it existed on September 1, 2022, if any increase in a residence  
31 homestead exemption under Section 1-b(c), Article VIII, Texas

1 Constitution, and any additional limitation on tax increases under  
2 Section 1-b(d) of that article as proposed by the 88th Legislature,  
3 Regular Session, 2023, had not occurred.

4 (b-1) Subject to Subsections (c-1), (d), and (e),  
5 additional state aid under this section for [~~beginning with~~] the  
6 2022-2023 school year is equal to the amount by which the loss of  
7 local interest and sinking revenue for debt service attributable to  
8 any increase in the residence homestead exemption under Section  
9 1-b(c), Article VIII, Texas Constitution, as proposed by the 87th  
10 Legislature, 3rd Called Session, 2021, is not offset by a gain in  
11 state aid under this chapter.

12 (b-2) Subject to Subsections (c-2), (d), and (e),  
13 additional state aid under this section beginning with the  
14 2023-2024 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 a residence homestead exemption under Section  
17 1-b(c), Article VIII, Texas Constitution, and any additional  
18 limitation on tax increases under Section 1-b(d) of that article as  
19 proposed by the 88th Legislature, Regular Session, 2023, is not  
20 offset by a gain in state aid under this chapter.

21 (c-2) For the purpose of determining state aid under  
22 Subsections (a-2) and (b-2), local interest and sinking revenue for  
23 debt service is limited to revenue required to service debt  
24 eligible under this chapter as of September 1, 2022, including  
25 refunding of that debt, subject to Section 46.061. The limitation  
26 imposed by Section 46.034(a) does not apply for the purpose of  
27 determining state aid under this section.

28 SECTION 5.11. Section 48.2542, Education Code, is amended  
29 to read as follows:

30 Sec. 48.2542. ADDITIONAL STATE AID FOR ADJUSTMENT OF  
31 LIMITATION ON TAX INCREASES ON HOMESTEAD OF ELDERLY OR DISABLED.

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

12 SECTION 5.12. Effective January 1, 2025, Section 48.2542,  
13 Education Code, is amended to read as follows:

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

27 SECTION 5.13. Section 48.2543, Education Code, is amended  
28 to read as follows:

29 Sec. 48.2543. ADDITIONAL STATE AID FOR HOMESTEAD EXEMPTION.  
30 (a) For [~~Beginning with~~] the 2022-2023 school year, a school  
31 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, 2021, if any increase in the residence  
5 homestead exemption under Section 1-b(c), Article VIII, Texas  
6 Constitution, as proposed by the 87th Legislature, 3rd Called  
7 Session, 2021, had not occurred.

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

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

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

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

25 SECTION 5.14. Section 48.2556(a), Education Code, is  
26 amended to read as follows:

27 (a) The agency shall post the following information on the  
28 agency's Internet website for purposes of allowing the chief  
29 appraiser of each appraisal district and the assessor for each  
30 school district to make the calculations required by Sections  
31 11.26(a-5), (a-6), (a-7), (a-8), (a-9), ~~and~~ (a-10), (a-11), and

1 (a-12), Tax Code:

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

5 (2) each school district's tier one maintenance and  
6 operations tax rate, as provided by Section 45.0032(a), for the  
7 2018 tax year.

8 SECTION 5.15. Effective January 1, 2025, Section  
9 48.2556(a), Education Code, is amended to read as follows:

10 (a) For purposes of allowing the chief appraiser of each  
11 appraisal district and the assessor for each school district to  
12 make the calculations required by Section 11.26(a-10), Tax Code,  
13 the [The] agency shall post [the following information] on the  
14 agency's Internet website [for purposes of allowing the chief  
15 appraiser of each appraisal district and the assessor for each  
16 school district to make the calculations required by Sections  
17 11.26(a-5), (a-6), (a-7), (a-8), (a-9), and (a-10), Tax Code:

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

21 [~~(2)~~ each school district's tier one maintenance and  
22 operations tax rate, as provided by Section 45.0032(a), for the  
23 2018 tax year].

24 SECTION 5.16. Section 49.004, Education Code, is amended by  
25 adding Subsections (a-1), (b-1), and (c-1) to read as follows:

26 (a-1) This subsection applies only if the constitutional  
27 amendment proposed by H.J.R. 1, 88th Legislature, Regular Session,  
28 2023, is approved by the voters in an election held for that  
29 purpose. As soon as practicable after receiving revised property  
30 values that reflect adoption of the constitutional amendment, the  
31 commissioner shall review the local revenue level of districts in

1 the state and revise as necessary the notifications provided under  
2 Subsection (a) for the 2023-2024 school year. This subsection  
3 expires September 1, 2024.

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

13 (c-1) Notwithstanding Subsection (c), a district that  
14 receives approval from the commissioner to delay an election as  
15 provided by Subsection (b-1) may adopt a tax rate for the 2023 tax  
16 year before the commissioner certifies that the district has  
17 reduced its local revenue level to the level established by Section  
18 48.257. This subsection expires September 1, 2024.

19 SECTION 5.17. Subchapter A, Chapter 49, Education Code, is  
20 amended by adding Section 49.0042 to read as follows:

21 Sec. 49.0042. TRANSITIONAL PROVISIONS: INCREASED HOMESTEAD  
22 EXEMPTIONS AND LIMITATION ON TAX INCREASES. (a) The commissioner  
23 shall approve a district's request under Section 49.004(b-1) to  
24 delay the date of an election required under this chapter if the  
25 commissioner determines that the district would not have a local  
26 revenue level in excess of entitlement if the constitutional  
27 amendment proposed by H.J.R. 1, 88th Legislature, Regular Session,  
28 2023, were approved by the voters.

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

31 (c) Not later than the 2024-2025 school year, the

1 commissioner shall order detachment and annexation of property  
2 under Subchapter G or consolidation under Subchapter H as necessary  
3 to reduce the district's local revenue level to the level  
4 established by Section 48.257 for a district that receives approval  
5 under this section and subsequently:

6 (1) fails to hold the election; or

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

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

9 SECTION 5.18. Subchapter A, Chapter 49, Education Code, is  
10 amended by adding Section 49.0121 to read as follows:

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

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

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

20 SECTION 5.19. Section 49.154, Education Code, is amended by  
21 adding Subsections (a-2) and (a-3) to read as follows:

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

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

27 or

28 (2) in the manner provided by Subsection (a)(2),  
29 provided that the district notifies the commissioner of the  
30 district's election to pay in that manner not later than March 15,  
31 2024.

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

3           SECTION 5.20. Section 49.308, Education Code, is amended by  
4 adding Subsection (a-1) to read as follows:

5           (a-1) Notwithstanding Subsection (a), for the 2023-2024  
6 school year, the commissioner shall order any detachments and  
7 annexations of property under this subchapter as soon as  
8 practicable after the canvass of the votes on the constitutional  
9 amendment proposed by H.J.R. 1, 88th Legislature, Regular Session,  
10 2023. This subsection expires September 1, 2024.

11           SECTION 5.21. Section 403.302, Government Code, is amended  
12 by amending Subsection (j-1) and adding Subsection (j-2) to read as  
13 follows:

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

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

27           SECTION 5.22. (a) Sections 11.26(a-1), (a-2), and (a-3),  
28 Tax Code, are repealed.

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

31           SECTION 5.23. The changes in law made by this article to



1 Sections 11.13 and 11.26, Tax Code, apply beginning with the ad  
2 valorem tax year that begins January 1, 2023.

3 (3) Strike SECTION 5.03 of the substitute (page 11, lines  
4 3-11) and substitute the following appropriately numbered  
5 SECTIONS:

6 SECTION \_\_\_\_\_. Article 4 of this Act takes effect January 1,  
7 2024, but only if the constitutional amendment proposed by H.J.R.  
8 1, 88th Legislature, Regular Session, 2023, is approved by the  
9 voters. If that amendment is not approved by the voters, Article 4  
10 of this Act has no effect.

11 SECTION \_\_\_\_\_. (a) Except as provided by Subsection (b) of  
12 this section or as otherwise provided by Article 5 of this Act:

13 (1) Article 5 of this Act takes effect on the date on  
14 which the constitutional amendment proposed by H.J.R. 1, 88th  
15 Legislature, Regular Session, 2023, takes effect; and

16 (2) if that amendment is not approved by the voters,  
17 Article 5 of this Act has no effect.

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

29 (4) Renumber the ARTICLES of the substitute and references  
30 to those ARTICLES as appropriate.