

BILL ANALYSIS

Senate Research Center
88R16625 CJC/MEW-D

C.S.S.B. 3
By: Bettencourt et al.
Finance
3/14/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 84th Legislature passed and voters approved increasing the homestead exemption from \$15,000 to \$25,000 in 2015. Similarly, the 87th Legislature passed S.J.R. 2 and was approved by voters in May 2022 increasing the exemption again up to \$40,000 per homestead. In the 88th Legislature, S.B. 3 would raise the homestead exemption to \$70,000.

This increase in the homestead exemption amount will provide a savings of \$341 to a homeowner's school tax at the statewide ISD average tax rate of \$1.136. Included in S.B. 3 is a hold harmless to school districts—the state will make up any formula funding deficit a school district might incur as a result of this exemption increase.

S.B. 3 would provide voters the option to vote, like in May 2022, to increase the homestead exemption amount to \$70,000. S.J.R. 3 does contain a temporary provision, like what was done last year, which permits the increase to \$70,000 for the 2023 tax year, if approved in November 2023 to make the exemption effective immediately. This temporary section of S.J.R. 3 will expire at the end of 2023, and the language in S.B. 3 will become the permanent increase in the constitutional homestead exemption amount going forward as of January 1, 2024.

S.B. 3 also contains a provision to provide the full amount of the \$40,000 homestead exemption increase to Over 65/Disabled exemption holders who did not receive the full benefit from S.J.R. 2 and S.B. 1 that was approved by voters in May 2022. Additionally, S.B. 3 contains language that if a future legislature increases the homestead exemption, Over 65/Disabled exemption holders will automatically benefit from the increased exemption amount. This provision will eliminate the need to have a separate constitutional amendment every time the exemption amount is increased for Over 65/Disabled exemption holders.

S.B. 3 seeks to increase the constitutional homestead exemption amount to \$70,000.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 3 amends current law relating to an increase in the amount of certain exemptions from ad valorem taxation by a school district applicable to residence homesteads, an adjustment in the amount of the limitation on school district ad valorem taxes imposed on the residence homesteads of the elderly or disabled to reflect increases in the exemption amounts, and the protection of school districts against the resulting loss in local revenue.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 11.13(b) and (c), Tax Code, as follows:

- (b) Provides that an adult is entitled to exemption from taxation by a school district of \$70,000, rather than \$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 certain

former chapters, as those chapters existed on May 1, 1995, as permitted by Section 11.301 (Application of Former Law), Education Code.

(c) Entitles an adult who is disabled or is 65 or older, in addition to the exemption provided by Subsection (b), to an exemption from taxation by a school district of \$30,000, rather than \$10,000, of the appraised value of the person's residence homestead. Makes nonsubstantive changes.

SECTION 2. Amends Section 11.26, Tax Code, by amending Subsections (a), (a-10), and (o) and adding Subsections (a-11) and (a-12), as follows:

(a) Deletes existing text providing that 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 Section 11.26 (Limitation of School Tax on Homesteads of Elderly or Disabled) 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) Provides that the amount of the limitation provided by this section on the homestead, 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, is equal to the amount computed by:

(1)-(3) makes nonsubstantive changes to these subdivisions;

(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) Provides that 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). Provides that 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 certain subsections of this section, as applicable, less an amount equal to the product of \$50,000 and the tax rate of the school district for the 2023 tax year. Provides that this subsection expires January 1, 2025.

(a-12) Provides that 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). Provides that 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. Provides that this subsection expires January 1, 2025.

(o) Provides that an improvement to property that would otherwise constitute an improvement under Subsection (b) (relating to authorizing a school district to increase ad valorem taxes on a homestead following improvements made to such a homestead) 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, notwithstanding Subsections (a) and (b), rather than (a), (a-3) (relating to the continued applicability and expiration of limitations to increases of school district ad valorem taxes in subsequent tax years), and (b).

SECTION 3. Amends Section 25.23, Tax Code, by adding Subsection (a-1), as follows:

(a-1) Provides that this subsection applies only to the appraisal records for the 2023 tax year. Requires the chief appraiser, if the appraisal records submitted to the appraisal review board include the taxable value of residence homesteads or show the amount of the exemptions under Sections 11.13(b) and (c) applicable to residence homesteads, to prepare supplemental appraisal records that reflect exemption amounts under those sections of \$70,000 and \$30,000, respectively. Provides that this subsection expires December 31, 2024.

SECTION 4. Amends Section 26.04, Tax Code, by adding Subsections (a-1) and (c-1), as follows:

(a-1) Requires the assessor for a school district, on receipt of the appraisal roll for the 2023 tax year, to determine the total taxable value of property taxable by the school district and the taxable value of new property based on a residence homestead exemption under Section 11.13(b) of \$70,000 and a residence homestead exemption under Section 11.13(c) of \$30,000. Provides that this subsection expires December 31, 2024.

(c-1) Requires an officer or employee designated by the governing body of a school district to calculate the no-new-revenue tax rate and the voter-approval tax rate of the school district for the 2023 tax year based on a residence homestead exemption under Section 11.13(b) of \$70,000 and a residence homestead exemption under Section 11.13(c) of \$30,000. Provides that this subsection expires December 31, 2024.

SECTION 5. Amends Section 26.08, Tax Code, by adding Subsection (q), as follows:

(q) Requires that the voter-approval tax rate of a school district for the 2023 tax year, for purposes of Section 26.08 (Automatic Election to Approve Tax Rate of School District), be calculated based on a residence homestead exemption under Section 11.13(b) of \$70,000 and a residence homestead exemption under Section 11.13(c) of \$30,000. Provides that this subsection expires December 31, 2024.

SECTION 6. Amends Section 26.09, Tax Code, by adding Subsection (c-1), as follows:

(c-1) Requires the assessor for a school district to calculate the amount of tax imposed by the school district on a residence homestead for the 2023 tax year based on exemptions under Sections 11.13(b) and (c) of \$40,000 and \$10,000, respectively, and separately based on exemptions under those subsections of \$70,000 and \$30,000, respectively. Provides that this subsection expires December 31, 2024.

SECTION 7. Amends Section 26.15, Tax Code, by adding Subsection (h), as follows:

(h) Requires the assessor for a school district to correct the tax roll for the school district for the 2023 tax year to reflect the results of the election to approve the constitutional amendment proposed by S.J.R. 3, 88th Legislature, Regular Session, 2023. Provides that this subsection expires December 31, 2024.

SECTION 8. Amends Section 31.01, Tax Code, by adding Subsections (d-2), (d-3), (d-4), and (d-5), as follows:

(d-2) Provides that this subsection and Subsections (d-3) and (d-4) apply only to taxes imposed by a school district on a residence homestead for the 2023 tax year. Requires the assessor for the school district to compute the amount of taxes imposed and the other information required by Section 31.01 (Tax Bills) based on a residence homestead

exemption under Section 11.13(b) of \$70,000 and a residence homestead exemption under Section 11.13(c) of \$30,000. Requires that the tax bill or the separate statement indicate that the bill is a provisional tax bill and include a statement with certain information. Sets forth the language required to be included in the statement.

(d-3) Provides that a tax bill prepared by the assessor for a school district as provided by Subsection (d-2) and mailed to a person in whose name property subject to an exemption under Section 11.13(b) or (c) is listed on the tax roll and to the person's authorized agent as provided by Subsection (a) (relating to requiring the assessor for each taxing unit, except as provided by certain subsections, to prepare and mail a tax bill to each person in whose name the property is listed on the tax roll and to the person's authorized agent) of this section is considered to be a provisional tax bill until the canvass of the votes on the constitutional amendment proposed by S.J.R. 3, 88th Legislature, Regular Session, 2023. Provides that 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 to the person and to the person's authorized agent, unless another provision of Title 1 (Property Tax Code) requires the mailing of a corrected tax bill, if the constitutional amendment is approved by the voters. Provides that if the constitutional amendment is not approved by the voters:

(1) a tax bill prepared by the assessor for a school district as provided by Subsection (d-2) and mailed to a person in whose name property subject to an exemption under Section 11.13(b) or (c) is listed on the tax roll and to the person's authorized agent as provided by Subsection (a) of this section 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 school district on a residence homestead for the 2023 tax year is calculated based on an exemption under Section 11.13(b) of \$40,000 and an exemption under Section 11.13(c) of \$10,000; and

(3) except as provided by certain subsections, the assessor for each school district is required to prepare and mail a supplemental tax bill, by December 1 or as soon thereafter as practicable, to each person in whose name property subject to an exemption under Section 11.13(b) or (c) is listed on the tax roll and to the person's authorized agent in an amount equal to the difference between the amount calculated under Section 26.09(c-1) based on an exemption under Section 11.13(b) of \$40,000 and an exemption under Section 11.13(c) of \$10,000 and the amount calculated under Section 26.09(c-1) based on an exemption under Section 11.13(b) of \$70,000 and an exemption under Section 11.13(c) of \$30,000.

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

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

SECTION 9. Amends Section 31.02, Tax Code, by adding Subsection (a-1), as follows:

(a-1) Provides that taxes for which a supplemental tax bill is mailed under Section 31.01(d-3), except as provided by Subsection (b) (relating to authorizing an eligible person serving on active duty in any branch of the United States armed forces to pay delinquent property taxes on property in which the person owns any interest without penalty or interest no later than the 60th day after the date on which the earliest of certain actions occur) of Section 31.02 (Delinquency Date) and Sections 31.03 (Split Payment of Taxes) and 31.04 (Postponement of Delinquency Date), 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. Provides that this subsection expires December 31, 2024.

SECTION 10. Amends Section 46.071, Education Code, by amending Subsections (a-1) and (b-1) and adding Subsections (a-2), (b-2), and (c-2), as follows:

(a-1) Entitles a school district, for, rather than beginning with, the 2022–2023 school year, to additional state aid under Subchapter D (State Aid for Homestead Exemption and Limitation on Tax Increases) to the extent that state and local revenue used to service debt eligible under Chapter 46 (Assistance With Instructional Facilities and Payment of Existing Debt) 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) (relating to providing that the amount of \$40,000 of the market value of the residence homestead of a married or unmarried adult, including one living alone, is exempt from ad valorem taxation for general elementary and secondary public school purposes), Article VIII (Taxation and Revenue), Texas Constitution, as proposed by the 87th Legislature, 3rd Called Session, 2021, had not occurred.

(a-2) Entitles a school district, beginning with the 2023–2024 school year, 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) (relating to prohibiting the total amount of ad valorem taxes imposed on that homestead for general elementary and secondary public school purposes, if a person receives a residence homestead exemption prescribed by Subsection (c) of this section for homesteads of persons who are 65 years of age or older or who are disabled, except as otherwise provided by this subsection, from increasing while it remains the residence homestead of that person or that person's spouse who receives the exemption) of that article as proposed by the 88th Legislature, Regular Session, 2023, had not occurred.

(b-1) Makes a conforming change to this subsection.

(b-2) Provides that additional state aid under Section 46.071 (Additional State Aid for Homestead Exemption and Limitation) beginning with the 2023–2024 school year, subject to certain subsections, 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, Regular Session, 2023, is not offset by a gain in state aid under this chapter.

(c-2) Provides that, 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, 2022, including refunding of that debt, subject to Section 46.061 (State Assistance for Refinancing). Provides that the limitation imposed by Section 46.034(a) (relating to prohibiting the existing debt tax rate from exceeding \$0.29 per \$100 of valuation, or a greater amount for any year provided by appropriation) does not apply for the purpose of determining state aid under this section.

SECTION 11. Amends Section 48.2542, Education Code, as follows:

Sec. 48.2542. ADDITIONAL STATE AID FOR ADJUSTMENT OF LIMITATION ON TAX INCREASES ON HOMESTEAD OF ELDERLY OR DISABLED. Entitles a school district, notwithstanding any other provision of Chapter 48 (Foundation School Program), if the 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 (Study of School District Property Values), Chapter 403, Government Code, 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 certain subsections of Section 11.26, Tax Code, including (a-11) and (a-12), as applicable.

SECTION 12. Amends Section 48.2542, Education Code, effective January 1, 2025, as follows:

Sec. 48.2542. **ADDITIONAL STATE AID FOR ADJUSTMENT OF LIMITATION ON TAX INCREASES ON HOMESTEAD OF ELDERLY OR DISABLED.** Entitles the school district, 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, 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), Tax Code, notwithstanding any other provision of this chapter. Deletes existing text entitling the school district, 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, 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 certain subsections of Section 11.26, Tax Code, as applicable, notwithstanding any other provision of this chapter.

SECTION 13. Amends Section 48.2543, Education Code, as follows:

Sec. 48.2543. **ADDITIONAL STATE AID FOR HOMESTEAD EXEMPTION.** (a) Makes a conforming change to this subsection.

(a-1) Entitles a school district, beginning with the 2023–2024 school year, to additional state aid to the extent that state and local revenue under this chapter and Chapter 49 (Options for Local Revenue Levels in Excess of Entitlement) 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, Regular Session, 2023, had not occurred.

(b) Provides that the lesser of the school district's currently adopted maintenance and operations tax rate or the adopted maintenance and operations tax rate for the 2021 tax year is used for the purpose of determining additional state aid under Subsection (a) (relating to entitling a school district to additional state aid to a certain extent) and for the 2022 tax year is used for the purpose of determining additional state aid under Subsection (a-1).

SECTION 14. Amends Section 48.2556(a), Education Code, to make a conforming change.

SECTION 15. Amends Section 48.2556(a), Education Code, effective January 1, 2025, as follows:

(a) Requires the Texas Education Agency (TEA), 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, to post on TEA's Internet website each school district's maximum compressed rate, as determined under Section 48.2551 (Maximum Compressed Tax Rate), for the current tax year and the preceding tax year. Deletes existing text requiring TEA to post on TEA'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 certain sections, each school district's maximum compressed rate, as determined under Section 48.2551, for each tax year beginning with the 2019 tax year, and each school district's tier one maintenance and operations tax rate, as provided by Section 45.0032(a) (relating to providing that a school

district's tier one maintenance and operations tax rate is the number of cents levied by the district for maintenance and operations that does not exceed the maximum compressed rate, as determined by Section 48.2551), for the 2018 tax year.

SECTION 16. Amends Section 49.004, Education Code, by adding Subsections (a-1), (b-1), and (c-1), as follows:

(a-1) Provides that this subsection applies only if the constitutional amendment proposed by S.J.R. 3, 88th Legislature, Regular Session, 2023, is approved by the voters in an election held for that purpose. Requires the commissioner of education (commissioner), as soon as practicable after receiving revised property values that reflect adoption of the constitutional amendment, to review the local revenue level of districts in the state and revise as necessary the notifications provided under Subsection (a) (relating to requiring the commissioner, not later than July 15 of each year, using the estimates of enrollment and taxable property value under Section 48.269, to review the local revenue level of school districts in the state and to notify certain school districts) for the 2023–2024 school year. Provides that this subsection expires September 1, 2024.

(b-1) Provides that this subsection applies only to a district that has not previously held an election under this chapter. Authorizes a school district that enters into an agreement to exercise an option to reduce the district's local revenue level in excess of entitlement under certain subsections for the 2023–2024 school year to 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, notwithstanding Subsection (b) (relating to requiring the commissioner to order the detachment of certain property from certain districts). Provides that this subsection expires September 1, 2024.

(c-1) Authorizes a district that receives approval from the commissioner to delay an election as provided by Subsection (b-1), notwithstanding Subsection (c) (relating to prohibiting a school district notified under Subsection (a) from adopting a tax rate for the tax year in which the district receives the notice until the commissioner certifies that the district has reduced the district's local revenue level in excess of entitlement to the level established under Section 48.257), to 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 (Local Revenue Level in Excess of Entitlement). Provides that this subsection expires September 1, 2024.

SECTION 17. Amends Subchapter A, Chapter 49, Education Code, by adding Section 49.0042, as follows:

Sec. 49.0042. TRANSITIONAL PROVISIONS: INCREASED HOMESTEAD EXEMPTIONS AND LIMITATION ON TAX INCREASES. (a) Requires the commissioner to approve a school 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 S.J.R. 3, 88th Legislature, Regular Session, 2023, were approved by the voters.

(b) Requires the commissioner to set a date by which each district that receives approval under this section is required to order the election.

(c) Requires the commissioner, not later than the 2024–2025 school year, to order detachment and annexation of property under Subchapter G (Detachment and Annexation by Commissioner) or consolidation under Subchapter H (Consolidation by Commissioner) 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 fails to hold the election or does not receive voter approval at the election.

(d) Provides that this section expires September 1, 2025.

SECTION 18. Amends Subchapter A, Chapter 49, Education Code, by adding Section 49.0121, as follows:

Sec. 49.0121. TRANSITIONAL ELECTION DATES. (a) Provides that this section applies only to an election under this chapter that occurs during the 2023–2024 school year.

(b) Provides that Section 49.012 (Date of Elections) does not apply to a district that receives approval of a request under Section 49.0042. Requires the school district to hold the election on a Tuesday or Saturday on or before a date specified by the commissioner. Provides that Section 41.001 (Uniform Election Dates), Election Code, does not apply to the election.

(c) Provides that this section expires September 1, 2024.

SECTION 19. Amends Section 49.154, Education Code, by adding Subsections (a-2) and (a-3), as follows:

(a-2) Requires a district that receives approval of a request under Section 49.0042, notwithstanding Subsections (a) (relating to requiring a school district to pay for credit purchased in certain totals) and (a-1) (relating to requiring a school district to notify the commissioner by a certain date if the district elects to pay for attendance credit purchased in a certain manner), to pay for credit purchased in equal monthly payments as determined by the commissioner beginning March 15, 2024, and ending August 15, 2024, or in the manner provided by Subsection (a)(2) (relating to requiring a school district to pay for attendance credit purchased in one payment for the total amount by a certain date), 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) Provides that Subsection (a-2) and this subsection expire September 1, 2024.

SECTION 20. Amends Section 49.308, Education Code, by adding Subsection (a-1), as follows:

(a-1) Requires the commissioner, notwithstanding Subsection (a) (relating to requiring the commissioner to order any detachments and annexations of property under this subchapter not later than November 8 of each year), for the 2023–2024 school year, to 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 S.J.R. 3, 88th Legislature, Regular Session, 2023. Provides that this subsection expires September 1, 2024.

SECTION 21. Amends Section 403.302, Government Code, by amending Subsection (j-1) and adding Subsection (j-2), as follows:

(j-1) Requires the Comptroller of Public Accounts of the State of Texas (comptroller), in the final certification of the study under Subsection (j) (relating to requiring the comptroller to certify the final taxable value for each school district, appropriately adjusted to give effect to certain provisions of the Education Code related to school funding, to the commissioner as provided by the terms of a memorandum of understanding entered into between the comptroller, the Legislative Budget Board, and the commissioner), to 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), Tax Code. Deletes existing text requiring the comptroller, in the final certification of the study under Subsection (j), to 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 certain sections of the Tax Code, as applicable.

(j-2) Requires the comptroller, in the final certification of the study under Subsection (j), to 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 certain sections of the Tax Code. Provides that this subsection expires January 1, 2025.

SECTION 22. (a) Repealers: Sections 11.26(a-1) (relating to determining the amount of limitation on ad valorem tax increases for certain qualifying individuals in the 2007 tax year whose first tax year to qualify for a limitation was the 2006 tax year) and (a-2) (relating to determining the amount of limitation on ad valorem tax increases for certain qualifying individuals in the 2007 tax year whose first tax year to qualify for a limitation was before the 2006 tax year), Tax Code.

Repealer: Section 11.26(a-3) (relating to the continued applicability and expiration of limitations to increases of school district ad valorem taxes in subsequent tax years), Tax Code.

(b) Repealers, effective January 1, 2025: Sections 11.26(a-5) (relating to determining the amount of limitation on ad valorem tax increases for certain qualifying individuals in the 2023 tax year whose first tax year to qualify for a limitation was the before the 2019 tax year) and (a-6) (relating to determining the amount of limitation on ad valorem tax increases for certain qualifying individuals in the 2023 tax year whose first tax year to qualify for a limitation was the 2019 tax year), Tax Code.

Repealers, effective January 1, 2025: Sections 11.26(a-7) (relating to determining the amount of limitation on ad valorem tax increases for certain qualifying individuals in the 2023 tax year whose first tax year to qualify for a limitation was the 2020 tax year) and (a-8) (relating to determining the amount of limitation on ad valorem tax increases for certain qualifying individuals in the 2023 tax year whose first tax year to qualify for a limitation was the 2021 tax year), Tax Code.

Repealer, effective January 1, 2025: Section 11.26(a-9) (relating to determining the amount of limitation on ad valorem tax increases for certain qualifying individuals in the 2023 tax year whose first tax year to qualify for a limitation was the 2022 tax year), Tax Code.

SECTION 23. Provides that the changes in law made by this Act to Sections 11.13 and 11.26, Tax Code, apply beginning with the ad valorem tax year that begins January 1, 2023.

SECTION 24. (a) Effective date, except as provided by Subsection (b) or as otherwise provided by this Act: the date on which the constitutional amendment proposed by S.J.R. 3, 88th Legislature, Regular Session, 2023, takes effect.

(b) Effective date, Sections 25.23(a-1), 26.04(a-1) and (c-1), 26.08(q), 26.09(c-1), 26.15(h), 31.01(d-2), (d-3), (d-4), and (d-5), and 31.02(a-1), Tax Code, and 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 this Act: upon passage or the 91st day after the last day of the legislative session.