

By: Bettencourt, et al.

S.B. No. 3

A BILL TO BE ENTITLED

AN ACT

1
2 relating to an increase in the amount of certain exemptions from ad
3 valorem taxation by a school district applicable to residence
4 homesteads, an adjustment in the amount of the limitation on school
5 district ad valorem taxes imposed on the residence homesteads of
6 the elderly or disabled to reflect increases in the exemption
7 amounts, and the protection of school districts against the
8 resulting loss in local revenue.

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

10 SECTION 1. Sections 11.13(b) and (c), Tax Code, are amended
11 to read as follows:

12 (b) An adult is entitled to exemption from taxation by a
13 school district of \$70,000 [~~\$40,000~~] of the appraised value of the
14 adult's residence homestead, except that only \$5,000 of the
15 exemption applies to an entity operating under former Chapter 17,
16 18, 25, 26, 27, or 28, Education Code, as those chapters existed on
17 May 1, 1995, as permitted by Section 11.301, Education Code.

18 (c) In addition to the exemption provided by Subsection (b)
19 [~~of this section~~], an adult who is disabled or is 65 or older is
20 entitled to an exemption from taxation by a school district of
21 \$30,000 [~~\$10,000~~] of the appraised value of the person's [~~his~~]
22 residence homestead.

23 SECTION 2. Section 11.26, Tax Code, is amended by amending
24 Subsections (a), (a-10), and (o) and adding Subsections (a-11) and

1 (a-12) to read as follows:

2 (a) The tax officials shall appraise the property to which
3 this section applies and calculate taxes as on other property, but
4 if the tax so calculated exceeds the limitation imposed by this
5 section, the tax imposed is the amount of the tax as limited by this
6 section, except as otherwise provided by this section. A school
7 district may not increase the total annual amount of ad valorem tax
8 it imposes on the residence homestead of an individual 65 years of
9 age or older or on the residence homestead of an individual who is
10 disabled, as defined by Section 11.13, above the amount of the tax
11 it imposed in the first tax year in which the individual qualified
12 that residence homestead for the applicable exemption provided by
13 Section 11.13(c) for an individual who is 65 years of age or older
14 or is disabled. If the individual qualified that residence
15 homestead for the exemption after the beginning of that first year
16 and the residence homestead remains eligible for the same exemption
17 for the next year, and if the school district taxes imposed on the
18 residence homestead in the next year are less than the amount of
19 taxes imposed in that first year, a school district may not
20 subsequently increase the total annual amount of ad valorem taxes
21 it imposes on the residence homestead above the amount it imposed in
22 the year immediately following the first year for which the
23 individual qualified that residence homestead for the same
24 exemption, except as provided by Subsection (b). ~~[If the first tax~~
25 ~~year the individual qualified the residence homestead for the~~
26 ~~exemption provided by Section 11.13(c) for individuals 65 years of~~
27 ~~age or older or disabled was a tax year before the 2015 tax year, the~~

1 ~~amount of the limitation provided by this section is the amount of~~
2 ~~tax the school district imposed for the 2014 tax year less an amount~~
3 ~~equal to the amount determined by multiplying \$10,000 times the tax~~
4 ~~rate of the school district for the 2015 tax year, plus any 2015 tax~~
5 ~~attributable to improvements made in 2014, other than improvements~~
6 ~~made to comply with governmental regulations or repairs.]~~

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

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

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

21 (3) adding any tax imposed in the current tax year
22 attributable to improvements made in the preceding tax year as
23 provided by Subsection (b) to the amount computed under Subdivision
24 (2);

25 (4) multiplying the amount of any increase in the
26 current tax year as compared to the preceding tax year in the
27 aggregate amount of the exemptions to which the individual is

1 entitled under Sections 11.13(b) and (c) by the school district's
2 tax rate for the current tax year; and

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

5 (a-11) This subsection applies only to an individual who in
6 the 2023 tax year qualifies for a limitation under this section and
7 for whom the 2022 tax year or an earlier tax year was the first tax
8 year the individual or the individual's spouse qualified for an
9 exemption under Section 11.13(c). The amount of the limitation
10 provided by this section on the residence homestead of an
11 individual to which this subsection applies for the 2023 tax year is
12 the amount of the limitation as computed under Subsection (a-5),
13 (a-6), (a-7), (a-8), or (a-9) of this section, as applicable, less
14 an amount equal to the product of \$50,000 and the tax rate of the
15 school district for the 2023 tax year. This subsection expires
16 January 1, 2025.

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

1 (o) Notwithstanding Subsections (a) [~~7, (a-3),~~] and (b), an
2 improvement to property that would otherwise constitute an
3 improvement under Subsection (b) is not treated as an improvement
4 under that subsection if the improvement is a replacement structure
5 for a structure that was rendered uninhabitable or unusable by a
6 casualty or by wind or water damage. For purposes of appraising the
7 property in the tax year in which the structure would have
8 constituted an improvement under Subsection (b), the replacement
9 structure is considered to be an improvement under that subsection
10 only if:

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

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

17 SECTION 3. Section [25.23](#), Tax Code, is amended by adding
18 Subsection (a-1) to read as follows:

19 (a-1) This subsection applies only to the appraisal records
20 for the 2023 tax year. If the appraisal records submitted to the
21 appraisal review board include the taxable value of residence
22 homesteads or show the amount of the exemptions under Sections
23 [11.13](#)(b) and (c) applicable to residence homesteads, the chief
24 appraiser shall prepare supplemental appraisal records that
25 reflect exemption amounts under those sections of \$70,000 and
26 \$30,000, respectively. This subsection expires December 31, 2024.

27 SECTION 4. Section [26.04](#), Tax Code, is amended by adding

1 Subsections (a-1) and (c-1) to read as follows:

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

9 (c-1) An officer or employee designated by the governing
10 body of a school district shall calculate the no-new-revenue tax
11 rate and the voter-approval tax rate of the school district for the
12 2023 tax year based on a residence homestead exemption under
13 Section 11.13(b) of \$70,000 and a residence homestead exemption
14 under Section 11.13(c) of \$30,000. This subsection expires
15 December 31, 2024.

16 SECTION 5. Section 26.08, Tax Code, is amended by adding
17 Subsection (q) to read as follows:

18 (q) For purposes of this section, the voter-approval tax
19 rate of a school district for the 2023 tax year shall be calculated
20 based on a residence homestead exemption under Section 11.13(b) of
21 \$70,000 and a residence homestead exemption under Section 11.13(c)
22 of \$30,000. This subsection expires December 31, 2024.

23 SECTION 6. Section 26.09, Tax Code, is amended by adding
24 Subsection (c-1) to read as follows:

25 (c-1) The assessor for a school district shall calculate the
26 amount of tax imposed by the school district on a residence
27 homestead for the 2023 tax year based on exemptions under Sections

1 11.13(b) and (c) of \$40,000 and \$10,000, respectively, and
2 separately based on exemptions under those subsections of \$70,000
3 and \$30,000, respectively. This subsection expires December 31,
4 2024.

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

7 (h) The assessor for a school district shall correct the tax
8 roll for the school district for the 2023 tax year to reflect the
9 results of the election to approve the constitutional amendment
10 proposed by S.J.R. 3, 88th Legislature, Regular Session, 2023.
11 This subsection expires December 31, 2024.

12 SECTION 8. Section 31.01, Tax Code, is amended by adding
13 Subsections (d-2), (d-3), (d-4), and (d-5) to read as follows:

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

23 "If the amount of the exemption from ad valorem taxation by a
24 school district of a residence homestead had not been increased by
25 the Texas Legislature, your tax bill would have been \$_____ (insert
26 amount equal to the sum of the amount calculated under Section
27 26.09(c-1) based on an exemption under Section 11.13(b) of \$40,000

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

27 (d-3) A tax bill prepared by the assessor for a school

1 district as provided by Subsection (d-2) and mailed to a person in
2 whose name property subject to an exemption under Section 11.13(b)
3 or (c) is listed on the tax roll and to the person's authorized
4 agent as provided by Subsection (a) of this section is considered to
5 be a provisional tax bill until the canvass of the votes on the
6 constitutional amendment proposed by S.J.R. 3, 88th Legislature,
7 Regular Session, 2023. If the constitutional amendment is approved
8 by the voters, the tax bill is considered to be a final tax bill for
9 the taxes imposed on the property for the 2023 tax year, and no
10 additional tax bill is required to be mailed to the person and to
11 the person's authorized agent, unless another provision of this
12 title requires the mailing of a corrected tax bill. If the
13 constitutional amendment is not approved by the voters:

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

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

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

1 practicable, to each person in whose name property subject to an
2 exemption under Section 11.13(b) or (c) is listed on the tax roll
3 and to the person's authorized agent in an amount equal to the
4 difference between the amount calculated under Section 26.09(c-1)
5 based on an exemption under Section 11.13(b) of \$40,000 and an
6 exemption under Section 11.13(c) of \$10,000 and the amount
7 calculated under Section 26.09(c-1) based on an exemption under
8 Section 11.13(b) of \$70,000 and an exemption under Section 11.13(c)
9 of \$30,000.

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

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

15 SECTION 9. Section 31.02, Tax Code, is amended by adding
16 Subsection (a-1) to read as follows:

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

23 SECTION 10. Section 46.071, Education Code, is amended by
24 amending Subsections (a-1) and (b-1) and adding Subsections (a-2),
25 (b-2), and (c-2) to read as follows:

26 (a-1) For ~~[Beginning with]~~ the 2022-2023 school year, a
27 school district is entitled to additional state aid under this

1 subchapter to the extent that state and local revenue used to
2 service debt eligible under this chapter is less than the state and
3 local revenue that would have been available to the district under
4 this chapter as it existed on September 1, 2021, if any increase in
5 the residence homestead exemption under Section 1-b(c), Article
6 VIII, Texas Constitution, as proposed by the 87th Legislature, 3rd
7 Called Session, 2021, had not occurred.

8 (a-2) Beginning with the 2023-2024 school year, a school
9 district is entitled to additional state aid under this subchapter
10 to the extent that state and local revenue used to service debt
11 eligible under this chapter is less than the state and local revenue
12 that would have been available to the district under this chapter as
13 it 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-1) Subject to Subsections (c-1), (d), and (e),
19 additional state aid under this section for ~~[beginning with]~~ the
20 2022-2023 school year is equal to the amount by which the loss of
21 local interest and sinking revenue for debt service attributable to
22 any increase in the residence homestead exemption under Section
23 1-b(c), Article VIII, Texas Constitution, as proposed by the 87th
24 Legislature, 3rd Called Session, 2021, is not offset by a gain in
25 state aid under this chapter.

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, Regular Session, 2023, is not
7 offset by a gain in state aid under this chapter.

8 (c-2) For the purpose of determining state aid under
9 Subsections (a-2) and (b-2), local interest and sinking revenue for
10 debt service is limited to revenue required to service debt
11 eligible under this chapter as of September 1, 2022, including
12 refunding of that debt, subject to Section 46.061. The limitation
13 imposed by Section 46.034(a) does not apply for the purpose of
14 determining state aid under this section.

15 SECTION 11. Section 48.2542, Education Code, is amended to
16 read as follows:

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

1 (a-8), (a-9), ~~[and]~~ (a-10), (a-11), and (a-12), Tax Code, as
2 applicable.

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

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

18 SECTION 13. Section 48.2543, Education Code, is amended to
19 read as follows:

20 Sec. 48.2543. ADDITIONAL STATE AID FOR HOMESTEAD EXEMPTION.
21 (a) For [~~Beginning with~~] the 2022-2023 school year, a school
22 district is entitled to additional state aid to the extent that
23 state and local revenue under this chapter and Chapter 49 is less
24 than the state and local revenue that would have been available to
25 the district under this chapter and Chapter 49 as those chapters
26 existed on September 1, 2021, if any increase in the residence
27 homestead exemption under Section 1-b(c), Article VIII, Texas

1 Constitution, as proposed by the 87th Legislature, 3rd Called
2 Session, 2021, had not occurred.

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

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

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

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

20 SECTION 14. Section 48.2556(a), Education Code, is amended
21 to read as follows:

22 (a) The agency shall post the following information on the
23 agency's Internet website for purposes of allowing the chief
24 appraiser of each appraisal district and the assessor for each
25 school district to make the calculations required by Sections
26 11.26(a-5), (a-6), (a-7), (a-8), (a-9), ~~[and]~~ (a-10), (a-11), and
27 (a-12), Tax Code:

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

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

7 SECTION 15. Effective January 1, 2025, Section 48.2556(a),
8 Education Code, is amended to read as follows:

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

17 [~~1~~] each school district's maximum compressed rate,
18 as determined under Section 48.2551, for the current [each] tax
19 year and the preceding [beginning with the 2019] tax year[, and

20 [~~2~~] ~~each school district's tier one maintenance and~~
21 ~~operations tax rate, as provided by Section 45.0032(a), for the~~
22 ~~2018 tax year].~~

23 SECTION 16. Section 49.004, Education Code, is amended by
24 adding Subsections (a-1), (b-1), and (c-1) to read as follows:

25 (a-1) This subsection applies only if the constitutional
26 amendment proposed by S.J.R. 3, 88th Legislature, Regular Session,
27 2023, is approved by the voters in an election held for that

1 purpose. As soon as practicable after receiving revised property
2 values that reflect adoption of the constitutional amendment, the
3 commissioner shall review the local revenue level of districts in
4 the state and revise as necessary the notifications provided under
5 Subsection (a) for the 2023-2024 school year. This subsection
6 expires September 1, 2024.

7 (b-1) This subsection applies only to a district that has
8 not previously held an election under this chapter. Notwithstanding
9 Subsection (b), a district that enters into an agreement to
10 exercise an option to reduce the district's local revenue level in
11 excess of entitlement under Section 49.002(3), (4), or (5) for the
12 2023-2024 school year may request and, as provided by Section
13 49.0042(a), receive approval from the commissioner to delay the
14 date of the election otherwise required to be ordered before
15 September 1. This subsection expires September 1, 2024.

16 (c-1) Notwithstanding Subsection (c), a district that
17 receives approval from the commissioner to delay an election as
18 provided by Subsection (b-1) may adopt a tax rate for the 2023 tax
19 year before the commissioner certifies that the district has
20 reduced its local revenue level to the level established by Section
21 48.257. This subsection expires September 1, 2024.

22 SECTION 17. Subchapter A, Chapter 49, Education Code, is
23 amended by adding Section 49.0042 to read as follows:

24 Sec. 49.0042. TRANSITIONAL PROVISIONS: INCREASED HOMESTEAD
25 EXEMPTIONS AND LIMITATION ON TAX INCREASES. (a) The commissioner
26 shall approve a district's request under Section 49.004(b-1) to
27 delay the date of an election required under this chapter if the

1 commissioner determines that the district would not have a local
2 revenue level in excess of entitlement if the constitutional
3 amendment proposed by S.J.R. 3, 88th Legislature, Regular Session,
4 2023, were approved by the voters.

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

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

13 (1) fails to hold the election; or

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

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

16 SECTION 18. Subchapter A, Chapter 49, Education Code, is
17 amended by adding Section 49.0121 to read as follows:

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

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

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

27 SECTION 19. Section 49.154, Education Code, is amended by

1 adding Subsections (a-2) and (a-3) to read as follows:

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

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

8 (2) in the manner provided by Subsection (a)(2),
9 provided that the district notifies the commissioner of the
10 district's election to pay in that manner not later than March 15,
11 2024.

12 (a-3) Subsection (a-2) and this subsection expire September
13 1, 2024.

14 SECTION 20. Section 49.308, Education Code, is amended by
15 adding Subsection (a-1) to read as follows:

16 (a-1) Notwithstanding Subsection (a), for the 2023-2024
17 school year, the commissioner shall order any detachments and
18 annexations of property under this subchapter as soon as
19 practicable after the canvass of the votes on the constitutional
20 amendment proposed by S.J.R. 3, 88th Legislature, Regular Session,
21 2023. This subsection expires September 1, 2024.

22 SECTION 21. Section 403.302, Government Code, is amended by
23 amending Subsection (j-1) and adding Subsection (j-2) to read as
24 follows:

25 (j-1) In the final certification of the study under
26 Subsection (j), the comptroller shall separately identify the final
27 taxable value for each school district as adjusted to account for

1 the reduction of the amount of the limitation on tax increases
2 provided by Section 11.26(a-10) [~~Sections 11.26(a-4), (a-5),~~
3 ~~(a-6), (a-7), (a-8), (a-9), and (a-10)~~], Tax Code[, as applicable].

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

11 SECTION 22. (a) Sections 11.26(a-1), (a-2), and (a-3), Tax
12 Code, are repealed.

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

15 SECTION 23. The changes in law made by this Act to Sections
16 11.13 and 11.26, Tax Code, apply beginning with the ad valorem tax
17 year that begins January 1, 2023.

18 SECTION 24. (a) Except as provided by Subsection (b) of
19 this section or as otherwise provided by this Act:

20 (1) this Act takes effect on the date on which the
21 constitutional amendment proposed by S.J.R. 3, 88th Legislature,
22 Regular Session, 2023, takes effect; and

23 (2) if that amendment is not approved by the voters,
24 this Act has no effect.

25 (b) Sections 25.23(a-1), 26.04(a-1) and (c-1), 26.08(q),
26 26.09(c-1), 26.15(h), 31.01(d-2), (d-3), (d-4), and (d-5), and
27 31.02(a-1), Tax Code, and Sections 49.004(a-1), (b-1), and (c-1),

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