

By: Phelan

H.B. No. 234

A BILL TO BE ENTITLED

AN ACT

relating to making permanent the limitation on increases in the appraised value of certain real property for ad valorem tax purposes.

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

SECTION 1. Section 25.19(o), Tax Code, is amended to read as follows:

(o) A notice required under Subsection (a) or (g) to be delivered to the owner of real property other than a single-family residence that qualifies for an exemption under Section 11.13 must include the following statement: "Under Section 23.231, Tax Code, ~~[for the 2024, 2025, and 2026 tax years,]~~ the appraised value of real property other than a residence homestead for ad valorem tax purposes may not be increased by more than 20 percent each year, with certain exceptions." ~~[The circuit breaker limitation provided under Section 23.231, Tax Code, expires December 31, 2026. Unless this expiration date is extended by the Texas Legislature, beginning in the 2027 tax year, the circuit breaker limitation provided under Section 23.231, Tax Code, will no longer be in effect and may result in an increase in ad valorem taxes imposed on real property previously subject to the limitation." This subsection expires December 31, 2027.]~~

SECTION 2. The following provisions are repealed:

(1) Section 23.231(k), Tax Code;

(2) Section 4.02, Chapter 1 (S.B. 2), Acts of the 88th Legislature, 2nd Called Session, 2023, which amended Section 1.12(d), Tax Code, as effective January 1, 2027;

(3) Section 4.05, Chapter 1 (S.B. 2), Acts of the 88th Legislature, 2nd Called Session, 2023, which amended Sections 25.19(b) and (g), Tax Code, as effective January 1, 2027;

(4) Section 4.08, Chapter 1 (S.B. 2), Acts of the 88th Legislature, 2nd Called Session, 2023, which amended Section 41.41(a), Tax Code, as effective January 1, 2027;

(5) Section 4.10, Chapter 1 (S.B. 2), Acts of the 88th Legislature, 2nd Called Session, 2023, which amended Section 42.26(d), Tax Code, as effective January 1, 2027;

(6) Section 4.12, Chapter 1 (S.B. 2), Acts of the 88th Legislature, 2nd Called Session, 2023, which amended Sections 403.302(d) and (i), Government Code, as effective January 1, 2027; and

(7) Section 3, Chapter 467 (H.B. 4809), Acts of the 89th Legislature, Regular Session, 2025, which amended Section 41.41(a), Tax Code, as effective January 1, 2027.

SECTION 3. This Act applies only to the appraisal of property for ad valorem tax purposes for a tax year that begins on or after January 1, 2027.

SECTION 4. (a) Except as otherwise provided by Subsections (b) and (c) of this section, this Act takes effect January 1, 2027.

(b) Section 2 of this Act takes effect on the date on which the constitutional amendment described by Subsection (c) of this section takes effect.

1 (c) This Act takes effect only if the constitutional
2 amendment proposed by the 89th Legislature, 1st Called Session,
3 2025, to authorize the legislature to make permanent the limit on
4 the maximum appraised value of real property other than a residence
5 homestead for ad valorem tax purposes is approved by the voters. If
6 that amendment is not approved by the voters, this Act has no
7 effect.