

By: Gervin-Hawkins

H.B. No. 294

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from ad valorem taxation of the amount of the appraised value of certain residential real property that arises from the installation in the property of certain energy efficiency-related improvements.

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

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.272 to read as follows:

Sec. 11.272. ENERGY EFFICIENCY-RELATED IMPROVEMENTS TO RESIDENTIAL REAL PROPERTY. (a) In this section, "energy efficiency-related improvement" means an improvement or technology that reduces the amount of energy needed to perform the basic functions of a property, including:

(1) a high-efficiency heating, ventilation, and air conditioning system;

(2) a central air conditioning demand response technology;

(3) a high-efficiency heat pump;

(4) attic insulation;

(5) a radiant barrier;

(6) a smart thermostat;

(7) a high-efficiency water heater;

(8) an electric vehicle charging demand response technology;

1 (9) high-efficiency windows; and
2 (10) the sealing or resealing of doors, windows, or
3 other openings.

4 (b) A person is entitled to an exemption from taxation of
5 the amount of the appraised value of residential real property
6 owned by the person that arises from the installation in the
7 property of an energy efficiency-related improvement if:

8 (1) the original construction of the property was
9 completed before January 1, 2011; and

10 (2) the improvement was installed on or after January
11 1, 2027.

12 (c) The comptroller, with the assistance of the State Energy
13 Conservation Office or its successor, shall develop guidelines to
14 assist local officials in the administration of this section.

15 SECTION 2. If the constitutional amendment proposed by
16 H.J.R. 34, 89th Legislature, Regular Session, 2025, is approved by
17 the voters and the constitutional amendment proposed by H.J.R. 133,
18 89th Legislature, Regular Session, 2025, is not approved by the
19 voters, Section 11.43(c), Tax Code, as amended by H.B. 2730, Acts of
20 the 89th Legislature, Regular Session, 2025, H.B. 1620, Acts of the
21 89th Legislature, Regular Session, 2025, and effective September 1,
22 2025, and H.B. 247, Acts of the 89th Legislature, Regular Session,
23 2025, and effective January 1, 2026, is reenacted and amended to
24 read as follows:

25 (c) An exemption provided by Section 11.13, 11.131, 11.132,
26 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,
27 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,

1 11.254, 11.27, 11.271, 11.272, 11.29, 11.30, 11.31, 11.315, 11.35,
2 11.36, 11.37, or 11.38, once allowed, need not be claimed in
3 subsequent years, and except as otherwise provided by Subsection
4 (e), the exemption applies to the property until it changes
5 ownership or the person's qualification for the exemption changes.
6 However, except as provided by Subsection (r), and subject to
7 Subsection (c-1), the chief appraiser may require a person allowed
8 one of the exemptions in a prior year to file a new application to
9 confirm the person's current qualification for the exemption by
10 delivering a written notice that a new application is required,
11 accompanied by an appropriate application form, to the person
12 previously allowed the exemption. If the person previously allowed
13 the exemption is 65 years of age or older, the chief appraiser may
14 not cancel the exemption due to the person's failure to file the new
15 application unless the chief appraiser complies with the
16 requirements of Subsection (q), if applicable.

17 SECTION 3. If the constitutional amendment proposed by
18 H.J.R. 133, 89th Legislature, Regular Session, 2025, is approved by
19 the voters and the constitutional amendment proposed by H.J.R. 34,
20 89th Legislature, Regular Session, 2025, is not approved by the
21 voters, Section 11.43(c), Tax Code, as amended by H.B. 2730, Acts of
22 the 89th Legislature, Regular Session, 2025, H.B. 1620, Acts of the
23 89th Legislature, Regular Session, 2025, and effective September 1,
24 2025, and H.B. 2508, Acts of the 89th Legislature, Regular Session,
25 2025, and effective January 1, 2026, is reenacted and amended to
26 read as follows:

27 (c) An exemption provided by Section 11.13, 11.131, 11.132,

11.133, 11.134, 11.136, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231, 11.254, 11.27, 11.271, 11.272, 11.29, 11.30, 11.31, 11.315, 11.35, 11.36, or 11.37, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, except as provided by Subsection (r), and subject to Subsection (c-1), the chief appraiser may require a person allowed one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption. If the person previously allowed the exemption is 65 years of age or older, the chief appraiser may not cancel the exemption due to the person's failure to file the new application unless the chief appraiser complies with the requirements of Subsection (q), if applicable.

SECTION 4. If both the constitutional amendment proposed by H.J.R. 34, 89th Legislature, Regular Session, 2025, and the constitutional amendment proposed by H.J.R. 133, 89th Legislature, Regular Session, 2025, are approved by the voters, Section 11.43(c), Tax Code, as amended by H.B. 2730, Acts of the 89th Legislature, Regular Session, 2025, H.B. 1620, Acts of the 89th Legislature, Regular Session, 2025, and effective September 1, 2025, and H.B. 247 and H.B. 2508, Acts of the 89th Legislature, Regular Session, 2025, and effective January 1, 2026, is reenacted

1 and amended to read as follows:

2 (c) An exemption provided by Section 11.13, 11.131, 11.132,
3 11.133, 11.134, 11.136, 11.17, 11.18, 11.182, 11.1827, 11.183,
4 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m),
5 11.231, 11.254, 11.27, 11.271, 11.272, 11.29, 11.30, 11.31, 11.315,
6 11.35, 11.36, 11.37, or 11.38, once allowed, need not be claimed in
7 subsequent years, and except as otherwise provided by Subsection
8 (e), the exemption applies to the property until it changes
9 ownership or the person's qualification for the exemption changes.
10 However, except as provided by Subsection (r), and subject to
11 Subsection (c-1), the chief appraiser may require a person allowed
12 one of the exemptions in a prior year to file a new application to
13 confirm the person's current qualification for the exemption by
14 delivering a written notice that a new application is required,
15 accompanied by an appropriate application form, to the person
16 previously allowed the exemption. If the person previously allowed
17 the exemption is 65 years of age or older, the chief appraiser may
18 not cancel the exemption due to the person's failure to file the new
19 application unless the chief appraiser complies with the
20 requirements of Subsection (q), if applicable.

21 SECTION 5. If neither the constitutional amendment proposed
22 by H.J.R. 34, 89th Legislature, Regular Session, 2025, nor the
23 constitutional amendment proposed by H.J.R. 133, 89th Legislature,
24 Regular Session, 2025, is approved by the voters, Section 11.43(c),
25 Tax Code, as amended by H.B. 2730, Acts of the 89th Legislature,
26 Regular Session, 2025, and H.B. 1620, Acts of the 89th Legislature,
27 Regular Session, 2025, and effective September 1, 2025, is

reenacted and amended to read as follows:

(c) An exemption provided by Section 11.13, 11.131, 11.132, 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231, 11.254, 11.27, 11.271, 11.272, 11.29, 11.30, 11.31, 11.315, 11.35, 11.36, or 11.37, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, except as provided by Subsection (r), and subject to Subsection (c-1), the chief appraiser may require a person allowed one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption. If the person previously allowed the exemption is 65 years of age or older, the chief appraiser may not cancel the exemption due to the person's failure to file the new application unless the chief appraiser complies with the requirements of Subsection (q), if applicable.

SECTION 6. This Act applies only to a tax year that begins on or after the effective date of this Act.

SECTION 7. This Act takes effect January 1, 2027, but only if the constitutional amendment proposed by the 89th Legislature, 2nd Called Session, 2025, to authorize the legislature to provide for an exemption from ad valorem taxation of the amount of the market value of residential real property that arises from the

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1 installation in the property of certain energy efficiency-related
2 improvements is approved by the voters. If that amendment is not
3 approved by the voters, this Act has no effect.