

## **BILL ANALYSIS**

Senate Research Center  
89R24550 CJC-F

C.S.S.B. 2520  
By: Bettencourt  
Local Government  
4/25/2025  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Since the late 1990s, the law has authorized a freeze on your homestead ISD taxes in the year you turn 65 or become disabled. Section 11.26(a), Tax Code, previously allowed a two-year comparison for homeowners who become eligible for the 65 and over ceiling, often called a freeze. Homeowners who turned 65 and qualified for the school tax ceiling were allowed to qualify in the year they turned 65 or the subsequent year. Whichever year had the lower amount, that was the amount at which the taxes were limited.

S.B. 2, 88th Legislature, Second Called Session, provided much-needed property tax relief to many Texans. However, after S.B. 2's implementation, the new bill language related to the two-year comparison for over-65 homestead freeze properties caused many jurisdictions confusion. An attorney general opinion was sought to seek clarification and determine whether the two-year comparison was still authorized. Attorney General Opinion No. KP-0470 determined that the two-year comparison provision was changed and no longer authorized under current law. Many property tax administrators have kept the two-year comparison because it benefits the taxpayer.

S.B. 2520 will clarify current law for the two-year comparison under Subsection (a) and will ensure tax rate compression is taken into account in the comparison. This would ensure all property tax administrators treat the calculation the same by ensuring the two-year comparison.

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

C.S.S.B. 2520 amends current law relating to the calculation of the limitation on the total amount of ad valorem taxes imposed by a school district on the residence homestead of an individual who is elderly or disabled.

### **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 Section 11.26, Tax Code, by adding Subsection (a-11), as follows:

(a-11) Provides that this subsection applies only in the tax year immediately following the first tax year an individual qualifies a residence homestead for an exemption under Section 11.13(c) (relating to entitling an adult who is disabled or is 65 or older to an exemption from certain taxation) after the beginning of that first tax year, provided that the homestead remains eligible for that same exemption in that following tax year. Provides that, notwithstanding Subsection (a-10) (relating to the amount of a limitation on tax increases on a residence homestead), the amount of the limitation provided by this section on an individual's residence homestead for the tax year to which this section applies is equal to the lesser of the amount of the limitation as computed under Subsection (a-10) for that tax year or the amount of tax imposed by the school district on that residence homestead, calculated without regard to the limitation on tax increases provided by this section, in that tax year.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2026.