

By: Flores

H.B. No. 266

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a local option exemption from ad valorem taxation by a
3 school district of all or part of the appraised value of the
4 residence homesteads of certain individuals who are employed by
5 the district.

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

7 SECTION 1. Section 11.13, Tax Code, is amended by amending
8 Subsection (i) and adding Subsection (s) to read as follows:

9 (i) The assessor and collector for a taxing unit may
10 disregard the exemptions authorized by Subsection (b), (c), (d),
11 ~~[or] (n), or (s) [of this section]~~ and assess and collect a tax
12 pledged for payment of debt without deducting the amount of the
13 exemption if:

14 (1) prior to adoption of the exemption, the taxing
15 unit pledged the taxes for the payment of a debt; and

16 (2) granting the exemption would impair the obligation
17 of the contract creating the debt.

18 (s) If the governing body of a school district in the manner
19 required by law for official action by the governing body adopts the
20 exemption, an individual is entitled to an exemption from taxation
21 by the district of all or part of the appraised value of the
22 individual's residence homestead if the individual is employed
23 full-time by the district as a classroom teacher, school counselor
24 certified under Subchapter B, Chapter 21, Education Code,

1 librarian, or school nurse. The governing body may adopt the
2 exemption authorized by this subsection as a percentage of the
3 appraised value of the residence homestead. The percentage
4 specified by the governing body may not be less than 20 percent.
5 The exemption authorized by this subsection is in addition to any
6 other exemptions provided by this section.

7 SECTION 2. Section 403.302(d), Government Code, as
8 effective until January 1, 2027, is amended to read as follows:

9 (d) For the purposes of this section, "taxable value" means
10 the market value of all taxable property less:

11 (1) the total dollar amount of any residence homestead
12 exemptions lawfully granted under Section 11.13(b), ~~(c)~~, or
13 (s), Tax Code, in the year that is the subject of the study for each
14 school district;

15 (2) one-half of the total dollar amount of any
16 residence homestead exemptions granted under Section 11.13(n), Tax
17 Code, in the year that is the subject of the study for each school
18 district;

19 (3) the total dollar amount of any exemptions granted
20 before May 31, 1993, within a reinvestment zone under agreements
21 authorized by Chapter 312, Tax Code;

22 (4) subject to Subsection (e), the total dollar amount
23 of any captured appraised value of property that:

24 (A) is within a reinvestment zone created on or
25 before May 31, 1999, or is proposed to be included within the
26 boundaries of a reinvestment zone as the boundaries of the zone and
27 the proposed portion of tax increment paid into the tax increment

1 fund by a school district are described in a written notification
2 provided by the municipality or the board of directors of the zone
3 to the governing bodies of the other taxing units in the manner
4 provided by former Section 311.003(e), Tax Code, before May 31,
5 1999, and within the boundaries of the zone as those boundaries
6 existed on September 1, 1999, including subsequent improvements to
7 the property regardless of when made;

8 (B) generates taxes paid into a tax increment
9 fund created under Chapter 311, Tax Code, under a reinvestment zone
10 financing plan approved under Section 311.011(d), Tax Code, on or
11 before September 1, 1999; and

12 (C) is eligible for tax increment financing under
13 Chapter 311, Tax Code;

14 (5) the total dollar amount of any captured appraised
15 value of property that:

16 (A) is within a reinvestment zone:

17 (i) created on or before December 31, 2008,
18 by a municipality with a population of less than 18,000; and

19 (ii) the project plan for which includes
20 the alteration, remodeling, repair, or reconstruction of a
21 structure that is included on the National Register of Historic
22 Places and requires that a portion of the tax increment of the zone
23 be used for the improvement or construction of related facilities
24 or for affordable housing;

25 (B) generates school district taxes that are paid
26 into a tax increment fund created under Chapter 311, Tax Code; and

27 (C) is eligible for tax increment financing under

1 Chapter 311, Tax Code;

2 (6) the total dollar amount of any exemptions granted
3 under Section 11.251 or 11.253, Tax Code;

4 (7) the difference between the comptroller's estimate
5 of the market value and the productivity value of land that
6 qualifies for appraisal on the basis of its productive capacity,
7 except that the productivity value estimated by the comptroller may
8 not exceed the fair market value of the land;

9 (8) the portion of the appraised value of residence
10 homesteads of individuals who receive a tax limitation under
11 Section 11.26, Tax Code, on which school district taxes are not
12 imposed in the year that is the subject of the study, calculated as
13 if the residence homesteads were appraised at the full value
14 required by law;

15 (9) a portion of the market value of property not
16 otherwise fully taxable by the district at market value because of
17 action required by statute or the constitution of this state, other
18 than Section 11.311, Tax Code, that, if the tax rate adopted by the
19 district is applied to it, produces an amount equal to the
20 difference between the tax that the district would have imposed on
21 the property if the property were fully taxable at market value and
22 the tax that the district is actually authorized to impose on the
23 property, if this subsection does not otherwise require that
24 portion to be deducted;

25 (10) the market value of all tangible personal
26 property, other than manufactured homes, owned by a family or
27 individual and not held or used for the production of income;

1 (11) the appraised value of property the collection of
2 delinquent taxes on which is deferred under Section 33.06, Tax
3 Code;

4 (12) the portion of the appraised value of property
5 the collection of delinquent taxes on which is deferred under
6 Section 33.065, Tax Code;

7 (13) the amount by which the market value of property
8 to which Section 23.23 or 23.231, Tax Code, applies exceeds the
9 appraised value of that property as calculated under Section 23.23
10 or 23.231, Tax Code, as applicable; and

11 (14) the total dollar amount of any exemptions granted
12 under Section 11.35, Tax Code.

13 SECTION 3. Section 403.302(d), Government Code, as
14 effective January 1, 2027, is amended to read as follows:

15 (d) For the purposes of this section, "taxable value" means
16 the market value of all taxable property less:

17 (1) the total dollar amount of any residence homestead
18 exemptions lawfully granted under Section 11.13(b), ~~[or]~~ (c), or
19 (s), Tax Code, in the year that is the subject of the study for each
20 school district;

21 (2) one-half of the total dollar amount of any
22 residence homestead exemptions granted under Section 11.13(n), Tax
23 Code, in the year that is the subject of the study for each school
24 district;

25 (3) the total dollar amount of any exemptions granted
26 before May 31, 1993, within a reinvestment zone under agreements
27 authorized by Chapter 312, Tax Code;

1 (4) subject to Subsection (e), the total dollar amount
2 of any captured appraised value of property that:

3 (A) is within a reinvestment zone created on or
4 before May 31, 1999, or is proposed to be included within the
5 boundaries of a reinvestment zone as the boundaries of the zone and
6 the proposed portion of tax increment paid into the tax increment
7 fund by a school district are described in a written notification
8 provided by the municipality or the board of directors of the zone
9 to the governing bodies of the other taxing units in the manner
10 provided by former Section 311.003(e), Tax Code, before May 31,
11 1999, and within the boundaries of the zone as those boundaries
12 existed on September 1, 1999, including subsequent improvements to
13 the property regardless of when made;

14 (B) generates taxes paid into a tax increment
15 fund created under Chapter 311, Tax Code, under a reinvestment zone
16 financing plan approved under Section 311.011(d), Tax Code, on or
17 before September 1, 1999; and

18 (C) is eligible for tax increment financing under
19 Chapter 311, Tax Code;

20 (5) the total dollar amount of any captured appraised
21 value of property that:

22 (A) is within a reinvestment zone:

23 (i) created on or before December 31, 2008,
24 by a municipality with a population of less than 18,000; and

25 (ii) the project plan for which includes
26 the alteration, remodeling, repair, or reconstruction of a
27 structure that is included on the National Register of Historic

1 Places and requires that a portion of the tax increment of the zone
2 be used for the improvement or construction of related facilities
3 or for affordable housing;

4 (B) generates school district taxes that are paid
5 into a tax increment fund created under Chapter 311, Tax Code; and

6 (C) is eligible for tax increment financing under
7 Chapter 311, Tax Code;

8 (6) the total dollar amount of any exemptions granted
9 under Section 11.251 or 11.253, Tax Code;

10 (7) the difference between the comptroller's estimate
11 of the market value and the productivity value of land that
12 qualifies for appraisal on the basis of its productive capacity,
13 except that the productivity value estimated by the comptroller may
14 not exceed the fair market value of the land;

15 (8) the portion of the appraised value of residence
16 homesteads of individuals who receive a tax limitation under
17 Section 11.26, Tax Code, on which school district taxes are not
18 imposed in the year that is the subject of the study, calculated as
19 if the residence homesteads were appraised at the full value
20 required by law;

21 (9) a portion of the market value of property not
22 otherwise fully taxable by the district at market value because of
23 action required by statute or the constitution of this state, other
24 than Section 11.311, Tax Code, that, if the tax rate adopted by the
25 district is applied to it, produces an amount equal to the
26 difference between the tax that the district would have imposed on
27 the property if the property were fully taxable at market value and

1 the tax that the district is actually authorized to impose on the
2 property, if this subsection does not otherwise require that
3 portion to be deducted;

4 (10) the market value of all tangible personal
5 property, other than manufactured homes, owned by a family or
6 individual and not held or used for the production of income;

7 (11) the appraised value of property the collection of
8 delinquent taxes on which is deferred under Section 33.06, Tax
9 Code;

10 (12) the portion of the appraised value of property
11 the collection of delinquent taxes on which is deferred under
12 Section 33.065, Tax Code;

13 (13) the amount by which the market value of a
14 residence homestead to which Section 23.23, Tax Code, applies
15 exceeds the appraised value of that property as calculated under
16 that section; and

17 (14) the total dollar amount of any exemptions granted
18 under Section 11.35, Tax Code.

19 SECTION 4. This Act applies only to ad valorem taxes imposed
20 for a tax year that begins on or after the effective date of this
21 Act.

22 SECTION 5. This Act takes effect January 1, 2026, but only
23 if the constitutional amendment proposed by the 89th Legislature,
24 Regular Session, 2025, authorizing a local option exemption from ad
25 valorem taxation by a school district of all or part of the
26 appraised value of the residence homesteads of certain individuals
27 who are employed by the district is approved by the voters. If that

H.B. No. 266

1 amendment is not approved by the voters, this Act has no effect.