

AN ACT

relating to the calculation of certain ad valorem tax rates of a taxing unit for a year in which a property owner provides notice that the owner intends to appeal an order of an appraisal review board determining a protest by the owner regarding the appraisal of the owner's property.

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

SECTION 1. Section 5.07(g), Tax Code, is amended to read as follows:

(g) The forms described by Subsection (f) must be in an electronic format and:

(1) have blanks that can be filled in electronically;

(2) be capable of being certified by the designated officer or employee after completion as accurately calculating the applicable tax rates and using values that are the same as the values shown in, as applicable:

(A) the taxing unit's certified appraisal roll;
or

(B) the certified estimate of taxable value of property in the taxing unit prepared under Section 26.01(a-1);
~~and~~

(3) be capable of being electronically incorporated into the property tax database maintained by each appraisal district under Section 26.17 and submitted electronically to the

county assessor-collector of each county in which all or part of the territory of the taxing unit is located; and

(4) be capable of including the addendum to the forms required by Section 26.04(d-3), if applicable.

SECTION 2. Section 26.012, Tax Code, is amended by adding Subdivisions (1-a), (1-b), (1-c), (2-a), (2-b), and (20) to read as follows:

(1-a) "Affected taxing unit" means a taxing unit that is wholly or partly located in a county that:

(A) has a population of less than 500,000; and

(B) is located on the Gulf of Mexico.

(1-b) "Anticipated substantial litigation" means one or more appeals filed or intended to be filed under Chapter 42 for a tax year by a single property owner or by one or more associated business entities of a single property owner of one or more orders of an appraisal review board determining one or more protests by the owner or entities of the taxable value of one or more parcels of property located in an affected taxing unit, if any of the properties:

(A) had a taxable value in the preceding tax year that was one of the 20 highest in the appraisal district in which the property is located; and

(B) has a current year taxable value that exceeds 125 percent of the amount of the uncontested taxable value of the property.

(1-c) "Associated business entity" means a subsidiary or other associated business entity of a property owner.

1 (2-a) "Contested taxable value" means for a tax year
2 the difference between:

3 (A) the current year taxable value of a property;
4 and

5 (B) the:

6 (i) taxable value of the property asserted
7 by the owner of the property in an appeal of the appraisal review
8 board order under Chapter 42; or

9 (ii) if the owner has not filed an appeal, a
10 good faith determination of the taxable value the owner will assert
11 in the appeal.

12 (2-b) "Current year taxable value" means the taxable
13 value of a property stated in or determined from:

14 (A) an order issued by the appraisal review board
15 hearing a protest pertaining to the property for the tax year under
16 Chapter 41; or

17 (B) if the appraisal review board has not issued
18 an order determining the protest, the notice of appraised value for
19 the property delivered under Section 25.19 for the most recent tax
20 year.

21 (20) "Uncontested taxable value" means the portion of
22 the taxable value of a property that is not contested taxable value.

23 SECTION 3. Section 26.012(6), Tax Code, is amended to read
24 as follows:

25 (6) "Current total value" means the total taxable
26 value of property listed on the appraisal roll for the current year,
27 including all appraisal roll supplements and corrections as of the

1 date of the calculation, less the taxable value of property
2 exempted for the current tax year for the first time under Section
3 11.31 or 11.315, except that:

4 (A) the current total value for a school district
5 excludes:

6 (i) the total value of homesteads that
7 qualify for a tax limitation as provided by Section 11.26;

8 (ii) new property value of property that is
9 subject to an agreement entered into under former Subchapter B or C,
10 Chapter 313; and

11 (iii) new property value of property that
12 is subject to an agreement entered into under Subchapter T, Chapter
13 403, Government Code; ~~and~~

14 (B) the current total value for a county,
15 municipality, or junior college district excludes the total value
16 of homesteads that qualify for a tax limitation provided by Section
17 11.261; and

18 (C) the current total value for an affected
19 taxing unit excludes the portion of the aggregate taxable value of
20 all of the property located in the taxing unit that is included as
21 part of anticipated substantial litigation that consists of
22 contested taxable value.

23 SECTION 4. Section 26.04(d-3), Tax Code, is amended to read
24 as follows:

25 (d-3) As soon as practicable after the designated officer or
26 employee calculates the no-new-revenue tax rate and the
27 voter-approval tax rate of the taxing unit, the designated officer

or employee shall submit the tax rate calculation forms used in calculating the rates to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located. If an amount described by Section 26.012(6)(C) is excluded from the current total value of an affected taxing unit for a tax year, the designated officer or employee for the taxing unit shall include as an addendum to the tax rate calculation forms for that tax year:

- (1) documentation that supports the exclusion; and
- (2) each statement submitted to the designated officer or employee under Section 41.48(c)(2) for that tax year.

SECTION 5. Section 26.16(d-1), Tax Code, is amended to read as follows:

(d-1) In addition to posting the information described by Subsection (a), the county assessor-collector shall post on the Internet website of the county for each taxing unit all or part of the territory of which is located in the county:

- (1) the tax rate calculation forms used by the designated officer or employee of each taxing unit to calculate the no-new-revenue and voter-approval tax rates of the taxing unit for the most recent five tax years beginning with the 2020 tax year, as certified by the designated officer or employee under Section 26.04(d-2), along with the addendum to those forms required by Section 26.04(d-3), if applicable; and

- (2) the name and official contact information for each member of the governing body of the taxing unit.

SECTION 6. Sections 26.17(e) and (f), Tax Code, are amended

to read as follows:

(e) The officer or employee designated by the governing body of each taxing unit in which the property is located to calculate the no-new-revenue tax rate and the voter-approval tax rate for the taxing unit must electronically incorporate into the database:

(1) the information described by Subsections (b)(5), (6), (7), (12), and (13), as applicable, as the information becomes available; and

(2) the tax rate calculation forms prepared under Section 26.04(d-1), along with the addendum to those forms required by Section 26.04(d-3), if applicable, at the same time the designated officer or employee submits the tax rates to the governing body of the taxing unit under Section 26.04(e).

(f) The chief appraiser shall make the information described by Subsection (e)(1) and the tax rate calculation forms, along with the addendum to those forms required by Section 26.04(d-3), if applicable, described by Subsection (e)(2) available to the public not later than the third business day after the date the information and forms are incorporated into the database.

SECTION 7. Subchapter C, Chapter 41, Tax Code, is amended by adding Section 41.48 to read as follows:

Sec. 41.48. NOTICE OF CERTAIN APPEALS; SUBMISSIONS BY PROPERTY OWNER. (a) In this section, "affected taxing unit," "anticipated substantial litigation," "associated business entity," and "uncontested taxable value" have the meanings assigned by Section 26.012.

1 (b) Not later than July 1, the officer or employee
2 designated by the governing body of each affected taxing unit under
3 Section 26.04(c) shall notify each property owner in the taxing
4 unit who owns a property that had a taxable value in the preceding
5 tax year that was one of the 20 highest in the appraisal district in
6 which the property is located that the owner may have to comply with
7 the requirements of this section.

8 (c) A property owner or associated business entity of the
9 owner that intends to file an appeal under Chapter 42 that is part
10 of anticipated substantial litigation shall submit to the officer
11 or employee described by Subsection (b) of each affected taxing
12 unit in which the property included in the litigation is located:

13 (1) the total amount of uncontested taxable value of
14 all property located in the taxing unit that may be the subject of
15 an appeal by the property owner or entity and that is part of the
16 litigation; and

17 (2) a written statement providing that the property
18 owner or entity intends to pay the tax due on the amount of the
19 uncontested taxable value.

20 (d) A property owner or associated business entity of the
21 property owner must submit the information required to be submitted
22 under this section not later than the earlier of August 7 or the
23 21st day after the date the first hearing regarding a protest of the
24 value of any property included in the anticipated substantial
25 litigation is conducted under this chapter.

26 (e) Notwithstanding any other provision of this section,
27 the amount of uncontested taxable value submitted to a designated

1 officer or employee under this section may be used by the designated
2 officer or employee only for the purpose of calculating a tax rate
3 under Section 26.04 and may not be construed as an amount of value
4 of a property that is not in dispute for purposes of a proceeding
5 under Chapter 42.

6 SECTION 8. (a) Except as provided by Subsection (b) of this
7 section, the changes in law made by this Act apply to an ad valorem
8 tax year that begins on or after January 1, 2026.

9 (b) If this Act receives the vote necessary to have
10 immediate effect, the changes in law made by this Act apply to an ad
11 valorem tax year that begins on or after January 1, 2025.

12 SECTION 9. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2025.

President of the Senate

Speaker of the House

I certify that H.B. No. 3093 was passed by the House on April 17, 2025, by the following vote: Yeas 145, Nays 5, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3093 was passed by the Senate on May 9, 2025, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor