

# PROPERTY TAX BILLS IN THE 2021 TEXAS LEGISLATURE 87<sup>th</sup> REGULAR SESSION

Last Updated: January 5, 2021

The Texas Legislature will convene its next regular session on January 12, 2021. As always, we will be keeping track of all property tax bills. The ones filed so far are summarized below.

## Exemptions

### H.B. 115

**Author: Rodriguez**

**Amends/Enacts: §11.18 Tax Code**

**Status: Filed**

Section 11.18(d)(23) provides a charitable exemption to an organization in Fort Worth that serves homeless people, but the property must be a single campus. This bill would eliminate the requirement of a single campus.

### H.B. 122

**Author: Bernal**

**Amends/Enacts: §§11.136, 11.42, 11.43, 26.10, and 26.1125 Tax Code; §403.302**

**Government Code**

**Status: Filed**

### H.J.R. 14

**Author: Bernal**

**Amends/Enacts: Art. VIII, §1 Texas Constitution**

**Status: Filed**

This proposed constitutional amendment and related bill would create a 100% exemption for the homestead of a “qualifying caregiver.” The caregiver would have to be the parent or guardian of someone eligible to receive long-term services and support under Medicaid. That person would have to live with the caregiver and could not pay the caregiver.

### H.B. 125

**Author: Buckley**

**Amends/Enacts: §140.011 Local Government Code**

**Status: Filed**

This bill would include among the municipalities qualified in a given tax year to receive state assistance to compensate for revenue lost because of tax relief for disabled veterans, municipalities with extraterritorial jurisdictions located within two miles of the boundary line of a U.S. military installation.

**H.B. 186**

**Author: Zwiener**

**Amends/Enacts: §11.325 Tax Code**

**Status: Filed**

**H.J.R. 17**

**Author: Zwiener**

**Amends/Enacts: Art. VIII, §1-s Texas Constitution**

**Status: Filed**

This proposed constitutional amendment and related bill would exempt the portion of the value of a property attributable to the installation of a rainwater harvesting or graywater system.

**H.B. 288**

**Author: Stephenson**

**Amends/Enacts: §§11.13, 11.26, 26.09, 151.0021, 151.0028, 151.0037, 151.0041, 151.0046, 151.0101, 151.801, 151.802, 151.3021, 151.3071, 151.3101, and 151.311 Tax Code**

**Status: Filed**

**H.J.R. 19**

**Author: Stephenson**

**Amends/Enacts: Art. VIII, §1-b Texas Constitution**

**Status: Filed**

Homesteads would be completely exempt from school m&o taxes. Revenue lost to the exemption would be made up through an expansion of sales taxes.

**H.B. 349**

**Author: Craddick**

**Amends/Enacts: §11.18 Tax Code**

**Status: Filed**

Section 11.18(d)(23) provides a charitable exemption to an organization in Fort Worth that serves homeless people. This bill would expand the exemption to include a property in a city with between 100,000 and 150,000 people, at least part of which is in a county with fewer than 5,000 people. That description includes Midland.

**H.B. 457**

**Author: Shaheen**

**Amends/Enacts: §11.13 Tax Code**

**Status: Filed**

**H.J.R. 25**

**Author: Shaheen**

**Amends/Enacts: Art. VIII, §1-b Texas Constitution**

**Status: Filed**

Under this proposed constitutional amendment and related bill, a county, acting through its commissioners, could exempt up to fifty percent of the value of the homesteads of physicians who

provided free medical care to residents of the county who are indigent or who are Medicaid recipients.

**H.B. 475**

**Author: Lopez**

**Amends/Enacts: §§11.133 and 11.431 Tax Code**

**Status: Filed**

**H.J.R. 29**

**Author: Lopez**

**Amends/Enacts: Art. VIII, §1-b Texas Constitution**

**Status: Filed**

Current law provides a 100% homestead exemption for the surviving spouse of a member of the armed services “killed in action.” This bill would change that language to “killed or fatally injured in the line of duty.”

**H.B. 649**

**Author: Raymond**

**Amends/Enacts: §11.18 Tax Code**

**Status: Filed**

The general charitable exemption would expand to include a HUD-approved housing counseling agency that provides rental housing to low-income and moderate-income households at below-market rates. The exemption would apply to a property used to provide that housing. The bill would also change some references to “handicapped” people and refer to them instead as people “with disabilities.”

**H.B. 650**

**Author: Raymond**

**Amends/Enacts: §§11.13, 25.19, and 26.062 Tax Code; §44.004 Education Code; §§49.236 and 49.236, 49.23601, 49.23602, and 49.23603 Water Code**

**Status: Filed**

**H.J.R. 38**

**Author: Raymond**

**Amends/Enacts: Art. VIII, §1-b Texas Constitution**

**Status: Filed**

This proposed constitutional amendment and related bill concern homestead exemptions for parents or guardians of disabled people who live with them. The \$10,000 school-tax exemption for homeowners who are disabled or over 65 would be expanded to include those parents and guardians. The same is true of the local-option exemption for homeowners who are disabled or over 65.

**S.B. 113**

**Author: West**

**Amends/Enacts: §§11.1827, 23.21, and 26.10 Tax Code; §373B.003 Local Government Code**

**Status: Filed**

This bill would make it clear that an exemption for property of community land trusts, once adopted by a taxing unit, would continue in effect until the taxing unit's governing body acted to rescind it. In order to qualify for the exemption, a community land trust could be organized as: a nonprofit corporation; a limited partnership with its general-partner interest controlled 100% by a nonprofit corporation; or an LLC with a nonprofit corporation as its only member. Under certain circumstances, exemptions on land owned by various types of low-income-housing organizations would continue in effect throughout a year even if a housing unit on the land were sold to a qualifying family. This bill is also discussed under the heading, *Appraisals*.

**S.B. 266**

**Author: West**

**Amends/Enacts: §§11.13, 25.23 Tax Code**

**Status: Filed**

**S.J.R. 18**

**Author: West**

**Amends/Enacts: Art. VIII, §1-b Texas Constitution**

**Status: Filed**

This proposed constitutional amendment and related bill would allow a county, acting through its commissioners court, to adopt a general homestead exemption in a fixed dollar amount, up to \$100,000.

## **Appraisals**

**H.B. 96**

**Author: Toth**

**Amends/Enacts: §23.23 Tax Code**

**Status: Filed**

**H.J.R. 8**

**Author: Toth**

**Amends/Enacts: Art. VIII, §1 Texas Constitution**

**Status: Filed**

This bill would freeze the appraised value of residence homesteads at the market value of the property in the first year that the owner qualified the property for the exemption, or if the owner acquired the property as a bona fide purchaser for value, the purchase price. This limitation would take effect on January 1 of the first tax year the property qualified for a homestead exemption. It would not expire until the property was no longer owned by a person qualifying for the exemption, or the spouse or surviving spouse of such a person. Nor would it expire if the property were inherited, as long as the person who acquired the property qualified for a homestead exemption. An owner would have to apply to the chief appraiser for this limitation.

**H.B. 494**

**Author: White**

**Amends/Enacts: §25.21 Tax Code**

**Status: Filed**

If an appraisal district discovered property omitted from a prior year's appraisal roll, it could pick up the omitted property, but the district would not be required to do so.

**H.B. 528**

**Author: White**

**Amends/Enacts: §§1.12, 23.231, 25.19, 41.41, and 42.26 Tax Code; §403.302 Government Code**

**Status: Filed**

**H.J.R. 30**

**Author: White**

**Amends/Enacts: Art, VIII, §1 Texas Constitution**

**Status: Filed**

This proposed constitutional amendment and related bill would place a 3.5% cap on year-to-year increases in the appraised values of commercial properties.

**H.B. 529**

**Author: White**

**Amends/Enacts: §23.23 Tax Code**

**Status: Filed**

**H.J.R. 31**

**Author: White**

**Amends/Enacts: Art. VIII, §1 Texas Constitution**

**Status: Filed**

Under this proposed constitutional amendment and related bill, the cap on increases in the appraised values of residence homesteads would be reduced to 2.5% per year.

**H.B. 534**

**Author: Shine**

**Amends/Enacts: §23.013 Tax Code**

**Status: Filed**

When appraising a property using comparable sales, an appraisal district would have to "reduce the sales price of a comparable property by an amount equal to the amount of the commission that would typically be paid for the sale or purchase of such property."

**H.B. 798**

**Author: Larson**

**Amends/Enacts: §23.01 Tax Code**

**Status: Filed**

**H.J.R. 44**

**Author: Larson**

**Amends/Enacts: Art. VIII, §1 Texas Constitution**

**Status: Filed**

If a property owner disputed the appraised value of her property in one year and the value was lowered (by agreement, by the ARB or in an appeal), the appraisal district would be limited in its ability to reappraise the property in the next year. The next year's value could not be more than 5% higher than the reduced value in the first year. Any year-to-year increase in value would have to be supported by clear and convincing evidence.

**H.B. 951**

**Author: Raymond**

**Amends/Enacts: §23.015 Tax Code**

**Status: Filed**

**H.J.R. 50**

**Author: Raymond**

**Amends/Enacts: Art. VIII, §1 Texas Constitution**

**Status: Filed**

An appraisal district would exclude from a property's value, "the value of any improvement, or any feature incorporated in an improvement, made to the property if the primary purpose of the improvement or feature is compliance with the requirements of the 2010 Americans with Disabilities Act." The bill would presumably apply to features such as wheelchair ramps and handrails in restrooms.

**H.B. 952**

**Author: Raymond**

**Amends/Enacts: §23.51 Tax Code**

**Status: Filed**

An owner of open-space agricultural land could acquire adjacent land and convert it to agricultural use. The newly acquired land would qualify for agricultural appraisal right away without having to establish a history of agricultural use.

**S.B. 113**

**Author: West**

**Amends/Enacts: §§11.1827, 23.21, and 26.10 Tax Code; §373B.003 Local Government Code**

**Status: Filed**

When appraising land or a housing unit leased by a community land trust to a qualifying family, an appraisal district would have to use the income approach and take into account the lease terms and other "uses and limitations applicable to the property" when estimating the actual income from the property. The district would have to use the capitalization rate used for other rent-restricted properties. The district would also have to recognize "eligible land use restrictions" on some properties acquired from a trust. This bill is also discussed under the heading, *Exemptions*.

## **Appraisal Districts and ARBs**

**H.B. 281**

**Author: Stephenson**

**Amends/Enacts: §§ 5.103, 6.41, 6.411, 6.412, 6.413, 6.414, 6.42, and 41.66 Tax Code; §172.024 Election Code**  
**Status: Filed**

Every ARB would consist of five elected members. Four members would be elected from the four commissioners' precinct and one member would be elected at large. The members would select the ARB's chairperson and secretary. The members could select auxiliary members to assist them. A member could be removed for failing to attend a comptroller's training class.

**H.B. 283**

**Author: Stephenson**

**Amends/Enacts: §§1.15, 5.041, 5.042, 5.043, 6.035, 6.05, 6.0502, 6.41, 6.411, 22.28, 42.21 Tax Code; §87.041 Local Government Code; §1151.164 Occupations Code**  
**Status: Filed**

Chief appraisers would be elected and would serve two-year terms beginning on January 1 of odd-numbered years. In order to serve as the chief appraiser in a county, a person would have to live in that county and would have to have lived there for four years.

**S.B. 63**

**Author: Nelson**

**Amends/Enacts: §§1.086, 6.035, 6.054, 6.41, 11.45, 23.44, 23.57, 23.79, 23.85, 23.95, 23.9085, 25.193, 25.25, 41.44, 41.45, and 41.67 Tax Code**  
**Status: Filed**

Under current law, the owner of a homestead can request that the appraisal district deliver notices via e-mail. This bill would expand that right to the owners of all types of properties and to notices sent by the ARB. If the law required that a notice be sent by certified mail, the District or ARB would still have to satisfy that requirement even when it delivered a notice by e-mail.

A person, other than the County TAC, could serve only three terms on the appraisal district's board of directors. Any employee of an appraisal district, not just an appraiser, would have to wait three years after leaving the district before he/she could serve on the board of directors. An ARB member would have to wait two years after leaving the ARB before he/she could take a job with the appraisal district.

If a local administrative district judge learned about a potential ground for removing an ARB member, the judge or judge's designee would have to act within ninety days to either remove the member or find officially that the member's removal was not warranted. The same rule would apply to the district's board of directors in a county where the directors were responsible for appointing ARB members.

After receiving an application for an exemption or an agricultural or timber appraisal, an appraisal district would have ninety days in which to act on it. A notice of denial would have to fully explain each reason the district denied or modified the exemption. In a protest hearing, the district could not assert a reason that had not been included in the notice.

A notice-of-protest form would have to have a single box that a property owner could mark to assert an excessive-value claim, an unequal-value claim or both. Anytime a property owner marked that box, the district would have to prepare to defend its appraisal on both grounds. An ARB would have to hold a hearing within ninety days after the protest was filed.

**S.B. 134**

**Author: Johnson**

**Amends/Enacts: §§41.43 and 42.26 Tax Code**

**Status: Filed**

This bill would make it clear that in the context of an unequal-appraisal protest based on comparing appraised values, the parties would have to use comparable properties in the same appraisal district. But if there were not a reasonable number of comparable properties in that district, the parties could use comparable properties in other parts of the state. This bill is also discussed under the hearing, *Appeals*.

## **Appeals**

**S.B. 134**

**Author: Johnson**

**Amends/Enacts: §§41.43 and 42.26 Tax Code**

**Status: Filed**

This bill would make it clear that in the context of an unequal-appraisal appeal based on comparing appraised values, the parties would have to use comparable properties in the same appraisal district. But if there were not a reasonable number of comparable properties in that district, the parties could use comparable properties in other parts of the state. This bill is also discussed under the hearing, *Appraisal Districts and ARBs*.

## **Assessment**

**H.B. 183**

**Author: Bernal**

**Amends/Enacts: §11.262, 23.19, and 26.012 Tax Code; §44.004 Education Code; §403.302 Government Code**

**Status: Filed**

**H.J.R. 16**

**Author: Bernal**

**Amends/Enacts: Art. VIII, §1-b-1 Texas Constitution**

**Status: Filed**

If the school taxes on a person's homestead increased by 120% or more over a fifteen-year period, the school taxes for subsequent years would be frozen for as long as the property remained the person's homestead. If the owner added improvements during the fifteen years, the additional taxes resulting from those new improvements would not count toward the 120% increase. If a person who qualified for the tax freeze died, his surviving spouse could inherit the benefit.

**H.B. 381**

**Author: Pacheco**



**Amends/Enacts: §11.26, 11.261, 23.19, and 26.012 Tax Code**  
**Status: Filed**

**H.J.R. 22**  
**Author: Pacheco**  
**Amends/Enacts: Art. VIII, §1-b Texas Constitution**  
**Status Filed**

The school-tax ceiling that applies to the homesteads of people who are over 65 or disabled would apply to all taxing units. In the case of an existing homestead, the ceiling for taxing units other than a school district would be based on 2021 taxes.

## **Collections**

**H.B. 469**  
**Author: Jessica Gonzalez**  
**Amends/Enacts: §33.065 Tax Code**  
**Status: Filed**

The Tax Code includes a little-used provision that allows a person to defer paying part of the taxes on his/her homestead if the appraised value of the homestead increases by more than 5% from one year to the next. This bill would reduce the interest rate that applies to the deferred taxes from 8% to 5%. It would also eliminate the use of the word *delinquent* in reference to deferred taxes.

**H.B. 533**  
**Author: Shine**  
**Amends/Enacts: §33.25 Tax Code**  
**Status: Filed**

This bill concerns the sale of personal property seized pursuant to a tax warrant. In any county, the notice of sale could be posted by the peace officer or the tax collector as specified in the tax warrant. A county's commissioners court could authorize the peace officer or collector to contract with an auctioneer for the sale of the seized property, and the auction could be conducted online.

**H.B. 535**  
**Author: Shine**  
**Amends/Enacts: §33.06 Tax Code**  
**Status: Filed**

The interest rate on deferred or abated homestead taxes would drop from 5% to the ten-year Constant Maturity Treasury Rate reported by the Federal Reserve as of January 1 of each year (1.88% for 2020).

**H.B. 746**  
**Author: Bernal**  
**Amends/Enacts: §§31.031, 31.033, and 33.08 Tax Code**  
**Status: Filed**

The option of paying taxes in four installments would extend to any property receiving a disabled veteran's exemption under §11.22. Additionally, new installment payment plans would be available for homesteads and property exempt under §11.22. The owner could choose a nine-month or a five-month payment plan. In either case, the owner would have to make the first payment before November 1 of the tax year and notify the tax office that he/she was choosing to pay in installments. Subsequent payments would be due before the first of each subsequent month.

**H.J.R. 43**

**Author: Wilson**

**Amends/Enacts: Art. VIII, §§13 and 15 and Art. XVI, §50 Texas Constitution**

**Status: Filed**

Under this proposed constitutional amendment, no homestead could be seized or sold for delinquent taxes. The amendment is not clear about whether a homestead property would be subject to a tax lien that might be foreclosed if the property ceased to be a homestead.

## **School Finance and Value Studies**

**H.B. 59**

**Author: Murr**

**Amends/Enacts: §§26.035 Tax Code**

**Status: Filed**

This bill would end school m&o taxes beginning in 2024. Enrichment taxes would still be allowed with a maximum rate of 17¢. A "joint interim committee on the elimination of school district maintenance and operations ad valorem taxes" would study the anticipated effects of increasing and expanding sales taxes as a way of funding schools.

**H.B. 384**

**Author: Pacheco**

**Amends/Enacts: §403.302 Government Code**

**Status: Filed**

This bill concerns a particular reinvestment zone in San Antonio.

**H.B. 958**

**Author: Oliverson**

**Amends/Enacts: §403.109 Government Code**

**Status: Filed**

The comptroller would deposit into the Property Tax Relief Fund general revenue in an amount equal to 90 percent of the amount by which the amount of general revenue received in a state fiscal biennium exceeded 104 percent of the total amount of general revenue that was received during the preceding state fiscal biennium. The amount deposited could be used only for school tax reduction.

## Miscellaneous

### **H.B. 203**

**Author: Bernal**

**Amends/Enacts:**

**Status: Filed**

The comptroller would establish an advisory committee to study the possibility of requiring property owners to disclose sales prices of real property.

### **H.B. 2494**

**Author: Jessica Gonzalez**

**Amends/Enacts: §§311.003, 311.006, and 311.016 Tax Code**

**Status: Filed**

This bill concerns reinvestment zones created for purposes of tax increment financing. A city contemplating such a zone would have to prepare an affordable housing impact statement at least sixty days before the city council held its public hearing. The statement would have to include estimates of the impact on the proposed zone on affordable housing over the course of thirty years. The bill also includes provisions that would apply in Dallas only.

### **H.B. 467**

**Author: Jessica Gonzales**

**Amends/Enacts: §§311.001, 311.006, and 311.016 Tax Code**

**Status: Filed**

This bill concerns a particular reinvestment zone (for purposes of tax increment financing) in Dallas.

### **S.B. 144**

**Author: Powell**

**Amends/Enacts: §313.007 Tax Code**

**Status: Filed**

The life of the Economic Development Act would be extended by ten years, until the end of 2032.

### **S.B. 244**

**Author: Bettencourt**

**Amends/Enacts: §551.103 Government Code**

**Status: Filed**

This bill would make it clear that the board of directors of a reinvestment zone created for purposes of tax-increment financing is subject to the Open Meetings Act.