

PROPERTY TAX BILLS IN THE 87th TEXAS LEGISLATURE THIRD SPECIAL SESSION

Last Updated: October 6, 2021

The third special session of the 87th Texas Legislature is more than half finished. They are like terminators; you may think that they have done all the damage they are going to do, but they keep coming back.

The bills that have made any progress are marked with stars according to the following sequence.

- ★ Bill has come out of committee in the house in which it was filed
- ★★ Bill has passed the house in which it was filed
- ★★★ Bill has come out of committee in the other house
- ★★★★ Bill has been passed by both houses
- ★★★★★ Bill is finally enacted, subject to voter approval of constitutional amendments

Exemptions

H.B. 81

Author: Middleton

Amends/Enacts: §11.13 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 7

Author: Middleton

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

Status: Pending in House Ways and Means Committee

A taxiing unit could adopt a percentage homestead exemption as high as 100%.

H.B. 115

Author: Zwiener

Amends/Enacts: §11.13 and 11.26 Tax Code; §§46.071 and 48.2541 Education Code

Status: Pending in House Ways and Means Committee

H.J.R. 14

Author: Zwiener

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

Status: Pending in House Ways and Means Committee

The general school-tax homestead exemption would rise from \$25,000 to \$50,000. Homeowners with existing school-tax freezes would have them adjusted downward to reflect the increased

exemption. The state would provide school districts with additional money to offset the loss of property-tax revenue.

H.B. 132

Author: Allison

Amends/Enacts: §§1.12, 11.13, 11.262, 23.19, 23.23, 26.012, and 42.26 Tax Code; §§44.004, 46.071, and 48.2543 Education Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 19

Author: Allison

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

Status: Pending in House Ways and Means Committee

Under this proposed constitutional amendment and related bill, a first-time homeowner would receive a total exemption for her homestead in the first year that it qualified if the property had an appraised value of \$300,000 or less. This bill and joint resolution are also discussed under the headings *Appraisals* and *Assessment*.

Appraisals

H.B. 72

Author: Vasut

Amends/Enacts: §§1.12, 23.23 and 42.26 Tax Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 6

Author: Vasut

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

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would impose a 3.5% cap on year-to-year increases in the appraised values of all real properties. For non-homestead properties, the cap would first apply to a property in the year after the first year that the owner owned it on January 1. It would cease to apply in the first year following a change of ownership unless the new owner were the spouse of the former owner. For a property with multiple owners, a change in 50% or more of the ownership would end the cap.

H.B. 102

Author: Cook

Amends/Enacts: §23.01 Tax Code

Status: Pending in House Ways and Means Committee

If the appraised value of a property owner's residence homestead were lowered as the result of a protest, an appeal, or an agreement with the appraisal district, the district could not place a higher value on the property in the following year. The district *could* add the value of a new improvement. If the property ceased to be the owner's homestead, the district would be free to reappraise the property in the following year.

H.B. 132

Author: Allison

Amends/Enacts: §§1.12, 11.13, 11.262, 23.19, 23.23, 26.012, and 42.26 Tax Code; §§44.004, 46.071, and 48.2543 Education Code; §403.302 Government Code

Status: Filed

H.J.R. 19

Author: Allison

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

Status: Filed

This proposed constitutional amendment and related bill would impose a 5% cap on year-to-year increases in the appraised values of all residential real properties. For non-homestead properties, the cap would first apply to a property in the year after the first year that the owner owned it on January 1. It would cease to apply in the first year following a change of ownership unless the new owner were the spouse of the former owner. For a property with multiple owners, a change in 50% or more of the ownership would end the cap. This bill and joint resolution are also discussed under the headings, *Exemptions* and *Assessment*.

Appraisal Districts and ARBs

Appeals

Assessment

H.B. 1

Author: Oliverson

Amends/Enacts: §§26.08 and 31.01 Tax Code; §§45.003 and 48.2555 Education Code

Status: Filed

This bill would provide additional state aid to school districts and lower their m&o tax rates for the 2022-2023 school year. In 2022, a school district could not adopt a tax rate that exceeded its voter-approval tax rate. A 2022 tax bill for a property would have to state the tax savings using language prescribed by the Comptroller. This bill is also discussed under the heading *School Finance and Value Studies*.

H.B. 113

Author: Middleton

Amends/Enacts: §§26.08 and 31.01 Tax Code; §§45.003 and 48.2555 Education Code

Status: Pending in House Ways and Means Committee

This bill (very similar to S.B. 1 discussed below) would provide additional state aid to school districts and lower their m&o tax rates for the 2022-2023 school year. In 2022, a school district could not adopt a tax rate that exceeded its voter-approval tax rate. A 2022 tax bill for a property would have to state the tax savings using language prescribed by the Comptroller. This bill is also discussed under the heading *School Finance and Value Studies*.

H.B. 130

Author: Crockett

Amends/Enacts: §31.039

Status: Filed

H.J.R. 18

Author: Crockett

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

Status: Filed

A property owner who installed a solar energy device on his real property would be entitled to tax credits to offset the cost of acquiring and installing the device. The credits would be spread over six years with the owner receiving a credit each year equal to one-sixth the cost of the device. Each year's credit would be applied to every taxing unit's taxes proportionally. For the first year, the property owner would file an application with the appraisal district, which would forward it to the TAC.

H.B. 132

Author: Allison

Amends/Enacts: §§1.12, 11.13, 11.262, 23.19, 23.23, 26.012, and 42.26 Tax Code; §§44.004, 46.071, and 48.2543 Education Code; §403.302 Government Code

Status: Filed

H.J.R. 19

Author: Allison

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

Status: Filed

Under this proposed constitutional amendment and related bill taxes on a homestead would be frozen after the owner had occupied it as a homestead for 25 consecutive years. The freeze would be adjusted if the owner added a new improvement. The freeze would apply to all taxing units. If the qualifying property owner died, his surviving spouse would inherit the freeze on the same homestead property. This bill and joint resolution re also discussed under the headings *Exemptions and Appraisals*.

H.B. 144

Author: Schofield

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

Status: Pending in House Ways and Means Committee

H.J.R. 21

Author: Schofield

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

Status Pending in House Ways and Means Committee

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 2023 taxes.

H.B. 148

Author: Krause
Amends/Enacts: §26.0445 Tax Code
Status: Filed

A county or city receiving federal money for COVID-19 relief would have its 2022 no-new-revenue rate and voter-approval rate reduced so as to effectively deprive the city or county of the federal money.

S.B. 1 ★★

Author: Bettencourt
Amends/Enacts: §§26.08 and 31.01 Tax Code; §§45.003 and 48.2555 Education Code
Status: Passed by Senate; pending in House Ways and Means Committee

This bill would provide additional state aid to school districts and lower their m&o tax rates for the 2022-2023 school year. In 2022, a school district could not adopt a tax rate that exceeded its voter-approval tax rate. A 2022 tax bill for a property would have to state the tax savings using language prescribed by the Comptroller. This bill is also discussed under the heading *School Finance and Value Studies*.

S.B. 24

Author: Hall
Amends/Enacts: §§11.26 and 11.261 Tax Code
Status: Filed

S.J.R. 6

Author: Hall
Amends/Enacts: Art. VIII, 1-b Texas Constitution
Status: Filed

This proposed constitutional amendment and related bill would prevent a school district from recalculating the tax freeze on the homestead of an over sixty-five or disabled homeowner in response to the addition of new improvements. Additionally, they would repeal some old language in the Code and the Constitution that concerned recalculating tax freezes to reflect added tax benefits. Going forward, freezes would be based on 2022 taxes. The same thing would apply to local-option tax freezes given by taxing units other than school districts.

S.B. 25

Author: Hall
Amends/Enacts: §§1.07, 23.20, 23.46, 23.47, 23.52, 23.524, 23.55, 23.551, 23.58, 23.73, 23.76, 23.86, 23.96, 23.9807, 31.01, 41.41, and 41.44 Tax Code; §60.022 Agriculture Code; and §21.0421 Property Code
Status: Filed

S.J.R. 7

Author: Hall
Amends/Enacts: Art. VIII, §1-d Texas Constitution
Status: Filed

This proposed constitutional amendment and related bill would repeal the rollback tax on open-space agricultural land, timberland and all other types of specially appraised land.

Collections

H.B. 32

Author: Slaton

Amends/Enacts: §31.038 Tax Code; §481.078 Government Code; §140.010 Local Government Code

Status: Filed

H.J.R. 1

Author: Slaton

Amends/Enacts: Art. VIII, §1-q

Status: Filed

Under this proposed constitutional amendment and related bill. A taxpayer who made a contribution to the state for the purpose of “border security efforts” would be entitled to a property tax credit equal to the contribution. A taxpayer seeking the credit would have to file an application with the appraisal district using a form from the comptroller. The state would reimburse taxing units for the lost revenue.

School Finance and Value Studies

H.B. 79

Author: Middleton

Amends/Enacts: §403.3011 Government Code

Status: Filed

The margin of error used by the comptroller in determining whether a school district’s local values are acceptable would increase from 5% to 10%. Under current law, the comptroller will use local values even if a school district fails the value study if the district passed the two preceding value studies and if its local values are at least 90% of the values determined by the comptroller. This bill would ease that requirement to 80%.

H.B. 89

Author: Oliverson

Amends/Enacts: §§26.08 and 31.01 Tax Code; §§45.003 and 48.2555 Education Code

Status: Pending in House Ways and Means Committee

This bill would provide additional state aid to school districts and lower their m&o tax rates for the 2022-2023 school year. The bill’s proponents anticipate reductions around 6.6¢ in m&o rates. No district’s compressed rate would be less than 90% of any other district’s compressed rate. This bill is also discussed under the heading *Assessment*.

H.B. 90

Author: Oliverson

Amends/Enacts: §48.255 Education Code; §403.109 Government Code

Status: Pending in House Ways and Means Committee

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 the amount of consolidated general revenue appropriations that could be appropriated for that biennium. The amount deposited could be used only school tax reduction. The compression percentage applicable to school tax rates would be reduced accordingly. If the compression percentage ever reached zero, school districts would never again be able to assess Tier-1 m&o taxes.

H.B. 91

Author: Murr

Amends/Enacts: §§26.035 Tax Code

Status: Pending in House Ways and Means Committee

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. 113

Author: Middleton

Amends/Enacts: §§26.08 and 31.01 Tax Code; §§45.003 and 48.2555 Education Code

Status: Pending in House Ways and Means Committee

This bill (very similar to S.B. 1 discussed below) would provide additional state aid to school districts and lower their m&o tax rates for the 2022-2023 school year. No district’s compressed rate would be less than 90% of any other district’s compressed rate. This bill is also discussed under the heading *Assessment*.

H.B. 122

Author: Buckley

Amends/Enacts: §403.3011 Government Code

Status: Filed

This bill, which would make school value studies less strict is virtually identical to H.B. 79 discussed above.

S.B. 1 ★★

Author: Bettencourt

Amends/Enacts: §§26.08 and 31.01 Tax Code; §§45.003 and 48.2555 Education Code

Status: Passed by Senate; pending in House Ways and Means Committee

This bill would provide additional state aid to school districts and lower their m&o tax rates for the 2022-2023 school year. The bill’s proponents anticipate reductions around 6.6¢ in m&o rates. No district’s compressed rate would be less than 90% of any other district’s compressed rate. This bill is also discussed under the heading *Assessment*.

Miscellaneous

H.B. 116

Author: Huberty
Amends/Enacts: §313.007 Tax Code
Status: Pending in House Ways and Means Committee

The life of the Economic Development Act would be extended by one year, until the end of 2023.

H.B. 117
Author: White
Amends/Enacts: N/A
Status: Filed

This bill would end property taxes and replace them with value added taxes.

H.B. 121
Author: Craddick
Amends/Enacts: §43.909 Local Government Code
Status: Filed

A city could not tax real property that did not receive “full municipal services” unless the owner agreed to have his/her property taxed.

S.B. 42
Author: Campbell
Amends/Enacts: §43.909 Local Government Code
Status: Filed

A city could not tax real property that did not receive “full municipal services” unless the owner agreed to have his/her property taxed. This bill is virtually identical to H.B. 121 discussed above.