

## **Popp Hutcheson 88<sup>th</sup> Legislative Session Property Tax Relief Summary**

### **2<sup>nd</sup> Called Special Session – 88<sup>th</sup> Legislature**

#### **SB 2 – Author: Bettencourt**

Relating to providing property tax relief through the public school finance system, exemptions, limitations on appraisals and taxes, and property tax administration; authorizing the imposition of a fee.

Requires that the 2023-24 maximum compressed tax rate (MCR) calculated for each school district be reduced by \$0.107. Maintains the 90% “equity band” which limits the tax rate assigned to any school district to no less than 90% of the calculated statewide rate.

Provides a hold harmless provision for school districts that make recapture payments if the recapture payment would not leave the school district with the revenue necessary to pay for the district’s formula entitlement.

Increases the mandated school district homestead exemption to \$100,000 from \$40,000. Reduces taxes owed to a school district by a person that is 65 years or older, or disabled whose tax payment is frozen, to reflect the increase in the homestead exemption to \$100,000. Provides an additional reduction to reflect the previous increase in the homestead exemption by the 87th Legislature from \$25,000 to \$40,000, and provides an adjustment for any subsequent increases in the homestead exemption. State will replace all lost revenue due to the increase in the homestead exemption. Prohibits a school district, city, or county from reducing or repealing a local option homestead exemption until December 31, 2027.

Contingent on the passage of the constitutional amendment proposed by HJR 2, directs the Commissioner of Education to review the local revenue level of school districts in the state and revise as necessary the notification to school districts required to make recapture payments. Authorizes a school district that has not held an election for approval to exercise an option to reduce its local revenue level for the 2023-24 school year to request to delay the date of the election otherwise required to be ordered before September 1. The school district is authorized to adopt a tax rate for the 2023 tax year before the Commissioner certifies that the district has reduced its local revenue level. The Commissioner will set a date by which each school district that receives approval must order the election. If the election is not held by the 2024-25 school year, the Commissioner will order the detachment and annexation of property or consolidation of the school district.

Creates a 3-year “circuit breaker” (appraisal cap) pilot program limiting the annual increase of the taxable value of a non-homestead property valued at \$5 million or less to 20%. The \$5 million threshold is indexed to inflation. Requires the appraisal district to deliver a notice to the owner of properties that qualify for this program stating that the property qualifies and that the program expires on December 31, 2026 unless it is re-authorized. The pilot program expires on December 31, 2026.

Adds to the Appraisal District Board of Directors three elected directors expanding the board to nine total directors, five appointed by the taxing units, three elected by majority vote at the general election within the county, and the county assessor-collector serving in an ex officio capacity. The BOD expansion only applies to counties with a population greater than 75,000. Appointed directors serve staggered four-year terms beginning on even-numbered years, while elected directors serve staggered four-year terms starting on odd numbered years.

The expanded BOD within the populous counties will now appoint the appraisal review board by a majority vote of the BOD. To be appointed to the ARB, at least two of the three elected members must be part of the majority vote. All other county ARBs will continue to be appointed by the local administrative judge under current law.

For the 2023 tax year, requires the chief appraiser of each county to prepare supplemental appraisal records to reflect the changes in law made by this bill. The tax assessor for a school district will determine the taxable value of property and will calculate the amount of tax imposed on a residence homestead as if the changes in law made by this bill were in effect. The no-new-revenue tax rate and voter-approval tax rate of each school district for the 2023 tax year will be calculated as if the changes in law made by this bill were in effect for that tax year.

If taxes imposed on a residence homestead for the 2023 tax year would be lower as a result of changes made by this bill, the tax bill or a separate statement must state that it is a provisional tax bill and include the amount it would have been if the legislature had not enacted property tax relief, and that a supplemental tax bill will be mailed if the constitutional amendment proposed by HJR 2 is not approved. If the constitutional amendment is approved, the tax bill becomes final.

Requires taxing jurisdictions to calculate the no-new-revenue, voter-approval, and any related tax rate for the 2023 tax year as if the changes made by this bill and HJR 2 were in effect.

This act is effective on adoption of constitutional amendment HJR 2 in the November election.

**SB 3 – Author: Bettencourt**

Relating to the amount of the total revenue exemption for the franchise tax and the exclusion of certain taxable entities from the requirement to file a franchise tax report.

Amends the Tax Code by increasing to \$2.47 million the amount of the total revenue exemption for the franchise tax and eliminates the annual filing requirement for taxable entities that owe no franchise tax.

This act takes effect January 1, 2024.

**HJR 2 – Author: Metcalf**

Proposing a constitutional amendment to authorize the legislature to establish a temporary limit on the maximum appraised value of real property other than a residence homestead for ad valorem tax purposes; to increase the amount of the exemption from ad valorem taxation by a school district applicable to residence homesteads; to adjust the amount of the limitation on school district ad valorem taxes imposed on the residence homesteads of the elderly or disabled to reflect increases in certain exemption amounts; to except certain appropriations to pay for ad valorem tax relief from the constitutional limitation on the rate of growth of appropriations; and to authorize the legislature to provide for a four-year term of office for a member of the governing body of certain appraisal entities.

Amends Article VIII, Section 1 of the constitution to add subsections (n) and (n-1) to authorize the legislature to limit the maximum appraised value of real property to the lesser of the most recent market value of the property or 120% (or a greater percentage) of the appraised value of the property for the preceding tax year. Effective beginning TY2024. Expires on December 31, 2026.

Amends Article VIII, Sections 1-b (c) and (d) of the constitution to exempt \$100,000 (increased from \$40,000) of the market value of a residence homestead from taxation by school districts. Effective beginning in TY2023.

Provides for the reduction of school district tax payments made by homeowners 65 years or older, or disabled, due to the \$15,000 increase in the homestead exemption in 2021, and for any subsequent increases in the school district homestead exemption (including the \$60,000 increase in SB 2).

Amends Article VIII of the constitution to add subsection (a-1) to provide that appropriations from state tax revenue not dedicated by the Constitution for the purpose of paying for property tax relief are not included in calculation of the constitutional spending limit. Applies beginning with the 2023-24 biennium and subsequent biennia.

Amends Article XVI, Section 30 of the constitution to add subsection (e) to authorize the legislature to provide that members of the governing body of an appraisal district in a county of 75,000 or more can serve terms not to exceed four years.

**88<sup>th</sup> Regular Session**

**HB 5 – Author: Hunter**

Relating to agreements authorizing a limitation on taxable value of certain property to provide for the creation of jobs and the generation of state and local tax revenue; authorizing fees; authorizing penalties.

***Texas Jobs, Energy, Technology, and Innovation Act (JETI)***

- ***Qualifying Projects:***

- Very expansive eligibility descriptions including manufacturing with NO NAICS codes.
- Dispatchable electric generation not including renewables or batteries.
- Development of natural resources.
- *Ineligible Persons* listed in statute as ineligible to receive a state contract or investment.
- *Jobs and Investment Requirements tiered by county population*.
  - 4 Population Tiers ranging from less than 100k to greater than 750k
  - **Jobs Requirement** ranging from 10 to 75 jobs.
    - NO construction jobs allowed in the count
  - **Investment Requirement** ranging from \$20 million to excess of \$200 million.
- **Construction Work in Process (CWIP)** is 100% exempt for M&O.
- **Minimum Taxable Value** = 50% of market value or 25% if in a “Qualified Opportunity Zone.”
- **Application** submitted to Comptroller rather than the school district with a fee not to exceed \$30,000.
  - Comptroller has **60 days** to take action and notify governor and school district.
- **Economic Benefits Statement** required with application.
- **“Compelling” Factor** where the applicant would “NOT” make the investment. Essentially “the determining factor” language.
- **School District Tax Savings Sharing: NONE.**
- **Governor and School District have approval/disapproval authority.** In conference the inclusion of school approval was out in and removed JETI Committee veto power.
  - Governor has **30 days** from receipt of application from the comptroller to take action and **7 days** to notify parties of action.
  - School District has **30 days** from receipt of the application to take action with public hearing requirements.
  - **JETI Committee** only reviews applications and makes go forward recommendations on the eligibility of the program and adjustments to the program.
- **Wage requirements** are average annual wage of 110% of industry sector wage plus w-2 wages must have group health plans.
- Applicant to execute a **performance bond** at time of agreement.
- **Audit** of at least 10% of the agreements each year.
- **Biennial compliance reporting** for applicant and comptroller.
- **Expires December 31, 2033.**
- **Effective Date January 1, 2024.**
- **Rules and forms** by September 1, 2023, or as soon as practicable.

This act takes effect January 1, 2024.

**HB 260** – Author: Murr

Relating to the calculation of net to land in the appraisal of open-space land for ad valorem tax purposes.

Amends Tax Code 23.21(4), appraisal of ag land, to define "wildlife or livestock disease or pest area", and in calculating net to land in such an area, requires the chief appraiser to take into

consideration the effect that the pest or the designation of the area has on the net income from the land.

This act takes effect January 1, 2024.

**HB 456 – Author: Craddick**

Relating to an exemption from ad valorem taxation of certain interests in a mineral in place owned by certain charitable organizations.

Amends Tax Code 11.18, Taxable Property and Exemptions: Charitable Organizations, to add to the list of asset types exempt from property tax that are owned by a charity.

For a charitable organization described by subsection (d)(1), (2), (3)(A)(ii), (5), (8), (13), (15), or (19), the real property owned by the charitable organization consisting of an interest in a mineral in place, including a royalty interest, is exempt provided that the interest:

(A) is not severed from the surface estate; or

(B) was donated to the charitable organization by the previous owner of the interest.

This act takes effect January 1, 2024.

**HB 796 – Author: Button**

Relating to the creation and maintenance by an appraisal district of a publicly available Internet database of information regarding protest hearings conducted by the appraisal review board established for the district.

Amends Tax Code 26.17, Database of Property-Tax-Related Information, to require the database to provide a link to newly required section 41.13 that contains information regarding protest hearings conducted by the appraisal review board.

Amends Tax Code chapter 41, Local Review: Review of Appraisal Records by Appraisal Review Board (ARB), to add a new section to 41.13 requiring each appraisal district to build a publicly available and searchable Internet database of protest hearings conducted by the appraisal review board.

Requires that for each protest hearing conducted by the ARB, the database contain:

(1) the name of each ARB member who attended the hearing;

(2) the date and time of the hearing;

(3) the account number and category for the property;

(4) the appraised value according to the appraisal district and the owner's asserted value; and

(5) the ARB's determination of the protest.

Requires the chief appraiser to update the database by October 1 each year. Requires starting on January 1, 2025 that the database include information for protests relating to the most recent year and each year thereafter until it includes information for protests relating to the most recent five years.

This act takes effect January 1, 2024.

**HB 1228 – Author: Meltcalf**

Relating to the delivery of certain information under the Property Tax Code.

Amends Tax Code Sec. 1.07, Delivery of Notice, striking current language that provides an exception to the requirement that delivery be by regular first-class mail, with postage prepaid, unless another provision requires or authorizes a different method of delivery.

Amends and retitles Tax Code 1.085 as Electronic Delivery of Communication. Requires that communication between a property owner and a tax official be delivered electronically if the property owner or designee elects to do so. Requires that the election be made in writing on a form prescribed by the Comptroller and prohibits a tax official from charging a fee to accept a communication delivered electronically. Allows a tax official to require a property owner or designee to provide an e-mail address and other information necessary for the exchange of communications. Requires that the tax official prominently display the information necessary for proper electronic delivery of communications on the website, and if the official is a chief appraiser, in any notice of appraised value delivered.

Provides that the electronic delivery of a communication by a property owner is timely if the communication is addressed to the correct delivery portal or electronic delivery system and received by the tax official's server on or before the date on which the communication is due. Requires a tax official to acknowledge the receipt of a communication delivered electronically.

Amends Tax Code 25.195, Inspection by Property Owner, to provide that on request by a property owner or designee, a chief appraiser must provide electronically or by mail at the designated address a copy of the records, supporting data, schedules, and other material and information the owner or agent is entitled to inspect and copy. A chief appraiser may not impose a fee for providing a copy of records, supporting data, schedules, or other material or information. Requires that on request by a property owner or agent, a private appraisal firm provide electronically or by mail at the designated address a copy of the information the owner or agent is entitled to inspect and copy. A private appraisal firm may not impose a fee for providing a copy of information.

Amends Tax Code 41.461, Notice of Certain Matters Before Hearing; Delivery of Requested Information. Requires that a chief appraiser deliver information requested by a property owner or agent by regular first-class mail, or electronically, if the property owner or agent of the owner has elected to receive electronic communications from the chief appraiser, or by referring the property owner or the agent of the owner to a secure Internet website with user registration and authentication or to the exact Internet location or uniform resource locator (URL) address on a website maintained by the appraisal district. Also requires the Appraisal Review Board to deliver electronically, if the property owner or agent has elected to receive electronic communications under enumerated conditions.

Makes the changes effective for the 2024 tax year in a county with population of 120,000 or more and for the 2025 tax year in smaller counties.

This act takes effect January 1, 2024.

**HB 1285 – Shine**

Relating to the training and duties of a taxpayer liaison officer for an appraisal district.

Amends Tax Code 5.06 to require the Comptroller to include in its taxpayer assistance pamphlet a description of the functions of a taxpayer liaison officer appointed under Section 6.052 for an appraisal district with a population of more than 120,000 and advice on preparing and presenting a protest before an appraisal review board.

Amends Tax Code 6.052, Local Administration, Appraisal Districts: Taxpayer Liaison Officer, to authorize the central appraisal district (CAD) board to appoint one or more deputy taxpayer liaison officers to assist the taxpayer liaison officer and establishes that the taxpayer liaison officer is the taxpayer assistance officer for the district. Requires the liaison to assist a taxpayer in filing a complaint under Section 41.66(q), pertaining to hearing procedures that are not in compliance with the model hearing procedures prepared by the Comptroller, and in making a request for limited binding arbitration under Section 41A.015.

Authorizes a property owner to file a complaint with the taxpayer liaison officer requesting resolution of a dispute with the CAD or the appraisal review board (ARB) and provides the options for resolution. Requires the liaison to dismiss any part of a complaint that relates to the appraised value of a property or the appraisal methodology and may dismiss a complaint that is repetitive or that fails to state a legitimate concern. Provides that the resolution of a complaint is not an action that a property owner is entitled to protest under Chapter 41 (ARB), request limited binding arbitration under Section 41A.015, or appeal under Chapter 42 (district court).

Requires the Comptroller to establish and supervise a program for training and education. Defines the required content of the training, which must be at least two hours in length and may be provided online.

If an appraisal district maintains a website, requires the chief appraiser to prominently post the name, contact information, and a description of the duties of the taxpayer liaison officer. Requires the CAD board to annually evaluate the performance of the taxpayer liaison officer and each deputy taxpayer liaison officer, if applicable. Requires the evaluation include a review of the timeliness of the officer's resolution of complaints.

In a case referred by the CAD board, authorizes the local administrative district judge to remove the chairman of the ARB from that office and appoint another member of the appraisal review board as chairman under enumerated circumstances.

This act takes effect January 1, 2024.

**HB 2121 – Author: Paul**

Relating to the form of a rendition statement or property report used to render property for ad valorem tax purposes.

Amends Tax Code 22.24, Renditions and Other Reports, Requirements and Procedures: Rendition and Report Forms.

To the list of exceptions to the general rule that a property rendition report must be sworn as true and accurate, adds a new exception for a report on behalf of a property owner who is rendering

business personal property and whose good faith estimate of the market value of that property is not more than \$150,000.

This act takes effect January 1, 2024.

**HB 2354 – Author: Hefner**

Relating to the eligibility of land to continue to be appraised for ad valorem tax purposes as qualified open-space land following a transfer to a surviving spouse.

Amends Tax Code 23.54, application for ag valuation of land, adding new subsection (e-1). Provides that for purposes of existing subsection (e), which pertains to a late filing, ownership of the land is not considered to have changed if it is transferred from the former owner to the surviving spouse.

This Act takes effect January 1, 2024.

**HB 2488 – Author: Geren**

Relating to the burden of proof in certain ad valorem tax appeals.

Amends Property Tax Code 42.23, Judicial Review, Review by District Court: Scope of Review. Stipulates that in an appeal to district court of an order of an appraisal review board determining a protest, or a motion under 25.25, Correction of Appraisal Roll, involving the circumstances described by Section 23.01(e) or 41.43(a-3), in which value that was successfully appealed by an owner in the prior year, that the appraisal district has the burden of establishing the appraised value of the property subject to the appeal by clear and convincing evidence if the value for the preceding tax year was determined under chapter 42 (appeal to district court) at a trial on the merits.

This act takes effect September 1, 2023.

**HB 3207 – Author: Murr**

Relating to the composition of the agricultural advisory board of an appraisal district.

Amends Tax Code 6.12, Agricultural Appraisal Advisory Board, to remove the 5-year residency requirement to serve.

This act takes effect September 1, 2023.

**HB 3273 – Author: Thierry**

Relating to public notice of the availability on the Internet of property-tax-related information.

Amends Tax Code requirements in chapters 25 and 26 concerning the real-time property tax notice, such that instead of requiring notice to be delivered by mail or email, the notice be posted prominently on the appraisal district's (CAD) website, if the CAD maintains a website, and the assessor for each taxing unit that participates in the CAD must post prominently on the taxing unit's website. Requires the notice to include instructions describing how a property owner may



register on the CAD's Internet website, to have notifications regarding updates to the property tax database delivered to the owner by e-mail.

Requires by August 7 or as soon thereafter as practicable that the CAD publish the notice in a newspaper of general circulation. Amends 26.17: Database of Property-tax-related Information, to add a requirement that each CAD that maintains a website deliver to a property owner by e-mail notifications regarding updates to the database if the owner registers on the website.

This act takes effect January 1, 2024.

**HB 4077** – Author: Noble

Relating to the procedure for qualifying for an exemption from ad valorem taxation of the residence homestead of an elderly person.

Amends Tax Code 11.43, application for exemption, requires a chief appraiser to allow a homesteader who becomes 65 in the next tax year to receive the additional 65-and-over exemption without having to apply if the person's age is shown in the records of the appraisal district.

This Act takes effect January 1, 2024.

**HB 4101** – Author: Shine

Relating to the matters that may be the subject of limited binding arbitration to compel compliance with procedural requirements related to protests before appraisal review boards.

Amends Tax Code 41A.015, Appeal Through Binding Arbitration: Limited Binding Arbitration to Compel Compliance With Certain Procedural Requirements Related to Protests.

To the existing authority to compel compliance through limited binding arbitration, adds compliance with the hearing procedures adopted by the ARB.

This act takes effect January 1, 2024.

**HB 4158** – Author: Schofield **VETOED BY THE GOVERNOR**

Relating to the determination and reporting of the number of residence homesteads of elderly or disabled persons that are subject to the limitation on the total amount of ad valorem taxes that may be imposed on the properties by school districts.

Amends Tax Code 11.26, Limitation of School Tax on Homesteads of Elderly or Disabled, to require the chief appraiser to annually report to the Comptroller the number of homesteads subject to the "freeze" on school property tax increases. Requires the Comptroller to subsequently report the statewide information to state leadership and the Legislature.

This act takes effect January 1, 2024.

**HB 4250** – Author: Lalani

Relating to the right of the clerk of a court to deduct from the amount of the excess proceeds from an ad valorem tax sale of property the cost of postage for sending to the former owner of the property a notice of the owner's right to claim the proceeds.

Amends Section 34.03 of the Tax Code to allow the clerk to deduct from the amount of the excess proceeds the cost of postage for sending to the former owner of the property a notice.

This Act takes effect September 1, 2023.

**HB 4456** – Author: Harris, Cody

Relating to the calculation of certain ad valorem tax rates of a school district.

Changes the no-new-revenue maintenance and operations tax rate for a school district to the tax rate that, when applied to the current taxable value for the district as certified by the chief appraiser and as adjusted to reflect changes made by the chief appraiser as of the time the notice is prepared, would impose taxes in an amount that when added to state funds to be distributed to the district, would provide the same amount of maintenance and operations taxes and state funds per student in average daily attendance for the applicable school year that was available to the district in the preceding school year.

Removes reference to “weighted” student in the database of property-tax-related information created by each chief appraiser.

This act takes effect January 1, 2024.

**HB 4645** – Author: Flores

Relating to the exemption from ad valorem taxation of certain property used to provide low-income or moderate-income housing.

Amends Tax Code 11.1825, Organizations Constructing or Rehabilitating Low-income Housing: Property Not Previously Exempt, adding a new subsection to provide to an organization that leases land under a ground lease to a property tax exemption from taxation of the improvements owned by the organization that the organization constructs or rehabilitates and uses to provide housing to individuals or families meeting the income eligibility requirements of 11.1825.

This act takes effect January 1, 2024.

**SB 62** – Author: Zaffirini

Relating to posting certain documents and information related to certain real property sales on a county's Internet website.

Amends Property Code 51.002, Provisions Generally Applicable to Liens: Sale of Real Property Under Contract Lien. Requires a county to prominently post a notice of sale filed with the county clerk on the county's website where the county posts other auction information and that is publicly available for viewing without charge or registration. Requires that along with each notice of sale posted, the county must post the date, time, and location of the sale.

Amends Tax Code 34.015, Collections and Delinquency, Tax Sales and Redemption: Persons Eligible to Purchase Real Property. Adds a new subsection to require the county assessor-collector to post on the county's website the form a person must use to request a statement of whether there

are any delinquent taxes, except that if the assessor-collector permits a person to use a form prescribed by the Comptroller for that purpose, the assessor-collector may post a link to the Comptroller's website instead.

This act takes effect September 1, 2023.

**SB 348 – Author: Springer VETOED BY THE GOVERNOR**

Relating to the prohibition on posting on the Internet information held by an appraisal district regarding certain residential property.

Amends Tax Code 25.027, Local Appraisal: Restriction on Posing Information on Internet Website.

Changes the current exception to the prohibition against appraisal records containing images of residential properties, which currently only allows an aerial photograph that depicts 5 or more separately owned buildings. Expands the exception threshold to allow more than 1 building rather than the current 5 buildings, and also allows the following:

- a street level photograph of only the exterior of a building; or
- a field record or overhead sketch of the property that depicts only:
  - (A) the outline of one or more buildings on the property;
  - (B) the general landscape features of the property, including ponds, pools, and walls; and
  - (C) the dimensions of or distances between the buildings and features depicted.

This act takes effect September 1, 2023.

**SB 361 – Author: Eckhardt VETOED BY THE GOVERNOR**

Relating to the eligibility of a person employed by a school district as a teacher to serve on the appraisal review board of an appraisal district.

Amends Tax Code 6.412, Local Administration, Appraisal Review Board: Restriction on Eligibility of Board Members. Creates an exception from the general prohibition against employees of appraisal districts serving on appraisal review boards (ARBs), by allowing a school district teacher to serve on the ARB.

This act takes effect September 1, 2023.

**SB 539 – Author: Campbell**

Relating to the manner in which an individual who has elected to defer collection of a tax, abate a suit to collect a delinquent tax, or abate a sale to foreclose a tax lien on the individual's residence homestead is listed on the delinquent tax roll of a taxing unit.

Amends Tax Code 33.03, Delinquency: Delinquent Tax Roll.

Adds a requirement that the collector for a taxing unit indicate on each delinquent tax roll that a delinquent tax included on the roll is deferred or abated as “Deferred Collection of Taxes on Residence Homestead of Elderly or Disabled Person or Disabled Veteran” or as “Deferred Collection of Taxes on Appreciating Residence Homestead.”

This act takes effect January 1, 2024.

**SB 617 – Author: Blanco**

Relating to the confidentiality of certain home address information in ad valorem tax appraisal records.

Extends Tax Code 25.025 confidentiality of home address information to a customs and border protection officer or border patrol agent of US Customs and Border Protection or the spouse, surviving spouse, or adult child of a customs and border protection officer or border patrol agent.

This act took effect immediately, May 19, 2023.

**SB 719 – Author: Paxton**

Relating to an exemption from ad valorem taxation of property owned by a charitable organization that provides services related to the placement of a child in a foster or adoptive home.

Amends Tax Code 11.18, Taxable Property and Exemptions, Exemptions: Charitable Organizations.

Expands the existing charitable exemption purposes to children with disabilities in need of residential care and for providing services related to planning for the placement of or placing children in foster or adoptive homes or providing support or relief to women who are or may be pregnant and who are considering placing their unborn children for adoption.

This act takes effect January 1, 2024.

**SB 1145 – Author: West**

Relating to a local option exemption from ad valorem taxation by a county or municipality of all or part of the appraised value of real property used to operate a child-care facility.

Contingent upon passage and voter approval of a constitutional amendment, provides for a local-option city or county property tax exemption of at least 50% for a qualifying childcare facility. Provides numerous qualification requirements.

This act is effective on adoption of constitutional amendment SJR 64 in the November election.

**SB 1191 – Author: Zaffirini**

Relating to late applications for the appraisal of land for ad valorem tax purposes as qualified open-space land following the death of the owner of the land.

Amends Tax Code 23.541 to allow the chief appraiser to approve or deny a late application for ag valuation if:

- The land was appraised as ag in the preceding tax year;
- The ownership of the land changed due to the death of an owner during the preceding year; and
- The application is filed not later than the delinquency date for the taxes on the land for the year for which the application is filed by qualifying family member(s).

This act took effect immediately, May 23, 2023.

**SB 1381** – Author: Eckhardt

Relating to the eligibility of the surviving spouse of an elderly person who qualified for a local option exemption from ad valorem taxation by a taxing unit of a portion of the appraised value of the deceased person's residence homestead to continue to receive an exemption for the same property from the same taxing unit in an amount equal to that of the exemption for which the deceased person qualified without applying for the exemption.

Amends Tax Code 11.43, Application for Exemption, to require the birth date of an applicant's spouse for the application of a homestead exemption. Preserves the exemption for a surviving spouse of an owner aged 65 or older who dies in a tax year and the appraisal district learns of the death from any source, including the death records maintained by the vital statistics unit of the Department of State Health Services or a local registration official and the surviving spouse is otherwise eligible to receive the exemption.

This act takes effect January 1, 2024.

**SB 1439** – Author: Springer **VETOED BY THE GOVERNOR**

Relating to the ad valorem taxation of tangible personal property held or used for the production of income by related business entities.

Amends Tax Code 11.145, Taxable Property and Exemptions, Exemptions: Income-producing Tangible Personal Property Having Value of Less Than \$2,500.

Defines unified business enterprise with respect to related business entities engaged in a common enterprise and owning business personal property (BPP) located at the same physical address.

Restricts the current \$2,500 de minimis BPP exemption to the aggregated amount of a unified business enterprise. Allows a chief appraiser to investigate a business entity to determine whether it is a related business entity and has aggregated BPP.

This act takes effect January 1, 2024.

**SB 1525** – Author: Blanco

Relating to the confidentiality of certain home address information in property tax appraisal records.

Amends Section 25.025 of the Tax Code to expand confidentiality of home address information to a current or former attorney for the Department of Family and Protective Services.

This act took effect immediately, June 18, 2023.

**SB 1801** – Author: Springer

Relating to a requirement that each appraisal district periodically confirm that recipients of residence homestead exemptions qualify for those exemptions.

Amends Tax Code 11.43, Taxable Property and Exemptions: Application for Exemption, to require the chief appraiser to develop a program for the periodic review of each homestead exemption granted by the district to confirm that the recipient of the exemption still qualifies. Requires the chief appraiser to review each homestead exemption at least once every five years.

This act takes effect September 1, 2023.

**SB 1998** – Author: Bettencourt **VETOED BY THE GOVERNOR**

Relating to the calculation of certain ad valorem tax rates.

Amends Tax Code 5.07, State Administration: Property Tax Forms and Records Systems. Requires the Comptroller’s forms to be capable of including for each entry, other than an entry making a mathematical calculation, a hyperlink to a document that evidences the accuracy of the entry.

Amends Tax Code 26.03, Assessment: Treatment of Captured Appraised Value and Tax Increment, such that a taxing unit in which a tax rate calculation for a tax year is affected by a TIF zone, the adjustments to the value of property taxable by the unit and to the amount of taxes imposed or collected by the unit must be calculated separately for each reinvestment zone in which the taxing unit participates. Requires the Comptroller to ensure that the tax rate calculation forms described above provide for the calculations to be made in the manner required.

This act takes effect January 1, 2024.

**SB 1999** – Author: Bettencourt

Relating to the calculation of the unused increment rate of a taxing unit.

Amends Tax Code 26.013, Unused Increment Rate. Defines “foregone revenue amount” as the greater of zero or the amount in dollars calculated as follows:

FOREGONE REVENUE AMOUNT = (VOTER-APPROVAL TAX RATE – ACTUAL TAX RATE) x PRECEDING TOTAL VALUE

And subsequently, rewrites the formula for the unused increment rate as:

UNUSED INCREMENT RATE = (YEAR 1 FOREGONE REVENUE AMOUNT + YEAR 2 FOREGONE REVENUE AMOUNT + YEAR 3 FOREGONE REVENUE AMOUNT) / CURRENT TOTAL VALUE

So that the increment is calculated based on a dollar amount rather than a rate.

This act takes effect January 1, 2024.

**SB 2289** – Author: Huffman

Relating to the exemption from ad valorem taxation of equipment or inventory held by a manufacturer of medical or biomedical products to protect the Texas healthcare network and strengthen our medical supply chain.

Amends Tax Code chapter 11, Taxable Property and Exemptions: Exemptions. Adds a new exemption: 11.36, Medical or Biomedical Property. Contingent upon passage and voter approval of a constitutional amendment, provides a property tax exemption for the medical or biomedical property located in a medical or biomedical manufacturing facility.

Defines "medical or biomedical property" as personal property stored, used, or consumed in the manufacturing or processing of medical or biomedical products by a medical or biomedical manufacturer or intended for use in the diagnosis, cure, mitigation, treatment, or prevention of a condition or disease or in medical or biomedical research including devices, therapeutics, pharmaceuticals, personal protective equipment, tools, apparatuses, instruments, implants, or other similar or related component parts or accessories, property exempted under the sales tax as manufacturing equipment, and manufacturing inventories, including finished goods.

Defines a medical or biomedical manufacturing facility as conducting manufacturing or processing of medical or biomedical products for the purpose of development and commercialization of products to advance public health.

This act is effective on adoption of constitutional amendment SJR 87 in the November election.

**SB 2350** – Author: Bettencourt

Relating to the voter-approval tax rate used to calculate the unused increment rate of a taxing unit for ad valorem tax purposes.

Amends Section Tax Code 26.013, Assessment: Unused Increment Rate, to change the definition of voter-approval rate of a taxing unit to its voter-approval rate in the applicable preceding tax year, as adopted by the unit during that year, less the unused increment rate for that year.

This act took effective immediately, June 18, 2023.

**SB 2355** – Author: Bettencourt

Relating to the appeal of certain ad valorem tax determinations through binding arbitration.

Amends Tax Code 41A.03, Appeal Through Binding Arbitration: Request for Arbitration. Changes the filing to the Comptroller rather than the central appraisal district (CAD).

Amends section 41A.08: Notice and Hearing; Representation of Parties, such that the designation of an agent by a property owner must be made by written authorization on a form prescribed by the Comptroller and must authorize the agent to represent the owner in an arbitration proceeding. Allows a property owner to assign to an agent the right to receive a refund of an arbitration deposit. Stipulates that as with an arbitration award, an arbitration settlement reached between the parties is considered to be a final determination of an appeal.

This bill will take effect on January 1, 2024.

**SJR 64** – Author: West

Proposing a constitutional amendment authorizing a local option exemption from ad valorem taxation by a county or municipality of all or part of the appraised value of real property used to operate a child-care facility.

Proposes a constitutional amendment to provide for a local-option city or county property tax exemption of at least 50% for a qualifying childcare facility. Allows the Legislature by general law to define "child-care facility" for purposes of the exemption.

**SJR 87** – Author: Huffman

Proposing a constitutional amendment to authorize the legislature to exempt from ad valorem taxation equipment or inventory held by a manufacturer of medical or biomedical products to protect the Texas healthcare network and strengthen our medical supply chain.

Proposes a constitutional amendment to Article 8, Taxation and Revenue. Adds a new section 1-x to allow the Legislature by general law to exempt from ad valorem taxation the tangible personal property held by a manufacturer of medical or biomedical products as a finished good or used in the manufacturing or processing of those products.