

# PROPERTY TAX BILLS IN THE 87th TEXAS LEGISLATURE SECOND SPECIAL SESSION

Last Updated: September 23, 2021

The second special session of the 87<sup>th</sup> Texas Legislature finally drew enough legislators to proceed. Two property tax bills were passed, S.B. 8 and S.B. 12, and they were both signed by the Governor. S.B. 12 will require a constitutional amendment, which is proposed by S.J.R. 2. The election on the amendment will not take place until May of 2022.

## Bills that Passed

### Exemptions

#### S.B. 8

**Author:** Bettencourt

**Amends/Enacts:** §§11.42, 11.43, 23.23, and 26.1115 Tax Code; §§39.082, 48.202, and 48.2541 Education Code

**Status:** Passed by Senate; passed by house; signed by Governor

**Effective:** January 1, 2022

A property will no longer have to qualify on January 1 in order to receive a general homestead exemption. If a property becomes person's homestead after January 1, the person can receive an exemption prorated based on when the property first qualifies. Under these circumstances, the owner must apply for the exemption within one year after acquiring the homestead. If an exemption is granted after the taxes have already been assessed for a year, the tax office will recalculate them. A new owner will not receive an exemption in the year that he acquires a homestead if the property is already receiving the same exemption based on the former owner's qualifications. The state will reimburse school districts for lost revenue.

### Appraisals

### Appraisal Districts and ARBs

### Appeals

### Assessment

**S.B. 12**

**Author: Bettencourt**

**Amends/Enacts: §§11.26 Tax Code; §§48.2542, 48.2551, and 48.2556 Education Code; §403.302 Government Code**

**Status: Passed by both houses; signed by Governor**

**Effective: January 1, 2023**

**S.J.R. 2**

**Author: Bettencourt**

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

**Status: Passed by both houses; Election scheduled for May 7, 2022**

**Effective: Immediately if approved by voters**

This proposed constitutional amendment and complicated bill concern school tax ceilings on the homesteads of people who are disabled or over sixty-five. Generally, the amendment and bill will adjust ceilings downward in response to year-to-year changes in a school district's maximum compressed m&o tax rate. The actual calculations are set out in the bill, and they involve as many as fifteen steps. The state will compensate school districts for lost tax revenue.

## **Collections**

## **School Finance and Value Studies**

## **Miscellaneous**

## **Bills That Died**

## **Exemptions**

**H.B. 4**

**Author: Meyer**

**Amends/Enacts: §§11.42, 11.43, 23.23, and 26.1115 Tax Code; §§39.082, 48.202, and 48.2541 Education Code**

**Status: Pending in House Ways and Means Committee**

A property would no longer have to qualify on January 1 in order to receive a general homestead exemption. If a property became a person's homestead after January 1, the person could receive an exemption prorated based on when the property first qualified. If a property qualified after taxes had already been assessed, the tax office would have to recalculate them.

**H.B. 113**

**Author: Shine**

**Amends/Enacts: §11.11 Tax Code**

**Status: Filed**

Property of a Type-A or Type-B economic development corporation would be exempt if it were used for a public purpose.

**H.B. 123**

**Author: Zwiener**

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

**Status: Filed**

**H.J.R. 6**

**Author: Zwiener**

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

**Status: Filed**

**H.J.R. 7**

**Author: Zwiener**

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

**Status: Filed**

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. 130**

**Author: Schofield**

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

**Status: Filed**

**H.J.R. 14**

**Author: Schofield**

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

**Status: Filed**

This proposed constitutional amendment and related bill would change the mandatory general homestead exemption for school taxes to the greater of \$25,000 or 16.7% of the appraised value of the homestead.

**H.B. 152**

**Author: Middleton**

**Amends/Enacts: §11.13 Tax Code**

**Status: Filed**

**H.J.R. 17**

**Author: Middleton**

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

**Status: Filed**

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

**H.B. 157**

**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, 48.2541 Education Code; and §403.302 Government Code  
**Status:** Filed

**H.J.R. 20**  
**Author:** Allison  
**Amends/Enacts:** Art. VIII, §1, 1-b, and 1-b-1 Texas Constitution  
**Status:** Filed

A homestead would receive a 100% exemption for the first year that it qualified as the owner's homestead if: 1) it were the owner's first homestead; and 2) it had an appraised value of less than \$300,000. This bill is also discussed under the headings *Appraisals and Assessment*.

**S.B. 55**  
**Author:** Powell  
**Amends/Enacts:** §11.13 and 11.26 Tax Code; §§46.071 and 48.2541 Education Code  
**Status:** Filed

**S.J.R. 13**  
**Author:** Powell  
**Amends/Enacts:** Art. VIII, §1-b Texas Constitution  
**Status:** Filed

The general school-tax homestead exemption would rise from \$25,000 to \$35,000. 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.

## Appraisals

**H.B. 81**  
**Author:** Murr  
**Amends/Enacts:** §23.51 Tax Code  
**Status:** Filed

In calculating net to land of 1-d-1 land located in or adjacent to a wildlife or livestock disease or pest area, an appraisal district would have to take into consideration the effect of the disease or pest or the designation of the area.

**H.B. 109**  
**Author:** Vasut  
**Amends/Enacts:** §§1.12, 23.23 and 42.26 Tax Code; §403.302 Government Code  
**Status:** Filed

**H.J.R. 11**  
**Author:** Vasut  
**Amends/Enacts:** Art. VIII, §1 Texas Constitution  
**Status:** Filed

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. 157**

**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, 48.2541 Education Code; and §403.302 Government Code**

**Status: Filed**

**H.J.R. 20**

**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.

**H.B. 161**

**Author: Cook**

**Amends/Enacts: §23.01 Tax Code**

**Status: Filed**

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. 162**

**Author: Capriglione**

**Amends/Enacts: §§1.12, 23.23, 23.231 and 42.26 Tax Code; §403.302 Government Code**

**Status: Filed**

**H.J.R. 22**

**Author: Capriglione**

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

**Status: Filed**

Under this proposed constitutional amendment and related bill, the current cap on year-to-year increases in the appraised value of a homestead would be reduced from 10% to 5%. A new 10% cap would apply to single-family residences that were not homesteads. A residence would have to be owned by an individual or a trust in order to qualify.

## Appraisal Districts and ARBs

### Appeals

### Assessment

#### H.B. 11

**Author: Meyer**

**Amends/Enacts: §§11.26 Tax Code**

**Status: Filed**

#### H.J.R. 2

**Author: Meyer**

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

**Status: Filed**

This proposed constitutional amendment and complicated bill concern school tax ceilings on the homesteads of people who are disabled or over sixty-five. Generally, they would adjust ceilings downward in response to year-to-year changes in a school district's maximum compressed m&o tax rate. The actual calculations are set out in the bill, and they involve as many as twelve steps.

#### H.B. 124

**Author: Schofield**

**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**

#### H.J.R. 12

**Author: Schofield**

**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.

#### H.B. 126

**Author: Schofield**

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

**Status: Filed**

#### H.J.R. 8

**Author: Schofield**

**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.

**H.B. 155**

**Author: Wilson**

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

**Status: Filed**

**H.J.R. 19**

**Author: Wilson**

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

**Status: Filed**

Under current law, a county, a city, or a junior college district may apply a tax freeze to homesteads of people who are over 65 or disabled. This proposed constitutional amendment and related bill would extend that authority to any taxing unit other than a school district.

**H.B. 157**

**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, 48.2541 Education Code; and §403.302 Government Code**

**Status: Filed**

**H.J.R. 20**

**Author: Allison**

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

**Status: Filed**

If a property were a person's homestead for twenty-five consecutive years, The taxes in subsequent years could not be greater than they were in that twenty-fifth year. Years before 1999 would not count. This tax ceiling would apply as long as the property remained the homestead of the qualifying property or that property owner's surviving spouse. The cap would be adjusted to reflect the value of a new improvement on the property. This bill is also discussed under the headings, *Exemptions* and *Appraisals*.

**H.B. 160**

**Author: King**

**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**

**H.J.R. 21**

**Author: King**

**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. They are virtually identical to H.B. 124 and H.J.R. 12 discussed above.

**S.B. 32**

**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 2021 taxes. The same thing would apply to local-option tax freezes given by taxing units other than school districts.

**S.B. 35**

**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 is another proposed constitutional amendment and related bill that would repeal rollback taxes. They are virtually identical to H.B. 124 and H.J.R. 12 and to H.B. 160 and H.J.R. 21.

## Collections

**H.B. 120**

**Author: Slaton**

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

**Status: Filed**

**H.J.R. 13**

**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.

**H.J.R. 18**

**Author: Wilson**

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

**Status: Filed**

Under this propose constitutional amendment, a residence homestead could not be foreclosed on to satisfy delinquent taxes.

## School Finance and Value Studies

**H.B. 83**

**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. 122**

**Author: Oliverson**

**Amends/Enacts: §48.255 Education Code; §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 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.

**H.B. 149**

**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. 153**

**Author: Buckley**  
**Amends/Enacts: §403.3011 Government Code**  
**Status: Filed**

This bill would loosen the requirements applied in school value studies and make it easier for a school district to get its local values. The bill is virtually identical to H.B. 149 discussed above.

## Miscellaneous

**H.B. 158**  
**Author: Allison**  
**Amends/Enacts: N/A**  
**Status: Filed**

This bill would create a Commission to Study Measures to Limit or Reduce Ad Valorem Taxes. The Commission would study proposals such as more caps on appraised values, more exemptions, and more state money for schools. The Commission would report its findings in advance of the next regular legislative session.