

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

Last Updated: August 3, 2021

The first special session of the 87<sup>th</sup> Texas Legislature is rapidly drawing to a close. The session effectively came to a standstill when many legislators left Texas to block voting-deterrence bills. In all likelihood, no bills will be passed.

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. 72

**Author: Schofield**

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

**Status: Filed**

#### H.J.R. 4

**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. 119

**Author: Bernal**

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

**Status: Filed**

#### H.J.R. 11

**Author: Bernal**

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

**Status: Filed**

This proposed constitutional amendment and related bill would create a total exemption for the homestead of an unpaid caregiver of a person is eligible to receive long-term services and supports from Medicaid and related services and benefits for disabled people during the period the person is on a waiting list for the services and supports.

**H.B. 224**

**Author: Shine**

**Amends/Enacts: §§11.42 and 26.1115 Tax Code**

**Status: Filed**

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. 300**

**Author: Middleton**

**Amends/Enacts: §11.13 Tax Code**

**Status: Filed**

**H.J.R. 28**

**Author: Middleton**

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

**Status: Filed**

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

**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; referred to House**

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. This bill is similar to H.B. 224 discussed above. A Senate floor amendment would make it clear that a new owner would not receive an exemption in the year that he acquired a homestead if the property was already receiving the same exemption based on the former owner's qualifications. Another amendment would make it clear that a homestead cap would not survive a change in ownership. Still another would require the state to reimburse school districts for refunds required by the new law.

**S.B. 30**

**Author: Powell**

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

**Status: Filed**

**S.J.R. 2**

**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. 84**

**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. 172**

**Author: Vasut**

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

**Status: Filed**

**H.J.R. 17**

**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. 182**

**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. 283**

**Author: Capriglione**

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

**Status: Filed**

**H.J.R. 24**

**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. 70**

**Author: Schofield**

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

**Status: Filed**

**H.J.R. 2**

**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. 78**

**Author: Bucy**

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

**Status: Filed**

**H.J.R. 6**

**Author: Bucy**

**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. 126**

**Author: Howard**

**Amends/Enacts: §§11.26 Tax Code**

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

**H.J.R. 12**

**Author: Howard**

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

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

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. 205**

**Author: Crockett**

**Amends/Enacts: §31.039**

**Status: Filed**

**H.J.R. 19**

**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. 223**

**Author: Shine**

**Amends/Enacts: §§11.26 Tax Code**

**Status: Filed**

**H.J.R. 21**

**Author: Shine**

**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. They are virtually identical to H.B. 126 and H.J.R. 12.

**H.B. 291**

**Author: Wilson**

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

**Status: Filed**

**H.J.R. 25**

**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.

**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 Senate; referred to House**

**S.J.R. 4 ★★**

**Author: Bettencourt**

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

**Status: Passed by Senate; referred to House**

This proposed constitutional amendment and complicated bill concern school tax ceilings on the homesteads of people who are disabled or over sixty-five. They are very similar to H.B. 126 and H.J.R. 12 and to H.B. 223 and H.J.R. 21. A Senate floor amendment would reimburse school districts for lost tax revenues. Another would require the TEA to post on its website information that would help school districts make the necessary calculations. The comptroller would adjust school value study results to reflect the adjustments to tax ceilings.

**S.B. 20**

**Author: Kolkhorst**

**Amends/Enacts: §§11.26 Tax Code**

**Status: Filed**

**S.J.R. 1**

**Author: Kolkhorst**

**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. They are virtually identical to several bills described above.

**Collections**

**H.B. 104**

**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 homestead owner in Bexar County.

**H.J.R. 26**

**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.

**S.B. 59**

**Author: Campbell**

**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 homestead owner in Bexar County. This bill is virtually identical to H.B. 104 discussed above.

## **School Finance and Value Studies**

**H.B. 80**

**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. 117**

**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. 122**

**Author: Oliverson**

**Amends/Enacts: §403.109 Government Code**  
**Status: Pending in House Appropriations 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 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 school tax reduction.

**H.B. 257**  
**Author: Buckley**  
**Amends/Enacts: §403.302 Government Code**  
**Status: Filed**

If the comptroller did a value study of a school district and determined that the district was eligible, the district would have its local values accepted for that year and the three following years.

**H.B. 292**  
**Author: Cecil Bell**  
**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 one-half of the amount by which the total available general revenue for that biennium at the end of the biennium exceeded the amount of total available general revenue stated in the comptroller's biennial revenue estimate for that biennium. The amount deposited could be used only school tax reduction.

**H.B. 304**  
**Author: White**  
**Amends/Enacts: N/A**  
**Status: Filed**

This bill would replace school property taxes with value added taxes.

## **Miscellaneous**

**H.B. 105**  
**Author: Bernal**  
**Amends/Enacts: N/A**  
**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. 287**  
**Author: Rogers**  
**Amends/Enacts: N/A**



**Status: Filed**

Texas A&M would conduct a study of agricultural appraisals. The study would address the feasibility of things like: using an average net to land over a ten-year period; considering all expenses incurred by both a property owner and a tenant; requiring anyone appraising agricultural land to have experience; and requiring an ARB to have equal membership from rural and non-rural areas.

**S.B. 26**

**Author: Powell**

**Amends/Enacts: §313.007 Tax Code**

**Status: Filed**

The life of the Economic Development Act would be extended through the end of 2024.