



2024 Annual Report

Gillespie Central Appraisal District
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(830) 997-9807

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GILLESPIE CENTRAL APPRAISAL DISTRICT

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December 2024

Welcome from the Chief Appraiser:

It is my pleasure to present the 2024 Gillespie Central Appraisal District Annual Report. The purpose of this report is to provide a summarized year to year comparison and analysis of appraisal activity as well as to provide transparency in reporting of imperative data.

The Gillespie Central Appraisal District strives to provide fair and uniform market value appraisals while operating in an efficient and accurate manner. It is our hope that this Annual Report will allow greater insight into the operations of the Gillespie Central Appraisal District. With our staff experience, knowledge, and professionalism, our office looks forward to continuing to serve and assist the taxing units and property owners of Gillespie County.

Sincerely,

A handwritten signature in blue ink that reads "Scott Fair".

Scott Fair
Chief Appraiser

General Information:

The Gillespie Central Appraisal District (GCAD) is a political subdivision of the State of Texas created effective January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. The local property tax system follows the principle of checks and balances. An appraisal district board of directors establishes the appraisal office, hires the chief appraiser, and adopts the annual budget.

The directors have no authority to set values or appraisal methods. The chief appraiser carries out the appraisal district's legal duties, hires the staff, makes the appraisals and operates the appraisal office. The Gillespie Central Appraisal District Board of Directors consist of five members. The Directors are appointed or elected by the eligible taxing units of Gillespie County in accordance to Section 6.03 of the Texas Property Tax Code.

<p>2024 GCAD Board Members: Donald Davis - Chairman Jim McAfee - Vice-Chairman Todd Bierschwale - Secretary Peter Ganis Graham Pearson</p>

Purpose of Report:

The purpose of this report is to better inform the property owners within the boundaries of the Gillespie Central Appraisal District (GCAD) of year-to-year data and changes within the state property tax system. Appraisals performed by the GCAD are an estimate of market value on January 1 of each year as defined by the Texas Property Tax Code (Sec. 1.04) on all taxable property within the boundaries of GCAD. The intended use of the appraisals is to establish a tax base upon which a property tax will be levied, and provide the taxing units of Gillespie County certified appraisal rolls of all taxable property within their jurisdictions for purposes of Ad Valorem Taxation only.

Taxing Units Served by GCAD:

- City of Fredericksburg
- Doss Consolidated Common School District
- Fredericksburg Independent School District
- Gillespie County
- Gillespie County Municipal Utility District #1
- Gillespie Water Control & Improvement District
- Harper Independent School District
- Hill Country Underground Water Conservation Dist.
- Stonewall Water Control & Improvement District

Market Value:

Texas Property Tax Code (Sec. 1.04) defines market value as “the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

(A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;

(B) both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and

(C) both the seller and the purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.”

Gillespie Central Appraisal District Appraisal Parameters:

Appraisal Area:	Gillespie County	Assessment Ratio:	100 %
Appraisal Date:	January 1, 2024	Parcels Appraised:	35,765
Tax Year:	2024	Property Types:	Real and Personal

2024 Property Type Breakdown for GCAD at Certification							
State Code	Description	Count	New Market Value	Market Value	% of Total Market	Taxable Value	% of Total Taxable
A, B, M	Residential Real	7,929	\$149,779,630	\$3,898,914,456	21.7%	\$3,434,099,187	37.8%
F1, F2	Commercial/Industrial Real	2,735	\$123,058,600	\$2,049,943,709	11.4%	\$2,047,055,780	21.0%
C, D, E	Vacant Land	25,036	\$125,782,730	\$10,882,335,934	60.7%	\$3,412,947,865	35.1%
L1, L2, S	Business Personal Property	3,328	\$200,270	\$319,798,370	1.8%	\$319,798,370	3.3%
X	Total Exempt Properties	1,617	\$544,190	\$522,588,403	2.9%	\$59,230	<0.1%
O	Residential Inventory	40	\$0	\$5,582,420	<0.1%	\$5,582,420	0.1%
J	Utilities	142	\$3,570	\$262,056,530	1.5%	\$262,056,530	2.7%
Totals			\$399,368,990	\$17,941,219,822		\$9,727,801,458	

2024 GCAD District Wide Appraisal Ratio Summary					
Category	Description	Sample Size	Weighted Mean	Median	COD
A1	Single Family Residential	282	0.9688	1.0000	9.7170
A2	Single Family Residential Manufactured Home	5	0.8156	0.7775	17.4973
A3	Single Family Residential Miscellaneous Imp.	1	0.9376	0.9376	0.0000
B2	Multi-Family Residential – Duplex, Triplex	2	1.2626	1.2937	23.1417
C1	Vacant Lots and Tracts in City	26	0.9024	0.9847	14.6049
C3	Vacant Lots and Tracts out of City	84	0.7411	1.0000	13.2250
D1	Qualified Open-space Land	116	0.9709	1.0633	20.2966
D2	Farm and Ranch Improvements	10	0.7625	0.8668	23.0712
E1	Rural, Non-Open-space Land and Improvements	76	0.9433	0.9773	12.8794
E2	Rural, Non-Open-space Land and Manufactured Housing	11	0.8731	1.1120	19.1540
E3	Rural, Non-Open-space Land and Miscellaneous Improvements	4	1.1130	1.0151	5.3117
E4	Rural, Non-Open Space Land	18	1.0337	0.9969	20.0578
F1	Commercial	21	0.9025	0.9214	15.6909
F1B	Short-Term Rentals	76	0.9859	0.9948	7.9316
M1	Manufactured Homes with No Land	2	1.5193	1.4475	24.8131
M3	Manufactured Homes in Parks	12	0.8134	0.8116	6.9908
	Overall	747	0.9409	1.0000	13.4140

2023 -2024 Market Comparison by Taxing Unit

Taxing Unit	2023 Certified Market Value	2024 Certified Market Value	Percent Change
Gillespie County	\$17,443,474,143	\$18,138,843,274	3.99%
City of Fredericksburg	\$4,608,882,188	\$4,661,384,894	1.14%
Fredericksburg Independent School District	\$14,992,359,790	\$15,625,005,768	4.22%
Harper Independent School District	\$1,964,572,063	\$2,000,895,306	1.85%
Doss Common Consolidated School District	\$486,542,290	\$512,942,200	5.43%
Hill Country Underground Water Conservation Dist.	\$17,443,474,143	\$18,138,843,274	3.99%
Gillespie Water Control and Improvement District	\$17,443,474,143	\$18,138,843,274	3.99%
Stonewall Water Control and Improvement District	\$103,925,711	\$104,017,574	0.09%
Gillespie County Municipal Utility District #1	\$8,076,970	\$11,070,855	37.07%

GCAD Taxable Value by Year	
<u>Year</u>	<u>Market Value</u>
2019	\$ 5,182,822,500
2020	\$ 5,424,215,361
2021	\$ 6,496,069,312
2022	\$ 7,563,182,108
2023	\$ 9,178,225,297
2024	\$ 9,899,974,490

GCAD New Improvement Value by Year	
<u>Year</u>	<u>New Value</u>
2019	\$ 224,181,303
2020	\$ 214,479,377
2021	\$ 238,693,470
2022	\$ 265,867,860
2023	\$ 360,458,481
2024	\$ 407,656,480

GCAD Total Market Value by Year	
<u>Year</u>	<u>Market Value</u>
2019	\$ 9,789,229,453
2020	\$ 10,071,369,340
2021	\$ 11,802,144,978
2022	\$ 14,244,061,343
2023	\$ 17,443,474,143
2024	\$ 18,138,843,274

GCAD Average Single-Family Homestead Residence Market Value by Year	
<u>Year</u>	<u>Homestead Value</u>
2019	\$ 328,323
2020	\$ 328,031
2021	\$ 391,608
2022	\$ 451,411
2023	\$ 536,996
2024	\$ 541,786

Taxpayer Appeal Results:

For the 2024 tax year, in accordance with Texas Property Tax Code (Sec. 25.19), the Gillespie Central Appraisal District mailed notices of appraised value for all non-exempt properties. Notices of appraised value for real property were mailed on May 14, 2024; notices for business personal property were mailed on May 28, 2024. All property owners and/or authorized tax consultants had until June 14, 2024 to file an appeal with the Appraisal Review Board (ARB) under Texas Property Tax Code (Sec. 41.44) for real property accounts and June 28, 2024 to file an appeal on business personal property accounts.

The Appraisal Review Board (ARB) hearings began June 19, 2024 and concluded on December 18, 2024. The ARB approved the appraisal records on July 19, 2024 and the Chief Appraiser certified the appraisal roll on July 25, 2024.

2024 Protest Breakdown						
Property Type	Settled / Withdrawn / Cancelled	Total Hearings Held	Hearings where ARB Made Adjustment	No-Show at Hearing	Top Line Order Motions	Total Protests
Residential	808	170	110	177	36	1191
Commercial	265	46	22	67	66	444
Business Personal Property	141	6	0	18	0	165
Land	456	71	32	76	33	636
Residential Inventory	35	0	0	11	0	46
Utilities	71	3	3	5	12	91
Totals	1776	296	167	354	147	2573

2024 Tax Rates for Taxing Units in Gillespie County

Taxing Entity	M&O Rate (per \$100)	I&S Rate (per \$100)	Total Tax Rate (per \$100)
Gillespie County (G086)	\$0.2584	\$0.0101	\$0.2685
City of Fredericksburg (CFB)	\$0.181264	\$0.024062	\$0.205326
Fredericksburg ISD (SFB)	\$0.6669	\$0.1062	\$0.7731
Harper ISD (SHP)	\$0.6669	\$0	\$0.6669
Doss CCSD (SD)	\$0.6669	\$0	\$0.6669
Hill Country UWCD (HUW)	\$0.0048	\$0	\$0.0048
Gillespie WCID (WCD)	\$0.000174	\$0	\$0.000174
Stonewall WCID (WDS)	\$0.2900	\$0	\$0.2900
Gillespie County MUD #1 (MUD1)	\$1.0000	\$0	\$1.0000
Combination of Rates			
County, City, Fredericksburg ISD, HUW, WCD		\$1.251900	
County, City, Fredericksburg ISD, HUW, MUD1, WCD		\$2.251900	
County, Fredericksburg ISD, HUW, WCD		\$1.046574	
County, Fredericksburg ISD, HUW, WCD, WDS		\$1.336574	
County, Harper ISD, HUW, WCD		\$0.940374	
County, Doss CCSD, HUW, WCD		\$0.940374	

Exemptions:

Property owners may qualify for a variety of exemptions, some of the most commonly occurring exemptions are described below. Other less commonly occurring exemptions are available and described in Chapter 11 of the Texas Property Tax Code.

Residential Homestead:

The following chart represents the total exemption amounts available for partial exemptions for property owners in this district who qualify for the exemption.

Exemption	Exemption Amount	Provision
Gillespie County		
Over 65 / Disabled Person	Tax Ceiling Freeze	Option Granted by Taxing Unit
City of Fredericksburg		
Over 65 / Disabled Person	Tax Ceiling Freeze	Option Granted by Taxing Unit
Doss CCSD		
Homestead	\$100,000	Mandated by State Law
Over 65 / Disabled Person	\$10,000 & Tax Ceiling Freeze	Mandated by State Law
Fredericksburg ISD		
Homestead	\$100,000	Mandated by State Law
Over 65 / Disabled Person	\$10,000 & Tax Ceiling Freeze	Mandated by State Law
Harper ISD		
Homestead	\$100,000	Mandated by State Law
Over 65 / Disabled Person	\$10,000 & Tax Ceiling Freeze	Mandated by State Law
Gillespie WCID		
Freeport (BPP Inventory)	Freeport %	Option Granted by Taxing Unit
Hill Country Underground Water Conservation District		
Freeport (BPP Inventory)	Freeport %	Option Granted by Taxing Unit
Disabled Veteran Exemption for all Taxing Units		
Percentage Disability	Exemption Amount	Provision
10-29%	\$5,000	Mandated by State Law
30-49%	\$7,500	Mandated by State Law
50-69%	\$10,000	Mandated by State Law
70-100%	\$12,000	Mandated by State Law
100% Disabled	Total Exemption for Homestead (All Taxing Units)	Mandated by State Law

For school tax purposes the over 65, disability, surviving spouse, and 100% disabled veteran residential homestead exemptions create a tax ceiling prohibiting increased taxes on the homestead of existing structures, (any/all new improvements added to the home site will cause the ceiling to be readjusted factoring in the new improvements market value, and then reset in the subsequent tax year).

All homeowners who qualify for the residential homestead exemption are subject to the placement of a homestead cap on their qualifying property which limits the increase of taxable value on the homestead property to ten (10%) percent a year. However, the market value will be reflective of the local real estate market.

Disabled Veterans:

In addition to the residential homestead exemption allowable to disabled veterans with a 100% service-connected disability (as described above), disabled veterans are allowed a general exemption on any property they own based upon the percentage rating as determined by the Department of Veteran’s Affairs.

Below is a chart showing the total value exempted for each exemption for each taxing unit in Gillespie County for the 2024 appraisal year.

Gillespie Central Appraisal District Partial Exemptions by Taxing Unit for 2024								
Entity	Exemption	Number of Exemptions	Total Exempted Assessed Value	Entity	Exemption	Number of Exemptions	Total Exempted Assessed Value	
Doss CCSD	DV2S	1	\$7,500	Gillespie County	DV1	105	\$1,112,940	
	DV4	5	\$39,960		DV1S	6	\$30,000	
	HS	84	\$8,142,928		DV2	54	\$574,180	
	OV65	50	\$427,220		DV2S	3	\$22,500	
	OV65S	4	\$30,000		DV3	56	\$628,000	
Fredericksburg ISD	DP	60	\$527,150		DV3S	2	\$20,000	
	DPS	1	\$10,000		DV4	113	\$1,202,340	
	DV1	90	\$929,755		DV4S	9	\$93,930	
	DV1S	4	\$20,000		City of Fredericksburg	DV1	37	\$381,500
	DV2	45	\$470,000			DV1S	2	\$10,000
	DV2S	2	\$15,000			DV2	19	\$192,000
	DV3	45	\$470,000			DV2S	1	\$7,500
	DV3S	1	\$0			DV3	19	\$216,000
	DV4	89	\$975,570	DV4	29	\$344,000		
	DV4S	7	\$68,370	DV4S	3	\$36,000		
	HS	6,727	\$652,870,882	Hill Country UWCD	DV1	105	\$1,112,940	
	OV65	3,901	\$36,856,646		DV1S	6	\$30,000	
OV65S	263	\$2,505,379	DV2		54	\$574,180		
Harper ISD	DP	20	\$173,333		DV2S	3	\$22,500	
	DV1	15	\$123,440		DV3	56	\$628,000	
	DV1S	2	\$7,700		DV3S	2	\$20,000	
	DV2	9	\$88,180		DV4	113	\$1,202,340	
	DV3	11	\$112,000	DV4S	9	\$93,930		
	DV3S	1	\$10,000	FR	2	\$2,617,210		
	DV4	19	\$174,810	Gillespie WCID	DV1	105	\$1,112,940	
	DV4S	2	\$13,560		DV1S	6	\$30,000	
	HS	1,130	\$107,076,864		DV2	54	\$574,180	
	OV65	628	\$5,629,408		DV2S	3	\$22,500	
OV65S	30	\$297,070	DV3		56	\$628,000		
Stonewall WCID	DV1	3	\$36,000		DV3S	2	\$20,000	
	DV2	1	\$12,000		DV4	113	\$1,202,340	
	DV3	1	\$12,000		DV4S	9	\$93,930	
				FR	2	\$2,617,210		

DP: Disabled Person	DV3S: Disabled Veteran 3 Surviving Spouse (Disability Rating of 50% to 69%)
DSTR: Temporary Exemption for Property Damaged by Disaster	DV4: Disabled Veteran 4 (Disability Rating of 70% to 100%)
DV1: Disabled Veteran 1 (Disability Rating of 10% to 29%)	DV4S: Disabled Veteran 4 Surviving Spouse (Disability Rating of 70% to 100%)
DV1S: Disabled Veteran 1 Surviving Spouse (Disability Rating of 10% to 29%)	HS: Homestead Exemption
DV2: Disabled Veteran 2 (Disability Rating of 30% to 49%)	OV65: Age 65 or Older Exemption
DV2S: Disabled Veteran 2 Surviving Spouse (Disability Rating of 30% to 49%)	OV65S: Age 65 or Older Exemption Surviving Spouse
DV3: Disabled Veteran 3 (Disability Rating of 50% to 69%)	FR: Freeport Exemption on certain personal property temporarily in the state

State Comptroller PTAD Studies

According to Section 5.10 and 5.102 of the Texas Property Tax Code, the State Comptroller’s Property Tax Assistance Division (PTAD) shall conduct two reviews/studies of appraisal districts. These PTAD reviews/studies have an alternating cycle in which one year the PTAD conducts a Property Value Study (PVS) and the following year a Methods & Assistance Program (MAP) review.

The PVS determines the degree of uniformity and median level of appraised value ratios within certain state categories for each school district in each appraisal district. It also determines the taxable value of property for each school district in regards to school funding. In conducting the study, the comptroller applies appropriate standard statistical analysis techniques to data collected as required by Section 403.302, of the Government Code. The results of a PVS are reported as valid or invalid. If the appraisal district values for a school district are within the confidence interval values assigned by the PTAD then the finding is valid. A PVS was conducted on GCAD for the 2023 appraisal year. The three previous PVS results are shown below.

The MAP reviews the governance of the appraisal district, taxpayer assistance, and the appraisal standards, operating procedures, and methodology used by each appraisal district. The areas of study remain the same each bienium, but the specific questions, number of questions, documentation requested, and scoring system do change. Pre-2014, the highest score possible was ‘Exceeds’, determined by a score exceeding 89 in each MAP review category. From 2014 to present a score between 90-100 was considered a ‘Meets’ and a ‘Meets All’ determination was reserved for a 100 score. A MAP review was conducted on GCAD for the 2024 appraisal year. The 2024 results and the two prior MAP audit results are shown below.

Prior Property Value Study (PVS) Results			
	<u>2019</u>	<u>2021</u>	<u>2023</u>
Median Level of Appraisal for District	Valid	Valid	Valid
Methods and Assistance Program (MAP) Results			
	<u>2020</u>	<u>2022</u>	<u>2024</u>
Governance	Meets All	Meets All	Meets All
Taxpayer Assistance	Meets All	Meets All	Meets All
Operating Procedures	Meets All	Meets All	Meets All
Appraisal Standards, Procedures, and Methodology	Meets All	Meets All	Meets All

Legislative Changes

The Texas Legislature meets in odd-numbered years. There were significant Texas Property Tax Law changes made during the 2023 sessions. The changes are explained in the booklet “Texas Property Tax Law Changes as of July 2023” (<https://comptroller.texas.gov/taxes/property-tax/docs/96-669.pdf>) published by the Property Tax Assistance Division of the Texas Comptroller of Public Accounts.

The following is a summary of legislative changes made during the 88th regular session of the Texas Legislature to the Texas Property Tax Code and other Codes, which may affect Gillespie CAD.

Property Tax Code

Chapter 1. General Provisions

Section 1.07

HB 1228 amends subsection (a), related to the requirement that delivery of a notice to a property owner be made by regular first-class mail, with postage prepaid, unless another provision requires or authorizes a different method of delivery, to strike language related to agreements for electronic delivery under Tax Code Section 1.085 and Section 1.086, which is repealed by the bill. *Effective Jan. 1, 2024.*

Section 1.085

HB 1228 amends subsection (a) to define “communication” to mean a notice, rendition, application form, completed application, report, filing, statement, appraisal review board order, tax bill, or other item of information required or permitted to be delivered, and “tax official” to mean a chief appraiser, an appraisal district, an appraisal review board, an assessor, a collector, or a taxing unit, or a person designated by a listed person to perform a function on the behalf of that person. Redesignates subsection (a) as subsection (a-1) to require a communication that is required or permitted to be delivered between a tax official and a property owner or an owner’s agent be delivered electronically if the property owner or owner’s agent elects to exchange communications with the tax official electronically.

The bill adds subsection (a-2) to require a tax official to establish a procedure that allows a property owner or owner’s agent to elect to exchange communications with the tax official electronically. The tax official must specify the manner in which the communications will be exchanged and the method that will be used to confirm the delivery of communications. Adds subsection (a-3) to provide that the election must be made in writing on a form prescribed by the Comptroller and remains in effect until rescinded in writing by the property owner or owner’s agent.

Adds subsection (a-4) to prohibit a tax official from charging a fee to accept an electronically delivered communication. Adds subsection (a-5) to authorize a tax official to require a property owner or owner’s agent to provide an email address and other information necessary to exchange communications electronically. Adds subsection (a-6) to require a tax official to prominently display information necessary for property electronic delivery of communication to the tax official on the official’s Internet website and, if the official is a chief appraiser, in any notice of appraised value delivered under Tax Code Section 25.19.

Amends subsection (d) to provide that the electronic delivery of any communication by a tax official to a property owner or owner’s agent is effective on delivery by the tax official. Adds subsection (d-1) to provide that the electronic delivery of a communication by a property owner or owner’s agent to a tax official 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 the communication is due.

Amends subsection (e) to require the Comptroller to adopt guidelines for the implementation of this section by tax officials; makes conforming changes. The bill makes conforming changes to subsections (f), (i) and (l) related to the election to exchange communications electronically. Adds subsection (n) to require a tax official to acknowledge receipt of a communication delivered electronically by a property owner or owner’s agent.

The bill repeals the following provisions: Subsection (b) requiring an agreement between a chief appraiser and a property owner to be in writing or electronic form; Subsection (c) allowing an agreement to address other matters; Subsection (g) requiring a chief appraiser to enter into an agreement with a property owner having more than 25 accounts, in a county over 200,000 in population; Subsection (h) requiring a chief appraiser to publish notice authorizing electronic communication in the newspaper; Subsection (k) prohibiting a decision by a chief appraiser to not to enter into an agreement from being reviewed by the appraisal review board; Subsection (l) requiring postal mail delivery when confirmation of electronic delivery of a notice is not confirmed within 30 days; and, Subsection (m) stating a property owner need not enter into an agreement to be entitled to electronic delivery of a protest hearing.

Effective Jan. 1, 2024. A tax official of an appraisal district established in a county with a population of 120,000 or more or of a taxing unit located wholly or primarily in such an appraisal district is required to comply with the amendments to this section beginning with the 2024 tax year. A tax official located in a county other than one described above is required to comply with the amendments to this section beginning with the 2025 tax year.

Section 1.086

HB 1228 repeals this section related to delivery of certain notices by email. *Effective Jan. 1, 2024.*

Section 1.12

SB 2 (2nd CS) amends this section to make conforming changes with the addition of Tax Code Section 23.231. *Effective on the date of the official canvas showing adoption of HJR 2 (2nd CS), and contingent on voter approval of HJR 2 (2nd CS).*

SB 2 (2nd CS) amends this section to remove references to Tax Code Section 23.231. *Effective Jan. 1, 2027, contingent on voter approval of HJR 2 (2nd CS).*

Chapter 5. State Administration

Section 5.06

HB 1285 amends this section to require the Comptroller to include a description of the functions of a taxpayer liaison officer appointed under Tax Code Section 6.052, for an appraisal district with a population of more than 120,000, in the taxpayer assistance pamphlet formerly called the taxpayer remedies pamphlet. *Effective Jan. 1, 2024.*

Section 5.07

HB 4456 amends subsection (f) by striking the provision that the tax rate calculation forms prescribed by the Comptroller for school districts require submission of the rate to maintain the same amount of state and local revenue per weighted student. *Effective Jan. 1, 2024, and applies only to a tax year that begins on or after the effective date.*

Chapter 6. Local Administration

Section 6.03

SB 2 (2nd CS) amends the title of this section to read “Board of Directors in Less Populous Counties.” Redesignates subsection (a) as subsection (a-1) and adds new subsection (a) to provide that this section only applies to an appraisal district established in a county with a population of less than 75,000. *Effective July 1, 2024, contingent on voter approval of HJR 2 (2nd CS).*

Section 6.0301

SB 2 (2nd CS) adds this section related to the board of directors in populous counties. Provides that this section only applies to an appraisal district established in a county with a population of 75,000 or more. Tax Code Sections 6.031, related to changes in board membership or selection, 6.034, related to organization, meetings, and compensation of the board of directors, and 6.10, related to disapproval of board actions, do not apply to an appraisal district to which this section applies.

Provides that an appraisal district subject to this section is governed by a board of nine directors. Five directors are appointed by the taxing units participating in the district as prescribed by Tax Code Section 6.03. Three directors are elected by a majority vote at the general election for state and county officers. The county assessor-collector serves as an ex officio director. To be eligible to serve on the board of directors, an individual must be a resident of the district and must have resided in the district for at least two years immediately preceding the date the individual takes office. A person is not ineligible because they serve on the governing body of a taxing unit. An employee of a taxing unit is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit. Members of the board of directors that are appointed by the taxing unit serve staggered four-year terms beginning on January 1 of every other even-numbered year. Elected members serve staggered four-year terms beginning on January 1 of every other odd-numbered year. A vacancy created in an appointed position is replaced in the same manner as provided by Tax Code Section 6.03. A vacancy created in an elected position is filled by majority vote of the board of directors. A person appointed to fill a vacancy in an elected position must meet the qualifications required of a director elected at a general election. *Effective July 1, 2024, contingent on voter approval of HJR 2 (2nd CS).*

Section 6.032

SB 2 (2nd CS) adds this section to provide for the ballot procedures for elected directors. Election Code Chapter 144 applies to candidates for an elective position on an appraisal district board of directors, unless otherwise provided by this section.

An application for a place on the ballot must be filed with the county judge of the county in which the appraisal district is established and be accompanied by a filing fee or a petition in lieu of the filing fee.

The filing fee for a place on the ballot is \$400 for a county with a population of 200,000 or more, or \$200 for a county with a population of less than 200,000. A petition in lieu of the filing fee must meet the requirements of Election Code Section 141.062 and include 500 valid signatures or two percent of the total vote received in the county by all the candidates for governor in the most recent gubernatorial general election, whichever is less. If two percent of the total vote received in the county by all the candidates for governor in the most recent gubernatorial election is less than 50, the minimum number of signatures required is 50 or 20 percent of that total vote, whichever is less. A filing fee is required to be deposited in the county treasury to the credit of the county general fund. Requires the Secretary of State to adopt rules as necessary to implement this section. Effective Oct. 12, 2023, contingent on voter approval of HJR 2 (2nd CS). Section 6.033 SB 2 (2nd CS) amends subsection (a) to provide that recall provisions for members of the board of directors of the appraisal district apply only to those members who are appointed by taxing units participating in the district. *Effective July 1, 2024, contingent on voter approval of HJR 2 (2nd CS).*

Section 6.036

SB 2 (2nd CS) amends subsection (a) to add a candidate for the board of directors to existing eligibility provisions. Effective July 1, 2024, contingent on voter approval of HJR 2 (2nd CS). Section 6.052 HB 1285 amends subsection (a) to provide that the board of directors of an appraisal district in a county with a population of 120,000 or more may appoint one or more deputy taxpayer liaison officers to assist the taxpayer liaison officer in the performance of the officer's duties. The bill specifies that the taxpayer liaison officer is the appraisal district officer primarily responsible for providing assistance to taxpayers for the district. Amends subsection (b) to expand the responsibilities of the taxpayer liaison officer to include providing assistance on how to file a complaint under Tax Code Section 41.66(q), related to filing a complaint regarding the conduct of the appraisal review board, and how to request limited binding arbitration under Tax Code Section 41A.015. Adds subsection (b-2) to allow a property owner to file a written complaint with the taxpayer liaison officer requesting resolution of a dispute with the appraisal district or appraisal review board on matters that do not relate to the appraisal of property. The taxpayer liaison officer may resolve a complaint filed with the officer or with the board of directors of the appraisal district by: referring the property owner to information and materials or to the appropriate employee or officer of the appraisal district or appraisal review board; meeting with the parties to the dispute that is the subject of the complaint to facilitate an informal resolution; treating the matter as a complaint under Tax Code Section 41.66(q), as appropriate; assisting the property owner in filing a request for limited binding arbitration under Tax Code Section 41A.015; or, recommending in writing to the chief appraiser, board of directors, chairman of the appraisal review board or the property owner or owner's agent a course of action that the taxpayer liaison officer believes is appropriate.

Adds subsection (b-3) to authorize the taxpayer liaison officer to dismiss any part of a complaint that relates to the appraised value of a property, or the appraisal methodology used in appraising the property, and dismiss a complaint that is repetitive or that fails to state a legitimate concern. Adds subsection (b-4) to require the taxpayer liaison officer to refer complaints related to the assessment or collection of a tax to the appropriate person who can assist the property owner with the matter. Adds subsection (b-5) to require the taxpayer liaison officer to notify a property owner of the resolution of the complaint not later than the 90th day after the complaint was filed. Adds subsection (b-6) to provide that the resolution of a complaint is not an action the property owner is entitled to protest, request limited binding arbitration for under Tax Code Section 41A.015, or appeal to district court under Chapter 42.

Adds subsection (b-7) to require the Comptroller to develop and supervise a program for the training and education of taxpayer liaison officers and deputy taxpayer liaison officers. The program may be provided online, must be at least two hours in length, is required to include information on the duties and responsibilities of a taxpayer liaison officer and a deputy taxpayer liaison officer, including procedures for the informal resolution of disputes, and provide a certificate of completion. Adds subsection (b-8) to require the taxpayer liaison officer and deputy taxpayer liaison officer to complete the training for taxpayer liaison officers and the training required for new and continuing appraisal review board members not later than the first anniversary of the date the officer is appointed every even-numbered year thereafter. A person may not serve as a taxpayer liaison officer or deputy taxpayer liaison officer unless the person has completed the training programs.

Adds subsection (b-9) to require a taxpayer liaison officer and deputy taxpayer liaison officer to submit a copy of the certificate of completion for the taxpayer liaison officer training to the board of directors of the appraisal district. The taxpayer liaison officer and deputy taxpayer liaison officer are required to retain a copy of the certificate for at least three years, and the board of directors is required to retain the certificate for the same period.

Amends subsections (d) and (e) to make conforming changes related to the deputy taxpayer liaison officer regarding the entitlement to compensation and restrictions against persons who perform appraisal or legal services for the appraisal district from serving as the deputy taxpayer liaison officer.

Amends subsection (f) to provide that the taxpayer liaison officer is responsible for publicizing the availability of positions on the appraisal review board. Amends subsection (g) to make conforming changes related to the deputy taxpayer liaison officer regarding the ability to communicate with certain individuals in the exercise of the officer's duties without committing the offense of ex parte communications.

Adds subsection (h) to require the chief appraiser to post on the Internet website of the appraisal district the name, contact information, and description of the duties of the taxpayer liaison officer. A link to this information must be prominently posted on the home page of the Internet website.

Adds subsection (i) to require the appraisal district board of directors to annually evaluate the performance of the taxpayer liaison officer and each deputy taxpayer liaison officer, including a review of the timeliness of the officer's resolution of complaints. *Effective Jan. 1, 2024. A person serving as a taxpayer liaison officer on Jan. 1, 2024, must complete the training requirements and courses under Section 6.052(b-8) not later than Dec. 31, 2024.*

Section 6.052, as effective Jan. 1, 2024

SB 2 (2nd CS) amends subsection (f) to provide that the taxpayer liaison officer is responsible for providing clerical assistance to the applicable appointing authority, rather than the local administrative district judge, in the selection of appraisal review board members. *Effective July 1, 2024, contingent on voter approval of HJR 2 (2nd CS).*

Section 6.12

HB 3207 amends subsection (b) to remove the requirement that members of the agriculture advisory board be residents of the district for at least five years. *Effective Sept. 1, 2023.*

Section 6.41

HB 4559 amends subsection (b-2) to increase the population bracket from 1 million to 1.2 million for counties within which an appraisal district board of directors is required by resolution to increase the number of appraisal review board members. *Effective Sept. 1, 2023.*

SB 2 (2nd CS) amends subsection (d) to provide that members of the appraisal review board in populous counties are appointed by the board of directors of the appraisal district, rather than by the local administrative district judge. Members of the appraisal review board in less populous counties continue to be appointed by the local administrative district judge. Amends subsections (d-1), (d-2), (d-3), (d-5), (d9), (d-10), (e), (g), (i), and (j) to make conforming changes related to the appointment of appraisal review board members by the applicable appointing authority.

Adds subsection (d-2-1) to require appointments made by the board of directors to the appraisal review board be made by majority vote. Requires that at least two members of the majority vote be publicly elected members of the board of directors. *Effective July 1, 2024, contingent on voter approval of HJR 2 (2nd CS).*

Section 6.41, as amended by HB 2941 and SB 63, 87th RS

SB 2 (2nd CS) reenacts and amends subsection (f) to make conforming changes related to the removal of appraisal review board members by the applicable appointing authority. *Effective July 1, 2024, contingent on voter approval of HJR 2 (2nd CS).*

Section 6.42

SB 2 (2nd CS) amends subsection (a) to make conforming changes related to the appointment of the appraisal review board chairman and secretary by the applicable appointing authority. *Effective July 1, 2024, contingent on voter approval of HJR 2 (2nd CS).*

Section 6.425

SB 2 (2nd CS) amends subsection (e) to make conforming changes related to the appointment of appraisal review board members. *Effective July 1, 2024, contingent on voter approval of HJR 2 (2nd CS).*

Chapter 11. Taxable Property and Exemptions

Section 11.13

SB 2 (2nd CS) amends subsection (b) to provide for an increase in the residence homestead exemption from \$40,000 to \$100,000. Adds subsection (n-1) to prohibit the governing body of a school district, municipality, or county from reducing or repealing a local option homestead exemption that was adopted for the 2022 tax year. The prohibition expires on Dec. 31, 2027. *Effective on the date of the official canvas showing adoption of HJR 2 (2nd CS), contingent on voter approval of HJR 2 (2nd CS), and applies beginning with the 2023 tax year.*

Section 11.18

HB 456 amends subsection (a) to expand the property tax exemption for charitable organizations to include royalty interest owned by certain charitable organizations if the royalty interest was not severed from the ground of the estate or was donated to the charitable organization by the previous owner of the royalty interest. *Effective Jan. 1, 2024, and applies only to property taxes imposed for a tax year that begins on or after the effective date.*

HB 4559 amends subsection (p) to adjust the population brackets for the existing property tax exemption for a charitable organization providing housing and related services to homeless individuals. The bill adjusts the population bracket for a county from no more than 1 million and less than 1.5 million to no more than 1.2 million and less than 1.5 million (Travis County) and increases the population bracket for a county in which a qualifying municipality is located from 5,000 to 5,500 (Midland County). *Effective Sept. 1, 2023*

SB 719 amends subsection (d) to expand the property tax exemption for charitable organizations to include an organization 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. The bill strikes the term “handicapped” to describe persons or children with disabilities. *Effective Jan. 1, 2024, and applies only to a tax year that begins on or after the effective date.*

Section 11.1825

HB 4559 amends subsections (s) and (v) to adjust the county population bracket from at least 1.8 million to at least 2.1 million for purposes of the governing body of a taxing unit approving certain low-income housing property tax exemptions. *Effective Sept. 1, 2023*

HB 4645 adds subsection (a-1) to expand the property tax exemption for organizations providing low-income housing to exempt improvements owned by an organization that leases land under a ground lease. *Effective Jan. 1, 2024, and applies only to a property tax year starting on or after the effective date.*

Section 11.26

SB 2 (2nd CS) repeals subsections (a-1), (a-2), and (a-3), relating to the adjustment to the tax limitation to account for changes to the school finance system that went into effect in 2007. Amends subsection (a-10) to provide for an automatic tax limitation adjustment for increases to the residence homestead exemption or the exemption for individuals 65 years of age or older or disabled. Adds subsections (a-11) and (a-12) to provide an adjustment to the tax limitation for the increase in the residence homestead exemption from \$40,000 to \$100,000 as well as the prior increase from \$25,000 to \$40,000. Amends subsection (o) to strike language related to a repealed provision. *Effective on the date of the official canvas showing adoption of HJR 2 (2nd CS), contingent on voter approval of HJR 2 (2nd CS), and applies beginning with the 2023 tax year.*

SB 2 (2nd CS) repeals subsections (a-5), (a-6), (a-7), (a-8), and (a-9), relating to the adjustment to the tax limitation to account for school district tax rate compression in tax years 2019 through 2022. *Effective Jan. 1, 2025, contingent on voter approval of HJR 2 (2nd CS).*

Section 11.36

SB 1145 adds this section to authorize a county or municipality to grant up to a 50 percent property tax exemption on real property owned or leased for the purposes of operating a qualifying child-care facility. The bill defines “child-care facility” to mean a facility licensed by the Health and Human Services Commission and “qualifying child-care facility” as a child-care facility for which the owner or operator participates in the Texas Workforce Commission’s Texas Rising Star Program and at which at least 20 percent of the total number of children enrolled at the facility receive subsidized child-care services provided through the child-care services program administered by the Texas Workforce Commission.

The bill requires an owner of leased property to submit an affidavit certifying that the person has provided the operator of the child-care facility a disclosure document stating the amount by which the taxes on the property will be reduced as a result of the exemption and the method to ensure that the rent charged for the lease of the property fully reflects that reduction. The affidavit must state that the rent charged for leasing the property reflects the reduction in the amount of property taxes resulting from the exemption through a monthly or annual credit against the rent and that the owner of leased property does not charge rent for the lease of the property in an amount that exceeds the rent charged by the owner to other tenants of the commercial property for similar space or the average rent charged for comparable rental property. Property is ineligible for the exemption if the property is a residence homestead or leased to another person for use as a principal residence.

The bill authorizes the Comptroller to adopt rules and forms necessary to administer the exemption. *Effective Jan. 1, 2024, contingent on voter approval of SJR 64, and applies only to property taxes imposed for a tax year beginning on or after the effective date.*

SB 2289 adds this section to grant a property tax exemption for owned or leased medical or biomedical property located in a medical or biomedical manufacturing facility that a person owns or leases. The bill 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 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. The bill defines “medical or biomedical manufacturing facility” as a facility at which a person conducts manufacturing or processing of medical or biomedical products for purposes of development and commercialization to advance public health.

Unless the governing body of a taxing unit has provided for the taxation of tangible personal property that is not held or used for the production of income, a taxing unit is prohibited from taxing medical or biomedical property exempted under this section. *Effective Jan. 1, 2024, contingent on voter approval of SJR 87, and applies only to property taxes imposed for a tax year beginning on or after the effective date.*

Section 11.42

SB 2289 amends subsection (d) to provide that an individual who acquires property after January 1 of a tax year may receive the medical or biomedical property exemption on the property for the applicable portion of the tax year which the individual qualified. *Effective Jan. 1, 2024, contingent on voter approval of SJR 87, and applies only to property taxes imposed for a tax year beginning on or after the effective date.*

Section 11.43

HB 4077 amends subsection (m) to require the chief appraiser to automatically grant the residence homestead exemption for an individual 65 years of age or older if the appraisal district has the information in the appraisal records indicating that the property owner became 65 years of age in the preceding tax year without requiring the property owner to apply for or request the exemption. *Effective Jan. 1, 2024, and applies only to property taxes imposed for a tax year that begins on or after the effective date.*

SB 1145 amends subsection (c) to provide that the childcare facilities exemption, once allowed, does not need to be claimed in subsequent years. *Effective Jan. 1, 2024, contingent on voter approval of SJR 64, and applies only to property taxes imposed for a tax year beginning on or after the effective date.*

SB 1381 amends subsection (l) to require the residence homestead application form include a space for the date of birth of the applicant’s spouse in addition to a space for the applicant’s date of birth, and adds a statement that failure to provide the date of birth of the applicant’s spouse does not affect the applicant or applicant’s spouse for the residence homestead exemption or the exemption for a surviving spouse of an individual 65 years of age or older. The bill adds subsection (m-2) to provide that an eligible surviving spouse of an individual 65 years of age or older is entitled to continue to receive the exemption without applying for the exemption if the appraisal district learns of the person’s death from any source and has information necessary to determine the surviving spouse’s eligibility in the appraisal records. The bill adds subsection (m-3) to provide that subsection (m-2) does not apply if the chief appraiser determines that the surviving spouse is no longer entitled to the residence homestead exemption. *Effective Jan. 1, 2024, and applies only to property taxes imposed for a tax year on or after the effective date.*

SB 1801 adds subdivision (h-1) to require a chief appraiser to develop a program for the periodic review of residence homestead exemptions to confirm that the recipient continues to qualify for the exemption. The program must require the review of each residence homestead exemption at least once every five tax years, which may be done in phases with a portion of the exemptions reviewed each tax year. *Effective Sept. 1, 2023. A chief appraiser must develop and implement the program by Jan. 1, 2024.*

SB 2289 amends subsection (c) to provide that the medical or biomedical property exemption, once allowed, does not need to be claimed in subsequent years. *Effective Jan. 1, 2024, contingent on voter approval of SJR 87, and applies only to property taxes imposed for a tax year beginning on or after the effective date.*

Chapter 22. Renditions and Other Reports

Section 22.24

HB 2121 amends subsection (e) to add a report filed 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 to the list of exceptions to the requirement that a rendition or report must be sworn to before an officer authorized by law to administer an oath. *Effective Jan. 1, 2024, and applies only to a rendition of property for property taxes purposes for a tax year that begins on or after the effective date.*

Chapter 23. Appraisal Methods and Procedures

Section 23.03

HB 5 amends this section to add properties that are subject to a limitation on taxable value under Subchapter T, Chapter 403, Government Code (Texas Jobs, Energy, Technology, and Innovation Act), to the list of large

properties and properties subject to a limitation on appraised or taxable value required to be compiled by a chief appraiser and submitted to the Texas Economic Development and Tourism Office. *Effective Jan. 1, 2024.*

Section 23.231

SB 2 (2nd CS) adds this section to provide a circuit breaker limitation on the appraised value of real property. Defines “consumer price index,” “disaster recovery program,” and “new improvement” for purposes of this section. This section applies only to real property with an appraised value of not more than \$5 million in 2024; requires the Comptroller to adjust the value threshold annually by the percentage increase or decrease during the preceding state fiscal year in the consumer price index rounded to the nearest \$10,000. The amount in effect for a tax year is required to be published as soon as practicable after January 1 of each tax year. The limitation does not apply to residence homestead property or property receiving special appraisal under Subchapters C, D, E, F, G, or H.

Provides that an appraisal office may increase the appraised value of qualified real property for a tax year to an amount not to exceed the lesser of the market value of the property for the most recent tax year that the market value was determined or the sum of 20 percent of the appraised value of the property for the preceding tax year, the appraised value of the property for the preceding tax year, and the market value of all new improvements to the property. The chief appraiser is required to appraise the property at market value and include the both the market value and the value as determined under the circuit breaker limitation in the appraisal records.

The circuit breaker limitation takes effect as to a parcel of real property on January 1 of the tax year following the first tax year in which the owner owns the property on January 1. The limitation expires on January 1 of the tax year following the tax year in which the owner ceases to own the property. A person who acquired real property before the 2023 tax year is considered to have acquired the property on Jan. 1, 2023.

An improvement to real property that would otherwise constitute a new improvement is not treated as a new improvement if the improvement is a replacement structure for a structure that was rendered uninhabitable or unusable by casualty or by wind or water damage. Specifies the manner in which property is to be appraised if the property would otherwise be considered a new improvement had the casualty or damage not occurred and states that the replacement structure is considered to be a new improvement only if the square footage exceeds that of the replaced structure or the exterior is of higher quality construction and composition than that of the replaced structure. Provides that a replacement structure is not considered to be a new improvement if differences in the square footage or exterior construction are necessary to satisfy the requirements of a disaster recovery program.

The circuit breaker limitation expires on Dec. 31, 2026. *Effective Jan. 1, 2024, contingent on voter approval of HJR 2 (2nd CS), and applies only to the appraisal of real property for a tax year that begins on or after the effective date.*

Section 23.51

HB 260 amends subdivision (4), the definition of net to land, to define “wildlife or livestock disease or pest area” to mean an area designated by the Texas Parks and Wildlife Department or the Texas Animal Health Commission as an area in which diseases or pests that affect wildlife or livestock may exist, including a chronic wasting disease containment or surveillance zone and are subject to a quarantine under Subtitle C, Title 6, Agriculture Code. The bill requires the chief appraiser to take into consideration the effect that the presence of the applicable disease or pest or the designation of the area has on the net income from the land when calculating net to land of open-space land located in or adjacent to a wildlife or livestock disease or pest area. *Effective Jan. 1, 2024, and applies only to appraisal for open-space land for a tax year that begins on or after the effective date.*

Section 23.54

HB 2354 adds subsection (e-1) to provide that, for purposes of qualifying for open-space agriculture special valuation, ownership of the land is not considered to have changed if the land is transferred to a surviving spouse of the former owner. *Effective Jan. 1, 2024.*

Section 23.541

SB 1191 adds subsection (a-1) to require a chief appraiser to approve or deny an application for open-space agriculture valuation after the deadline for filing has passed if: the land that was the subject of the application was appraised as open-space land in the preceding tax year; the ownership of the land changed as a result of the death of an owner of the land during the preceding tax year; and, the application is filed not later than the delinquency date for the taxes on the land for the year in which the application is filed by the surviving spouse or surviving child of the decedent, the executor or administrator of the estate of the decedent, or a fiduciary acting on behalf of the surviving spouse or surviving child of the decedent.

Amends subsection (b) to provide that the penalty for a late filed application does not apply to an application filed under subsection (a-1). *Effective May 23, 2023, applies beginning with the 2023 tax year.*

Chapter 25. Local Appraisal

Section 25.025

HB 1911, SB 617, SB 870, SB 1525 amend subsection (a) to add the following individuals to whom provisions relating to confidentiality of certain home address information apply: a current or former employee or contract staff member of a university health care provider at a corrections facility operated by the Texas Department of Criminal Justice or the Texas Juvenile Justice Department (HB 1911); a current or former attorney for the Department of Family Protective Services (HB 1911 and SB 1525); a customs and border protection officer or border patrol agent of the United States Customs and Border Protection or the spouse, surviving spouse, or adult child of a customs and border protection officer or border patrol agent (SB 617); a current or former employee of the Office of the Attorney General who was assigned to perform duties under Chapter 231, Family Code (Administration of Title IV-D Program) (SB 870). *Effective May 19, 2023, (SB 617). Effective June 9, 2023 (HB 1911). Effective June 18, 2023 (SB 1525). Effective Sept. 1, 2023, and applies only to a request submitted on or after the effective date (SB 870).*

Section 25.19

HB 3273 redesignates subsection (m), as added by Chapter 209 (HB 2723), Acts of the 87th Legislature, Regular Session, as subsection (1-l) and amends the subsection to require the notice of appraised value to include the notice required by Tax Code Section 26.04(e-2), related to visiting Texas.gov/ PropertyTaxes to find a link to access the local property tax information database. *Effective Jan. 1, 2024.*

Section 25.19

SB 2 (2nd CS) amends subsections (b) and (g) to require the notice of appraised value and the notice of reappraisal, ownership change, or by request to include a statement of whether the property qualifies for the circuit breaker limitation on appraised value as provided by Tax Code Section 23.231.

Adds subsection (o) to provide that a notice required under subsections (a) or (g) that is delivered to the owner of real property other than a residence homestead must include the following statement: “Under Section 23.231, Tax Code, for the 2024, 2025, and 2026 tax years, the appraised value of real property other than a residence homestead for ad valorem tax purposes may not be increased by more than 20 percent each year, with certain exceptions. The circuit breaker limitation provided under Section 23.231, Tax Code, expires December 31, 2026. Unless this expiration date is extended by the Texas Legislature, beginning in the 2027 tax year, the circuit breaker limitation provided under Section 23.231, Tax Code, will no longer be in effect and may result in an increase in ad valorem taxes imposed on real property previously subject to the limitation.” This subsection expires Dec. 31, 2026. *Effective Jan. 1, 2024, contingent on voter approval of HJR 2 (2nd CS), and applies only to the appraisal of real property for a tax year that begins on or after the effective date.*

SB 2 (2nd CS) amends subsections (b) and (g) to strike references to the circuit breaker limitation on appraised value under Tax Code Section 23.231. *Effective Jan. 1, 2027, contingent on voter approval of HJR 2 (2nd CS).*

Section 25.192

HB 1228 amends subsection (d), related to separate delivery of the notice of eligibility for a residence homestead exemption, to strike provisions related to Tax Code Section 1.086, which is repealed by the bill. *Effective Jan. 1, 2024.*

Section 25.193

HB 1228 amends subsection (b), related to the notice of a cancelled or reduced exemption, to strike provisions related to Tax Code Section 1.086, which is repealed by the bill. *Effective Jan. 1, 2024.*

Section 25.195

HB 1228 adds subsection (a-1) to require an appraisal district, upon the request of the property owner or owner’s agent, to provide a copy of the appraisal records, supporting data, schedules, and other material and information the property owner is entitled to inspect by mail or electronically as provided by Tax Code Section 1.085. Adds subsection (c-1) to require a private appraisal firm, upon the request of the property owner or owner’s agent, to provide a copy of the information pertaining to the property that the firm considered in appraising the property, including information showing each method of appraisal used to determine the value of the property and all calculations, personal notes, correspondence, and working papers used in appraising the property by mail or electronically as provided by Tax Code Section 1.085. The bill prohibits an appraisal district or private appraisal firm from imposing a fee for providing the information.

The bill makes conforming amendments to subsections (d) and (e). *Effective Jan. 1, 2024. A tax official of an appraisal district established in a county with a population of 120,000 or more or of a taxing unit located wholly or primarily in such an appraisal district is required to comply with the amendments to this section beginning with the*

2024 tax year. A tax official located in a county other than one described above is required to comply with the amendments to this section beginning with the 2025 tax year.

Section 25.23

SB 2 (2nd CS) adds subsection (a-1) as a transitional provision that applies only to appraisal records for the 2023 tax year. Requires the chief appraiser to prepare supplemental appraisal records to account for the changes in law made by SB 2 (2nd CS). The subsection expires on Dec. 31, 2024. *Effective July 22, 2023.*

Chapter 26. Assessment

Section 26.012

HB 5 amends the definition of “current total value” for a school district to exclude new property value or property that is subject to an agreement entered into under Subchapter T, Chapter 403, Government Code (Texas Jobs, Energy, Technology, and Innovation Act). *Effective Jan. 1, 2024.*

HB 4456 amends the definition of “no-new-revenue maintenance and operations rate” for a school district to be the rate calculated as provided by Education Code Section 44.004(c) (5)(A)(ii)(a). *Effective Jan. 1, 2024, and applies only to a tax year that begins on or after the effective date.*

Section 26.013

SB 1999 adds subsection (1-a) to define “foregone revenue amount” to mean the greater of zero or the amount expressed in dollars calculated by subtracting the actual tax rate from the voter-approval tax rate and multiplying by the preceding total value. Adds subsection (1-b) to define “preceding total value” to mean a taxing unit’s current total value in the applicable preceding year.

Amends subsection (b) to adjust the calculation for the unused increment rate to be the sum of the foregone revenue amount in the preceding three tax years divided by the current total value. *Effective Jan. 1, 2024.*

SB 2350 amends subsection (a) to specify that the voter-approval tax rate as defined for purposes of the unused increment means the voter-approval tax rate as adopted by the taxing unit during the applicable preceding tax year. *Effective June 18, 2023.*

Section 26.04

HB 3273 amends subsection (e-2) to require the appraisal district and each taxing unit that participates in the appraisal district to prominently post on their Internet website a notice informing each property owner in the appraisal district that the estimated amount of taxes imposed may be found in the property tax database maintained by the appraisal district, rather than delivering the notice by regular mail or e-mail. The bill requires the notice of estimated taxes be in bold typeface and, in addition to current notice requirements, include instructions describing how a property owner may register on the appraisal district’s Internet website, if the appraisal district maintains an Internet website, to have notifications regarding updates to the property tax database delivered to the owner by e-mail.

Amends subsection (e-4) to provide that Comptroller rules related to formatting of the notice of estimated taxes may include rules on posting and publication of the notice.

Add subsection (e-6) to require the chief appraiser to publish the notice of estimated taxes in a newspaper of general circulation by August 7 or as soon thereafter as practicable. If there is not a newspaper of general circulation in the county, the chief appraiser is required to post the notice at the appraisal district office. *Effective Jan. 1, 2024, and applies only to a notice for a property tax year beginning after the effective date.*

Section 26.04

SB 2 (2nd CS) adds subsection (a-1) to require the assessor for a taxing unit to determine the total taxable value of property taxable by the taxing unit and the taxable value of property as if the changes in law made by SB 2 (2nd CS) were in effect for the 2023 tax year. The subsection expires on Dec. 31, 2024. Adds subsection (c-1) to require the no-new-revenue tax rate and voter-approval tax rate to be calculated as if the changes made by SB 2 (2nd CS) were in effect for the 2023 tax year. The subsection expires on Dec. 31, 2024. *Effective July 22, 2023.*

Section 26.0401

SB 2 (2nd CS) adds this section to require taxing units that calculate the no-new-revenue tax rate, the voter-approval tax rate, and any related tax rate under a provision of law other than Tax Code Section 26.04 or 26.08 to calculate those rates as if the changes made by SB 2 (2nd CS) were in effect for the 2023 tax year. The section expires on Dec. 31, 2024. *Effective July 22, 2023.*

Section 26.05

HB 3273 amends subsection (d-1) to provide that a taxing unit, other than a school district, may not hold a public hearing on a proposed tax rate, until the fifth day after a chief appraiser has posted the notice of estimated taxes on the appraisal district’s Internet website or published the notice of estimated taxes in a newspaper of general

circulation or at the appraisal district office, as applicable. *Effective Jan. 1, 2024, and applies only to a notice for a property tax year beginning after the effective date.*

HB 4456 amends subsection (b) to make conforming changes related to the no-new-revenue maintenance and operations tax rate for school districts. *Effective Jan. 1, 2024, and applies only to a tax year that begins on or after the effective date.*

Section 26.08

SB 2 (2nd CS) adds subsection (q) to require the voter-approval tax rate of a school district to be calculated as if the changes made by SB 2 (2nd CS) were in effect for the 2023 tax year. The subsection expires on Dec. 31, 2024. *Effective July 22, 2023.*

Section 26.09

SB 2 (2nd CS) adds subsection (c-1) to require the assessor for a taxing unit to calculate the amount of tax imposed by the taxing unit on property for the 2023 tax year as if changes made by SB 2 (2nd CS) were in effect for the 2023 tax year and also as if the changes were not in effect. The subsection expires on Dec. 31, 2024. *Effective July 22, 2023.*

Section 26.15

SB 2 (2nd CS) adds subsection (h) to require the assessor for a taxing unit to correct the tax roll for the taxing unit for the 2023 tax year to reflect the results of the election to approve the constitutional amendment proposed by HJR 2 (2nd CS). The subsection expires on Dec. 31, 2024. *Effective July 22, 2023.*

Section 26.17

HB 796 amends subsection (c) to require the database of property tax-related information to include a link to the Internet database containing information related to protest hearings conducted by the appraisal review board. *Effective Jan. 1, 2024.*

HB 3273 adds subsection (g) to require the appraisal district to deliver email notifications to a property owner regarding updates to the property tax database if the property owner registers on the website to receive such notifications. *Effective Jan. 1, 2024, and applies only to a notice for a property tax year beginning after the effective date.*

HB 4456 amends subsection (b) to strike the term “weighted” from the tax rate that would maintain the same amount of revenue per student that the district received in the school year in the preceding tax year for the rate that must be included in the database of property tax related information. *Effective Jan. 1, 2024, and applies only to a tax year that begins on or after the effective date.*

Chapter 31. Collections

Section 31.01

SB 2 (2nd CS) adds subsections (d-2), (d-3), and (d-4) to apply to taxes imposed for the 2023 tax year and only if the changes made by SB 2 (2nd CS) would lower the taxes imposed on the individual property for that tax year. Requires the assessor for a taxing unit to compute the amount of taxes imposed as if the changes made by SB 2 (2nd CS) were in effect for the 2023 tax year. The tax bill or a separate statement must indicate that the bill is a provisional tax bill and include a statement indicating what the tax bill would be if SB 2 (2nd CS) were not in effect, the amount by which the tax bill would be lowered by SB 2 (2nd CS), and the amount of the tax bill contingent on the passage of the constitutional amendment proposed by HJR 2 (2nd CS). The statement must note that a supplemental tax bill in the specified amount will be mailed if the constitutional amendment is not approved by the voters.

A tax bill prepared and mailed under subsection (d-2) is considered a provisional tax bill until the canvass of the votes on the constitutional amendment proposed by HJR 2 (2nd CS). If the constitutional amendment is approved by the voters, the tax bill is considered the final tax bill for the 2023 tax year. If the constitutional amendment is not approved by the voters a tax bill prepared and mailed under subsection (d-2) is considered to be a final tax bill but only as to the portion of the taxes imposed on the property that were included in the bill, the amount of taxes imposed by each taxing unit for the 2023 tax year is calculated as if the changes in SB 2 (2nd CS) were not in effect, and the assessor is required to prepare and mail a supplemental tax bill in the amount equal to the difference between the total amount of taxes imposed and the amount of the provisional tax bill. The supplemental tax bill is required to be mailed by December 1 or as soon thereafter as practicable.

Adds subsection (d-4) to provide that provisions of this section other than subsection (d-2) apply to a supplemental tax bill mailed under subsection (d-3). Adds subsection (d-5) to provide that subsections (d-2), (d-3), (d-4), and (d-5) expire on Dec. 31, 2024. *Effective July 22, 2023.*

Section 31.02

SB 2 (2nd CS) adds subsection (a-1) to provide that taxes on a supplemental tax bill mailed under Section 31.01(d-3) as added by SB 2 (2nd CS) are due on receipt of the tax bill and are delinquent if not paid before March 1, 2024. The subsection expires on Dec. 31, 2024. *Effective July 22, 2023.*

Section 31.03

HB 4559 amends subsection (d) to adjust the county population bracket from not less than 285,000 and not more than 300,000 to not less than 315,000 and not more than 351,000 for a county that borders a county having a population of 3.3 million or more and the Gulf of Mexico for purposes of the governing body of a taxing unit adopting a split-payment of taxes option. *Effective Sept. 1, 2023.*

Section 31.11

HB 4559 amends subsections (a) and (i) to adjust the population bracket from a county with a population of 2 million or more to 2.5 million or more for purposes of the governing body of taxing unit approving certain refunds for erroneous or excessive payments. *Effective Sept. 1, 2023.*

Chapter 32. Tax Liens and Personal Liability

Section 32.06

SB 1371 amends subsections (d-1) and (f-3) to update federal law citations, which describe a right of rescission applicable to the transfer of a tax lien on residential property owned and used by the property owner for personal, family or household purposes. *Effective Sept. 1, 2023.*

Chapter 33. Delinquency

Section 33.03

SB 539 adds subsection (b) to require the collector for a taxing unit to indicate whether an individual listed on the delinquent tax roll has elected to defer or abate the collection of delinquent taxes. *Effective Jan. 1, 2024.*

Section 33.43 SB 2091 amends subsection (a) to add section 34.0101 (authorizing a taxing unit to sell seized real property to the owner of abutting property at a private sale) to the provision relating to the contents of a petition initiating a suit to collect a delinquent property tax. *Effective Sept. 1, 2023, and applies only to a petition initiating a suit to collect a delinquent property tax filed on or after the effective date.*

Chapter 34. Tax Sales and Redemption

Section 34.01

SB 59 amends subsection (e) to require political subdivisions within certain counties located near the international border to include in the notice of sale of real property presumed to be for residential use a statement regarding water and wastewater requirements. *Effective Sept. 1, 2023, and applies only to notice given on or after the effective date.*

Section 34.0101

SB 2091 adds this section relating to the sale of certain property to an owner of abutting property. Subsection (a) defines “flood insurance rate map” to mean the most recent flood hazard map published by the Federal Emergency Management Agency under the National Flood Insurance Act of 1968, and “floodway” to mean an area that is identified on the flood insurance rate map as a regulatory floodway, including the channel of a river or other watercourse and the adjacent land areas that must be reserved for the discharge of a base flood, also known as a 100-year flood, without cumulatively increasing the water surface elevation more than a designated height.

Subsection (b) provides that the section applies to real property that is seized under a tax warrant or ordered sold pursuant to a foreclosure of a tax lien that meets one of the following conditions: a narrow strip of land or other parcel of land that because of its shape or small area cannot be used independently under its current zoning classification or under applicable subdivision or other development ordinances; landlocked without direct access to a public road; or, located in an area designated by the Federal Emergency Management Agency under the National Flood Insurance Act of 1968 as having a two-tenths of 1 percent or greater annual chance of flooding or a floodway.

Subsection (c) provides that the following Tax Code sections are applicable to a sale of real property under this section: 34.01 (sale of property), 34.02 (distribution of proceeds), 34.03 (disposition of excess proceeds), 34.04 (claims for excess proceeds) and 34.21 (right of redemption).

Subsection (d) authorizes a taxing unit that requested a tax warrant or order of sale of real property to direct the officer charged with selling the property to sell the property to an owner of abutting property at a private sale. Subsection (e) provides that prior to the property being sold at a private sale, the property must be offered for sale at a public auction and a bid in an amount specified under subsection (h) is not received.

Subsection (f) requires a taxing unit that directs the private sale of real property that abuts two or more adjacent parcels with different owners to give notice of the sale to each owner. The notice must state that the taxing unit will offer the property for sale, accept sealed bids for the property, and sell the property to the highest bidder.

Subsection (g) requires purchasers of property under this section to meet requirements under Tax Code Section 34.015 (persons eligible to purchase real property).

Subsection (h) provides that a taxing unit that directs the sale of real property at a private sale may not sell the property for an amount that is less than the lesser of the market value as specified in the warrant of judgement or, for a property seized under a tax warrant, the total amount of taxes, penalties, interest, costs, fees, and other claims for which the warrant was issued or, for a property ordered sold pursuant to a foreclosure of a tax lien, the total amount due under the judgement is not received.

Subsection (i) allows the taxing unit that requested a tax warrant or order of sale for real property to sell the property without the consent of another taxing unit entitled to receive proceeds of the sale. *Effective Sept. 1, 2023, and applies only to a petition initiating a suit to collect a delinquent property tax filed on or after the effective date.*

Section 34.015

SB 62 adds subsection (c-1) to require the county assessor-collector to post the form a person must use to request a delinquent tax statement on the county's Internet website. If the county assessor-collector permits a person to use a form prescribed by the Comptroller for that purpose, the county assessor-collector may post a link to the Comptroller's Internet website where the form can be viewed. *Effective Sept. 1, 2023.*

Section 34.02

SB 2091 amends subsections (a) and (d) to make conforming changes by adding Tax Code Section 34.0101 (sale of certain property to the owner of abutting property) to how proceeds from a tax sale are to be distributed. *Effective Sept. 1, 2023, and applies only to a petition initiating a suit to collect a delinquent property tax filed on or after the effective date.*

Section 34.03

HB 4250 amends subsection (d) to provide that the clerk of the court may deduct from the amount of the excess proceeds of a tax sale, the cost of postage for sending notice to the former owner of the property by certified mail. *Effective Sept. 1, 2023.*

Chapter 41. Local Review

Section 41.13

HB 796 adds this section to require an appraisal district to create and maintain a publicly available and searchable online database containing the following information for each protest hearing conducted by the appraisal review board: the name of each appraisal review board member who attended the hearing; the date and time of hearing; the account number and category of property subject to hearing; the appraised value according to appraisal district and property owner's asserted value of the property subject to the hearing; and, the appraisal review board's determination of the protest, including the determination of value.

The bill requires the chief appraiser to update the information in the database not later than October 1, of each year.

Beginning Jan. 1, 2025, the bill requires the database to include information for protests relating to the most recent tax year and each tax year thereafter until the database includes information for protests relating to the most recent five tax years. Beginning Jan. 1, 2030, the database is required include information for protests relating to the previous five tax years. *Effective Jan. 1, 2024. Each chief appraiser is required to provide the Internet database by Jan. 1, 2024.*

Section 41.41

SB 2 (2nd CS) amends subsection (a) to authorize a property owner to file a protest before the appraisal review board related to a determination that the owner's property does not qualify for the circuit breaker limitation on appraised value under Tax Code Section 23.231. *Effective Jan. 1, 2024, contingent on voter approval of HJR 2 (2nd CS), and applies only to the appraisal of real property for a tax year that begins on or after the effective date.*

SB 2 (2nd CS) amends subsection (a) to remove the ability of a property owner to file a protest before the appraisal review board related to a determination that the owner's property does not qualify for the circuit breaker limitation on appraised value under Tax Code Section 23.231. *Effective Jan. 1, 2027, contingent on voter approval of HJR 2 (2nd CS).*

Section 41.46

HB 1228 repeals subsection (e) related to electronic delivery of the notice of an appraisal review board hearing at the request of the property owner. *Effective Jan. 1, 2024.*

HB 3273 amends subsection (a) to require the notice of protest hearing sent by the appraisal review board to a property owner regarding the date, time, and place of the protest hearing to include the notice of estimated taxes under Tax Code Section 26.04(e-2). *Effective Jan. 1, 2024, and applies only to a notice for a property tax year beginning after the effective date.*

Section 41.461

HB 1228 amends subsection (c) to require a chief appraiser to electronically deliver a copy of the data, schedules, formulas, and all other information the chief appraiser intends to introduce at the protest hearing requested by a property owner or owner's agent if the property owner or owner's agent has elected to receive electronic communications under Tax Code Section 1.085. *Effective Jan. 1, 2024. A tax official of an appraisal district established in a county with a population of 120,000 or more or of a taxing unit located wholly or primarily in such an appraisal district is required to comply with the amendments to this section beginning with the 2024 tax year. A tax official located in a county other than one described above is required to comply with the amendments to this section beginning with the 2025 tax year.*

Section 41.47

HB 1228 amends subsection (d) to require the appraisal review board to electronically deliver the order of determination and a copy of the appraisal review board survey if the property owner or owner's agent has elected to receive electronic communications under Section 1.085. Repeals subsection (d-1) related to electronic delivery of appraisal review board orders of determination at the request of the property owner or owner's agent. *Effective Jan. 1, 2024. A tax official of an appraisal district established in a county with a population of 120,000 or more or of a taxing unit located wholly or primarily in such an appraisal district is required to comply with the amendments to this section beginning with the 2024 tax year. A tax official located in a county other than one described above is required to comply with the amendments to this section beginning with the 2025 tax year.*

Section 41.66

HB 1285 amends subsection (q) to authorize the board of directors to refer complaints regarding to the conduct of the appraisal review board and investigated by the taxpayer liaison officer to the local administrative district judge with a recommendation that the judge review the member of the appraisal review board serving as chairman if the chairman has failed to take remedial action required by the board of directors to resolve a complaint. If the local administrative district judge agrees with the board of directors' recommendation, the judge is required to remove the chairman from that office and appoint another member of the appraisal review board as chairman. *Effective Jan. 1, 2024.*

Chapter 41A. Appeal Through Binding Arbitration

Section 41A.015

HB 4101 amends subsection (a) to expand the reasons for filing a request for limited binding arbitration to include a failure of the appraisal review board to comply with the hearing procedures adopted by the appraisal review board. *Effective Jan. 1, 2024, and applies only to a request for limited binding arbitration related to a protest filed on or after the effective date.*

Section 41A.03

SB 2355 amends subsection (a) to provide that a request for binding arbitration be filed with the Comptroller rather than the appraisal district. The bill strikes the requirement that an arbitration deposit be made payable to the Comptroller. The bill adds subsection (c) to provide that a property owner must pay the arbitration deposit electronically if the request for binding arbitration is filed electronically. Adds subsection (d) to provide that a property owner must pay the binding arbitration deposit by check or money order made payable to the Comptroller if the request for binding arbitration is not filed electronically. *Effective Jan. 1, 2024, and applies only to a request for arbitration made on or after the effective date.*

Section 41A.04

SB 2355 amends subdivision (3) to provide that the request form for binding arbitration include any information reasonably necessary for the Comptroller, rather than the appraisal district, to process the request and appoint an arbitrator. *Effective Jan. 1, 2024, and applies only to a request for arbitration made on or after the effective date.*

Section 41A.05

SB 2355 amends subsection (a) requiring an appraisal district to provide the Comptroller the necessary information to process the request and assign an arbitrator, in the manner prescribed by the Comptroller. The information must be provided by the 10th day after the appraisal district receives notification the arbitration request

has been filed. *Effective Jan. 1, 2024, and applies only to a request for arbitration made on or after the effective date.*

Section 41A.08

SB 2355 adds subsection (c) to require that the designation of an agent by a property owner be made by written authorization on a form prescribed by the Comptroller. The designation must authorize the agent to represent the owner in an arbitration proceeding. Adds subsection (d) to require the property owner's agent to retain the form and produce the form if requested by the property owner; appraisal district party to the arbitration; appraisal review board party to the arbitration; arbitrator assigned; or, the Comptroller. The bill adds subsection (e) to allow a property owner to assign their right to receive a refund of an arbitration deposit to an agent or entity on a form prescribed by the Comptroller. *Effective Jan. 1, 2024, and applies only to a request for arbitration made on or after the effective date.*

Section 41A.11

SB 2355 amends this section to provide that as with an arbitration award, an arbitration settlement reached between parties is considered to be a final determination of an appeal. *Effective Jan. 1, 2024, and applies only to a request for arbitration made on or after the effective date.*

Chapter 42. Judicial Review

Section 42.23

HB 2488 adds subsection (i) to provide that, in an appeal of a protest or motion determined by the appraisal review board, 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 at a trial on the merits. *Effective Sept. 1, 2023, and applies only to an appeal filed on or after the effective date.*

Section 42.26

SB 2 (2nd CS) amends subsection (d) to add a reference to the circuit breaker limitation under Tax Code Section 23.231 as it relates to the use of market value in an appeal on unequal appraisal. *Effective Jan. 1, 2024, contingent on voter approval of HJR 2 (2nd CS).*

SB 2 (2nd CS) amends subsection (d) to remove a reference to the circuit breaker limitation under Tax Code Section 23.231 as it relates to the use of market value in an appeal on unequal appraisal. *Effective Jan. 1, 2027, contingent on voter approval of HJR 2 (2nd CS).*

Chapter 312. Property Redevelopment and Tax Abatement Act

Section 312.0025

HB 5 amends subsection (a) to make conforming changes related to Subchapter T, Chapter 403, Government Code (Texas Jobs, Energy, Technology, and Innovation Act). *Effective Jan. 1, 2024.*

Section 312.008

SB 1340 adds this section to require a taxing unit that maintains an Internet website and has entered into a tax abatement agreement to publish a link to the Local Development Agreement Database maintained by the Comptroller's office. *Effective Jan. 1, 2024, and applies only to an agreement made on or after the effective date.*

Agriculture Code

Section 251.002

HB 2947 amends subdivision (1) by adding the commercial sale of animals as defined by Agriculture Code Section 252.001 (animal and crop facilities) to the definition of agricultural operations. *Effective June 11, 2023.*

Civil Practice and Remedies Code

Section 34.041

HB 1382 adds subsection (a-1) to provide that a commissioner's court may authorize the officer charged with conducting a public sale of real property taken in execution of a judgement to conduct a public auction using online bidding and sale. Authorizes the commissioner's court to adopt rules related to the online auctions; rules adopted by the commissioner's court take effect 90 days after they are published in the county's real property records. The bill adds subsection (a-2) to exclude the sale of real property that is under a power of sale conferred by a contract lien from the online auction authorized by the commissioner's court. Makes conforming changes to subsection (b). *Effective Sept. 1, 2023.*

Code of Criminal Procedure

Sections 58.051, 58.052, 58.054, 58.055, 58.056

HB 1161 amends these sections to add “child abduction” as a category for protection under the Attorney General’s address confidentiality program and specifies eligibility. *Effective May 24, 2023.*

Government Code

Section 403.0246

SB 1340 amends subsection (a)(2) by adding paragraph (C) to include a tax abatement agreement under Tax Code Chapter 312, in the definition of “local development agreement.” Amends subsection (b) to require the current Tax Code Chapters 380 and 381 Database maintained by the Comptroller be a consolidated searchable data tool renamed as the Local Development Agreement Database.

The bill amends subsection (c) to expand the information required to be maintained in the database to include: the contact information of any entity’s agent that entered into the agreement, including the business address and any assumed names of the entity; the terms of the agreement; the agreement’s total monetary value; and, the money source or type of tax implicated by the agreement, including a sales tax, property tax or hotel occupancy tax.

Adds subsection (h) to authorize the Comptroller to prescribe the form and manner in which a local government must submit the information required to be maintained in the database. *Effective Jan. 1, 2024, and applies only to an agreement made on or after the effective date.*

Sections 403.601- 403.624, Subchapter T

HB 5 adds this subchapter “Texas Jobs, Energy, Technology, and Innovation Act” including these sections to authorize a limitation on taxable value of certain property to provide for the creation of jobs and encourage financially positive, large-scale economic development. Section 403.602 defines terms for the subchapter, including “eligible project” to mean a project to construct or expand a new or existing manufacturing facility; a facility related to the provision of utility services, including dispatchable electric generation; a facility related to the development of natural resources; a facility to engage in the research, development or manufacture of high-tech equipment or technology; or a project to construct or expand critical infrastructure. “Eligible project” does not include a project to construct or expand a new or existing non-dispatchable electric generation facility or electric energy storage facility. The bill defines “eligible property” to mean a new building or expansion of an existing building constructed on or after the date of the agreement pertaining to the project and located in a reinvestment zone or enterprise zone, or tangible personal property other than inventory property, that is wholly owned by an applicant or leased by an applicant under a capitalized lease. Section 403.603 provides that the subchapter expires on Dec. 31, 2033.

Section 403.604 specifies the required number of jobs and level of investment for a project to be eligible to enter into an agreement to limit the taxable value of eligible property. A required job created in connection with an eligible project must be a new full-time job in this state and may not be transferred from an existing facility or location in this state or otherwise created to replace an existing job, unless the vacancy created by the transfer is filled. The required level of investment is determined by the appraised value of the eligible property composing the project on Jan. 1 of the second tax year of the incentive period. If the project is located in a county with a population of at least 750,000, the project must create 75 required jobs by the end of the first tax year of the incentive period, demonstrate an average of at least that number of jobs during each following tax year until the agreement expires, and make an investment in the project of at least \$200 million by the end of the first tax year of the incentive period. If the project is located in a county with a population of at least 250,000 but less than 750,000, the project must create 50 required jobs by the end of the first tax year of the incentive period, demonstrate an average of at least that number of jobs during each following tax year until the agreement expires, and make an investment in the project of at least \$100 million by the end of the first tax year of the incentive period. If the project is located in a county with a population of at least 100,000 but less than 250,000, the project must create 35 required jobs by the end of the first tax year of the incentive period, demonstrate an average of at least that number of jobs during each following tax year until the agreement expires, and make an investment in the project of at least \$50 million by the end of the first tax year of the incentive period. If the project is located in a county with a population of less than 100,000, the project must create 10 required jobs by the end of the first tax year of the incentive period, demonstrate an average of at least that number of jobs during each following tax year until the agreement expires, and make an investment in the project of at least \$20 million by the end of the first tax year of the incentive period. Subsection (f) authorizes the Comptroller to adopt rules to interpret and administer this section.

Section 403.605 provides that the taxable value of eligible property for school district maintenance and operations taxes is zero in the tax year for the tax year following the year in which the agreement is made until Dec. 31 of the tax year that includes the construction completion date of the eligible project. In subsequent tax years, the taxable value for eligible property for school district maintenance and operations taxes is 50 percent of the market

value of the property or, if the property is located in a qualified opportunity zone, 25 percent of the market value of the property for a given tax year. The bill requires the chief appraiser to determine the market value and appraised value of the property and include the market value, appraised value, and taxable value of the property in the appraisal records; the chief appraiser is prohibited from using the estimated value included in the application for the agreement to determine the market value of the property. *Effective Jan. 1, 2024; the Comptroller is required to adopt rules and develop and make available forms and materials as soon as practicable after Sept. 1, 2023.*

Section 551.056

HB 3440 amends subsection (b) to expand the types of governmental bodies required to post notice of a meeting on the entity's Internet website to include a district or authority authorized to lend credit or make grants under Section 52, Article III, Texas Constitution, and conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution. In addition to posting the notice of a meeting, the agenda for the meeting must also be posted on the entity's Internet website. The bill repeals subsection (c), which required only certain sized entities to post the agenda for the meeting on the entity's Internet website. Effective Sept. 1, 2023, and applies on to an open meeting held on or after the effective date. Section 552.0031 HB 3033 adds this section to define a business day for purposes of a request made under the Public Information Act as a day other than Saturday or Sunday, or a national or state holiday under Government Code Section 662.003. The bill provides that an employee working from an alternative work site does not affect whether a day is considered a business day. An optional holiday is not considered a business day if the public information officer observes the optional holiday. A Friday before or Monday after a national or state holiday is not a business day if the holiday occurs on a Saturday or Sunday and the governmental body observes the holiday on that Friday or Monday. The bill provides that a governmental body may designate a day on which administrative offices are closed as a nonbusiness day provided the designation is made by the board of trustees of a school district or the executive director or chief administrative officer of another governmental entity; a governmental body may not designate more than 10 days per year as nonbusiness days. Effective Sept. 1, 2023.

Section 552.012

HB 3033 adds subsection (b-1) to provide that the Attorney General may require a public official of a governmental body to complete open records training if the Attorney General determines that the governmental body failed to comply with a requirement of the Public Information Act. The Attorney General must notify each public official in writing of the determination and the requirement to complete the training course. A public official who is required to complete the training must do so not later than 60 days after the official receives the notice. *Effective Sept. 1, 2023.*

Section 552.103

HB 3033 adds subsection (d) to provide that the exception to disclosure for litigation or settlement negotiations involving the state or a political subdivision of the state does not apply if the information relates to a general, primary, or special election, the information is in the possession of a governmental body that administers elections, and the governmental body is not a board, commission, department, committee, institution, agency, or office that is within or is created by the executive or legislative branch of state government and that is directed by one or more elected or appointed members. *Effective Sept. 1, 2023, and applies only to a request made on or after the effective date.*

Section 552.108

HB 3033 amends subsection (c) to require a governmental body to promptly release basic information responsive to a request for information about an arrested person, an arrest, or a crime, unless the governing body seeks to withhold the information. Effective Sept. 1, 2023. Section 552.163 HB 3033 adds this section to create an exception to disclosure of information related to Attorney General settlement communications regarding an investigation or litigation conducted under Subchapter E, Chapter 17, Business & Commerce Code (Deceptive Trade Practices and Consumer Protection). Effective Sept. 1, 2023. Sections 552.271 and 552.272 HB 3033 adds subsections (e) and (f), respectively, to provide that a requestor who has exceeded a monthly or yearly limit established by a governmental body related to the amount of time personnel are required to spend producing public information for inspection or duplication, or providing copies of public information to a requestor without recovering costs attributable to the personnel time, may not inspect public information on behalf of another requestor unless the requestor who exceeded the limit has paid each statement issued by the governmental body to recover costs of personnel time. *Effective Sept. 1, 2023, and applies only to a request made on or after the effective date.*

Section 552.306

HB 3033 adds subsection (c) to require a governmental body to inform the requestor of the determination provided by the Attorney General and take action to provide the data, issue an estimate for the cost of producing the

data, adhere to requirements to produce voluminous data, or notify the requestor that the information is being withheld as provided by the determination or that the governmental body has filed suit against the Attorney General to overturn the determination. The bill adds subsection (d) to provide that a governmental body is presumed to have complied with the notification requirements if the governing body takes an action regarding the information subject to the determination not more than 30 days after the determination is issued. *Effective Sept. 1, 2023, and applies only to a request made on or after the effective date.*

Section 552.308

HB 3033 amends subsections (a) and (b) to make conforming changes related to Government Code Section 552.3031 as added by the bill. *Effective Sept. 1, 2023.*

Section 2054.603

SB 271 redesignates Government Code Section 2054.1125 as this section. Defines “security incident” to mean a breach or suspected breach of system security and the introduction of ransomware, as defined by Penal Code Section 33.023, into a computer, computer network, or computer system. Expands the applicability of this section to include a local government that owns, licenses, or maintains computerized data that includes sensitive personal information, confidential information, or information the disclosure of which is regulated by law. A local government that experiences a security incident is required to comply with notification requirements of Business & Commerce Code Section 521.053, notify the Department of Information Resources of the security incident within 48 hours after discovering the security incident or the Secretary of State if the security incident involves election data, and comply with Department of Information Resources rules related to reporting security incidents. Provides that this section does not apply to a security incident that a local government is required to report to an independent organization certified by the Public Utility Commission of Texas. *Effective Sept. 1, 2023.*

Labor Code

Chapter 104A

HB 915 adds this chapter related to reporting workplace violence to the Department of Public Safety (DPS). Requires each employer to post a notice to employees of the contact information for reporting instances of workplace violence or suspicious activity to the DPS. The notice must be posted in a conspicuous place, in sufficient locations to be convenient to all employees, in English and in Spanish, as appropriate. The Texas Workforce Commission (TWC), in consultation with DPS, is required prescribe the form and content of the notice by rule. The rules must require the notice to contain the contact information for reporting instances of workplace violence or suspicious activity to DPS and inform employees of the right to make a report to DPS anonymously. *Effective Sept. 1, 2023.*

Local Government Code

Section 21.031

SB 232 amends subsection (c) to provide that an appeal of a criminal conviction of an offense under newly created Local Government Code Section 180.010 does not supersede the individual’s removal from office due to a criminal conviction. *Effective Sept. 1, 2023, and applies only to a conviction of a qualifying offense on or after the effective date.*

Section 87.032

SB 232 amends this section to provide that an appeal of a criminal conviction of an offense under newly created Local Government Code Section 180.010 does not supersede the individual’s removal from office due to a criminal conviction. *Effective Sept. 1, 2023, and applies only to a conviction of a qualifying offense on or after the effective date.*

Section 180.010

SB 232 adds this section to provide for the automatic removal of a person holding an elected or appointed office of a political subdivision upon pleading guilty or nolo contendere to, receiving deferred adjudication for, or being convicted of, one of several qualifying offenses related to public corruption including: bribery; theft of public money; perjury; coercion of public servant or voter; tampering with government record; misuse of official information; abuse of official capacity; or, conspiracy or the attempt to commit any of the described offenses. The bill requires the governing body of a political subdivision to order an election if any election is required or fill the vacancy. *Effective Sept. 1, 2023, and applies only to an officer of a political subdivision who enters a plea of nolo contendere to or receives a deferred adjudication for or is convicted of, a qualifying offense, as that term is defined by that section, on or after the effective date.*

Sections 375.065, 375.067, and 375.068

HB 2815 amends these sections to make conforming changes related to the election of the board of directors of a municipal management district. Effective June 18, 2023.

Occupations Code

Section 1201.201

HB 2706 amends subdivision (5) to redefine “inventory” for purposes of manufactured housing inventory to have the meaning assigned by Business & Commerce Code, Section 9.102, which means goods, other than farm products, that are: leased by a person as lessor; held by a person for sale or lease or to be furnished under a contract of service; furnished by a person under a contract of service; or, consist of raw materials, work in process, or materials used or consumed in a business. For purposes of manufactured housing inventory, the term does not include manufactured homes used by a retailer as equipment as defined by Business & Commerce Code, Section 9.102(a)(33), which means goods other than inventory, farm products, or consumer goods. *Effective Sept. 1, 2023.*

Section 1201.219

HB 2706 amends subsection (a) to provide that a lien on manufactured homes in inventory is perfected only by filing a financing statement in accordance with Business & Commerce Code Section 9.310, and the other provisions of that code related to security interests for inventory, rather than filing the lien with the department on the required form. The bill makes a conforming change to subsection (c) related to the filing of a financing statement to perfect a lien. *Effective Sept. 1, 2023.*

Session Law

General Appropriations Act

Property Tax Relief Act, Article 5.13

SB 2 (2nd CS) requires appraisal district directors to be elected beginning with the election conducted on the uniform election date in May 2024. The directors elected at that time, take office on July 1, 2024, and serve a term that expires on Dec. 31, 2026. After the initial election, directors are elected as provided by Tax Code Section 6.0301, beginning with the general election conducted in November 2026. Directors elected at that time take office on Jan. 1, 2027. At the first meeting of the board that occurs after the November 2026 general election, the three elected directors are required to draw lots to determine which two directors will serve a four-year term and which director will serve a two-year term. Directors will then be elected to serve four-year terms. The term of an appraisal district director serving on Dec. 31, 2024, in a county with a population of 75,000 or more expires on Jan. 1, 2025. Taxing units participating in the appraisal district that are entitled to appoint directors are required to appoint five directors by Dec. 31, 2024, to serve terms beginning Jan. 1, 2025. Two directors will be appointed to serve one-year terms and three directors will be appointed to serve three-year terms. After the initial terms have expires, appointed directors will serve four-year terms. *Effective Oct. 12, 2023, contingent on voter approval of HJR 2 (2nd CS).*

Texas Constitution

Article VIII, Section 1

HJR 2 (2nd CS) adds subsection (n) to authorize the Legislature by general law to limit the maximum appraised value of real property, other than residence homestead property, to the lesser of the most recent market value of the property as determined by the appraisal district or 120 percent, or a greater percentage, of the appraised value of the property for the preceding tax year. The Legislature may prescribe additional eligibility requirements for the limitation on appraised values. The limitation takes effect as to a parcel of real property on the later of the effective date of the law imposing the limitation or January 1 of the tax year following the first tax year in which the owner owns the property on Jan. 1 and expires on Jan. 1 of the tax year following the tax year in which the owner of the property ceases to own the property. Adds subsection (n-1) to provide that the limitation on appraised value expires on Dec. 31, 2026.

Article VIII, Section 1-b

HJR 2 (2nd CS) amends subsection (c) to increase the mandatory homestead exemption for school district property taxes from \$40,000 to \$100,000. Adds a temporary provision to the Constitution, which expires on Jan. 1, 2025, specifying that the amendment to subsection (c) takes effect Jan. 1, 2023, and applies only to a tax year beginning on or after that date. Amends subsection (d) to authorize the Legislature by general law to reduce the limitation on school district property taxes on the residence homesteads of 65 and older or disabled individuals to reflect the most recent increase in the residence homestead exemption from \$25,000 to \$40,000. This amendment will be put before the voters at an election to be held Nov. 7, 2023.

Article VIII, Section 1-r

SJR 64 adds this section to authorize the governing body of a county or municipality to provide an exemption from property taxation all or part of the appraised value of real property used to operate a child-care facility. Provides that the value of the exemption as a percentage of the appraised value may not be less than 50 percent. The bill authorizes the Legislature by general law to define “child-care facility” for purposes of the exemption. This amendment will be put before the voters at an election to be held Nov. 7, 2023.

Article VIII, Section 1-x

SJR 87 adds this section to authorize the Legislature by general law to provide an exemption from property 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 medical or biomedical products. This amendment will be put before the voters at an election to be held Nov. 7, 2023.

Article VIII, Section 22

HJR 2 (2nd CS) adds subsection (a-1) to provide that appropriations from state revenues not dedicated by the Constitution that are made for the purpose of paying for property tax relief as identified by the Legislature by general law are not included as appropriations for purposes of determining whether the rate or growth of appropriations exceeds the constitutional limitation provided by this section. Adds a temporary provision to the constitution, which expires on Jan. 1, 2025, specifying that the amendment to this section applies to appropriations made for the state fiscal biennium beginning Sept. 1, 2023, and subsequent state fiscal biennia. This amendment will be put before the voters at an election to be held Nov. 7, 2023.

Article XVI, Section 30

HJR 2 (2nd CS) adds subsection (e) to authorize the Legislature by general law to provide that members of the governing body of an appraisal district established in a county with a population of 75,000 or more serve terms not to exceed four years. This amendment will be put before the voters at an election to be held Nov. 7, 2023.

The Gillespie Central Appraisal District strives to keep the citizens of Gillespie County and the surrounding areas informed about the Texas Property Tax System, either by news releases, publications, legislative changes, and website updates. If you have any questions regarding your property, feel free to contact our office and we will be glad to assist you in any way we can.

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