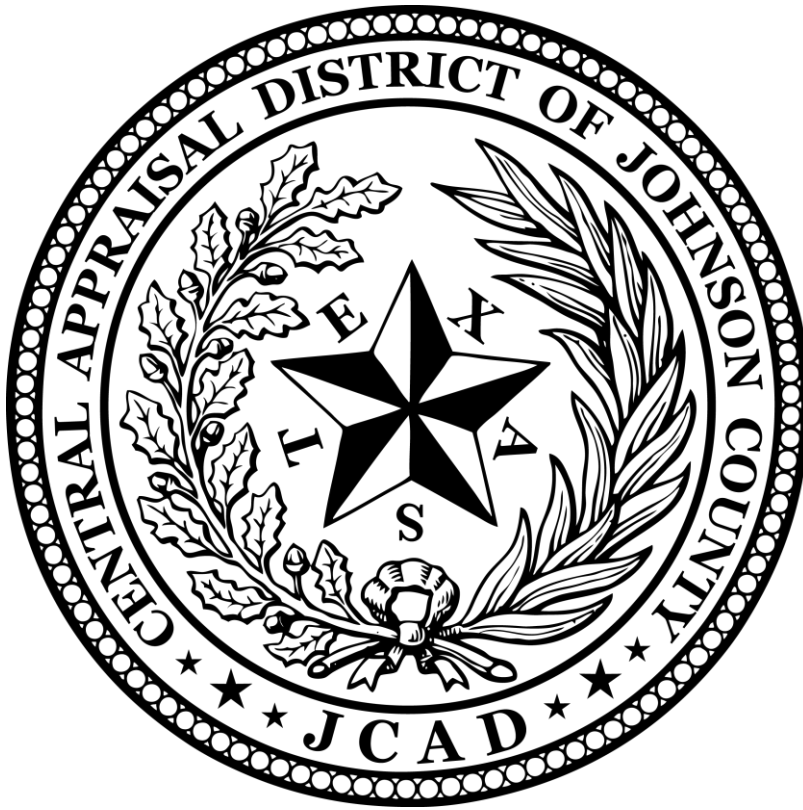


# **Central Appraisal District of Johnson County**



## **2023 Annual Report**

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# **Central Appraisal District of Johnson County**

## **2023 Annual Report**

### **Introduction**

The Property Tax Assistance Division of the Texas Comptroller's office requires appraisal districts to publish an annual report. It has been drafted in accordance with the International Association of Assessing Officers (IAAO) Standards on Public Relations, Section 6.5: Annual Reports. This report has been designed to provide the reader a summarization of information which is published and printed in many different formats by the appraisal district. It highlights the results of our appraisal operations, taxpayer assistance programs, financial stewardship, the appeals process, and other statistical information. This report also provides property owners, taxing units, and other interested parties information about total market and taxable values, average market and taxable values of a residence, and exemptions at the time of certification of values to the taxing units.

### **History**

The Central Appraisal District of Johnson County was created by the Texas Legislature in 1979. Senate Bill 621 required that an appraisal district be established in each county for the purpose of appraising property for ad valorem tax purposes. Appraisal districts are local government political subdivisions of the state responsible for appraising property within county boundaries. Prior to the creation of central appraisal districts, each taxing unit followed their own appraisal standards and practices. Values were inaccurate and inequitable. Property owners were required to visit multiple taxing units to resolve any disputes concerning property value. Appraisal districts are independent of the taxing units but are governed by a board elected by the taxing units' elected officials.

### **Mission**

The Central Appraisal District of Johnson County works hard to provide equality and uniformity to the citizens of Johnson County and the 33 entities represented who rely upon our work and expect our operation to be efficient, timely, and accurate. The mission of the Central Appraisal District of Johnson County is to discover, list and appraise property as accurately, ethically and impartially as possible in order to estimate the market value of all property within the boundaries of the district for ad valorem tax purposes. The result is an annual appraisal roll which collectively creates a tax base that taxing jurisdictions utilize to collect revenue for their daily operations and public services. The appraisal district is funded by the taxing jurisdictions based on the amount of taxes levied in each taxing unit. Article 8 of The Texas Constitution defines five basic rules for property taxes:

- Property taxes must be equal and uniform;
- Generally, property must be taxed at market value defined as "the price at which a property would transfer for cash or its equivalent under prevailing market conditions." There are limited exceptions to this rule, such as productivity value for agricultural land;
- Each property must have a single appraised value;

- All property is taxable unless federal or state law exempts it from taxation; and
- Property owners have the right to reasonable notice of increases in the appraised value of their property.

The appraisal district has a high commitment to customer service, striving to serve Johnson County with professionalism and integrity in all aspects of our operations. The district must make sure that each taxpayer is given the same consideration, information and assistance as the next. This will be done by administering the laws under the property tax system and operating under the standards of:

- The Property Tax Assistance Division of the Texas State Comptroller's Office (PTAD)
- The International Association of Assessing Officers (IAAO)
- The Uniform Standards of Professional Appraisal Practice (USPAP)

The appraisal district also works with the State Comptroller's Office PTAD to assure that school districts receive accurate appraisal values for setting the basis for school funding.

## Governance

The provisions of the Texas Property Tax Code regulate the legal, statutory, and administrative requirements of the appraisal district. The appraisal district is governed by a **Board of Directors** consisting of five voting members and one non-voting member. The directors are appointed or elected by the taxing entities of Johnson County. The non-voting member is the current Tax Assessor/Collector for Johnson County. The Board of Directors primary responsibilities are to:

- Establish the appraisal district's office;
- Adopt its annual operating budget;
- Contract for necessary services, including the annual financial audit;
- Hire the Chief Appraiser;
- Appoint a Taxpayer Liaison Officer in counties having a population of over 120,000;
- Provide advice and consent to the Chief Appraiser concerning the appointment of an Agricultural Advisory Board;
- Approve contracts with appraisal firms selected by the Chief Appraiser to perform appraisal services for the district;
- Make general policies on the appraisal district's operations; and
- Biennially develop a written plan for the periodic reappraisal of all property within the district's boundaries.

To be eligible to serve on the board of directors, a person must have resided within the boundaries of the county for at least two years prior to their appointment. Their terms are not staggered. There are no legal limits to the number of terms a board member can serve. Board members are:

Toby Ford – Chairman  
Don Beeson – Vice Chairman  
Brenda Webb – Secretary

Vance Castles  
Byron Black  
Scott Porter – Johnson County Tax A/C

The **Chief Appraiser** is the chief administrator of the appraisal district and is appointed by the board of directors. The Chief Appraiser must be licensed as a Registered Professional Appraiser (RPA) through the Texas Department of Licensing and Regulation. The Chief Appraiser employs and directs the district's staff, oversees all aspects of the appraisal district operations and performs either directly or through the district staff a variety of duties.

In counties with a population of 120,000 or more, members of the **Appraisal Review Board** are appointed by the local Administrative District Judge. ARB members serve two-year staggered terms. They may be reappointed after sitting out one year. They must be certified by the Texas Comptroller. Their responsibility is to settle value disputes between the taxpayer and the Chief Appraiser. Their decisions regarding value are binding to the Chief Appraiser for the tax years protested.

The **Ag Advisory Board** is appointed by the Board of Directors at the recommendation of the Chief Appraiser to aid him in determining typical practices and standards for agricultural activities in the appraisal district.

By law, an appraisal district is to be managed by a professional staff with training and education prescribed by the State of Texas as enacted by the Property Taxation Professional Certification Act which was passed by the 68<sup>th</sup> Legislature. Appraisers are required to register with the Texas Department of Licensing and Regulation (TDLR) and must effectively complete course and exam requirements to become a Registered Professional Appraiser. Once an appraiser has certified as a RPA they must recertify on a biannual basis. Each two-year recertification period must include not less than 30 hours of continuing education credit; including two hours of ethic training, 3.5 hours of USPAP, and a law and rule update course set by the state legislature. They have the responsibility to value the properties assigned and perform fieldwork on the appraisal of real property and commercial personal property.

*Chief Appraiser Designations Held:*

Registered Professional Appraiser (RPA), Registered Tax Assessor/Collector (RTA), Certified Tax Administrator (CTA), Certified School Tax Administrator (CSTA), and Certified Chief Appraiser (CCA)

*Staff Appraiser Designations Held:*

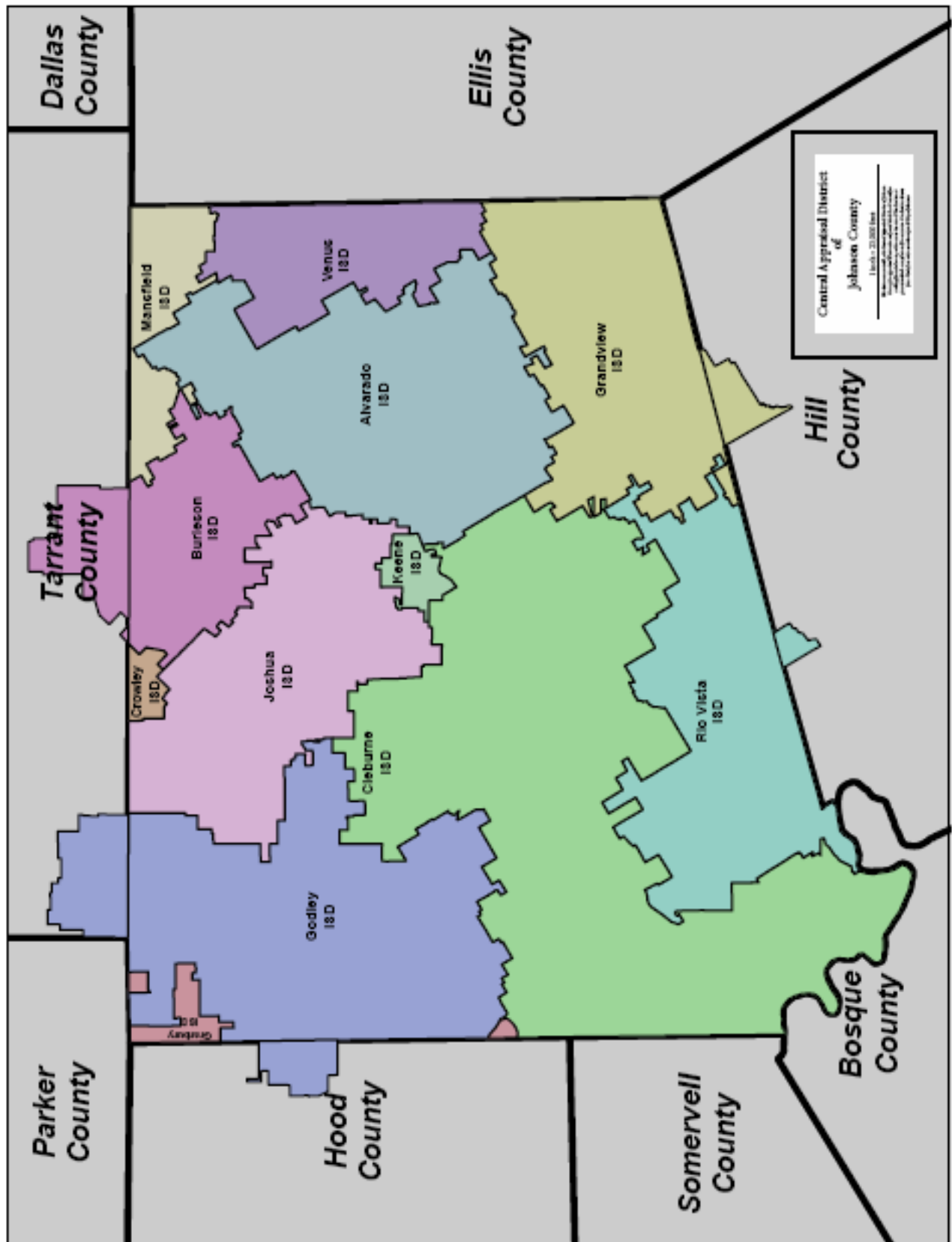
Registered Professional Appraiser (RPA) –4  
Certified Tax Administrator (CTA) – 1  
Level III or Level II Appraiser (working toward RPA) –3

Appraisal practices and operations are regulated by the Constitution of the State of Texas, the Texas Property Tax Code, and rules established by the Texas Comptroller of Public Accounts. The Property Tax Assistance Division conducts a Property Value Study and a Methods and Assistance Program review in alternating years. Results of both reviews are available in this report and on the Comptroller's website at <https://comptroller.texas.gov/taxes/property-tax/>.

## Taxing Jurisdictions

The Central Appraisal District of Johnson County is responsible for appraising all properties for each of the taxing jurisdictions that have territory located within the 734 square miles of Johnson County. Some school districts extend into various surrounding counties and a small part of Crowley ISD, Granbury ISD and Mansfield ISD comes within our county boundaries. Current state law requires that overlapping jurisdictions match values in the overlapping areas. Following are the taxing jurisdictions with territory located in the appraisal district:

- Johnson County
- Johnson County Lateral Road
- City of Alvarado
- City of Burleson (split with Tarrant County)
- City of Cleburne
- City of Crowley (split with Tarrant County)
- City of Godley
- City of Grandview
- City of Joshua
- City of Keene
- City of Mansfield (split with Tarrant County)
- City of Rio Vista
- City of Venus (split with Ellis County)
- Alvarado ISD
- Burleson ISD (split with Tarrant County)
- Cleburne ISD
- Crowley ISD (split with Tarrant County)
- Godley ISD (split with Hood & Tarrant County)
- Granbury ISD (split with Hood County)
- Grandview ISD (split with Hill County)
- Joshua ISD
- Keene ISD
- Mansfield ISD (split with Tarrant County)
- Rio Vista ISD (split with Hill County)
- Venus ISD
- Emergency Services District #1
- Hill College – Alvarado ISD
- Hill College – Cleburne ISD
- Hill College – Godley ISD
- Hill College – Grandview ISD (split with Hill County)
- Hill College – Joshua ISD
- Hill College – Keene ISD
- Hill College – Rio Vista ISD (split with Hill County)
- Hill College – Venus ISD



ACCOUNTS BY JURISDICTION – 2023						
	Total	Real	Personal	MH's	Utilities	Minerals
Johnson County	315,818	94,561	7,524	5,421	1,917	206,395
Johnson Co. Lateral Rd.	315,816	94,560	7,523	5,421	1,917	206,395
City of Alvarado	5,160	3,033	320	134	25	1,648
City of Burleson*	65,681	15,718	1,728	230	83	47,922
City of Cleburne	43,292	14,196	2,016	140	139	26,801
City of Crowley*	520	17	3	0	2	498
City of Godley	3,243	2,468	174	37	15	549
City of Grandview	1,133	910	153	37	8	25
City of Joshua	7,646	3,375	408	407	53	3,403
City of Keene	11,996	2,141	234	278	39	9,304
City of Mansfield*	6,527	4,398	236	36	31	1,826
City of Rio Vista	678	525	86	17	12	38
City of Venus*	2,841	1,856	112	8	14	851
Alvarado ISD	42,306	11,506	955	1,368	243	28,234
Burleson ISD*	82,423	17,608	1,642	503	194	62,476
Cleburne ISD	61,000	20,865	2,249	594	477	36,815
Crowley ISD*	1,620	449	43	0	16	1,112
Godley ISD*	18,803	7,259	363	454	219	10,508
Granbury ISD*	1,652	592	67	4	39	950
Grandview ISD*	8,337	3,840	265	104	107	4,021
Joshua ISD	47,384	14,307	980	1,212	264	30,621
Keene ISD	8,061	1,819	188	215	39	5,800
Mansfield ISD*	25,285	6,195	395	200	128	18,367
Rio Vista ISD*	7,444	5,219	176	162	168	1,719
Venus ISD	11,552	4,901	206	605	68	5,772
Hill College-Alvarado	42,306	11,506	955	1,368	243	28,234
Hill College-Cleburne	61,000	20,865	2,249	594	477	36,815
Hill College-Godley	18,803	7,259	363	454	219	10,508
Hill College-Grandview*	8,337	3,840	265	104	107	4,021
Hill College-Joshua	47,384	14,307	980	1,212	264	30,621
Hill College-Keene	8,061	1,819	188	215	39	5,800
Hill College-Rio Vista*	7,444	5,219	176	162	168	1,719
Hill College-Venus	11,552	4,901	206	605	68	5,772
Emergency Serv. Dist. 1	211,602	60,245	2,951	5,015	1,677	141,714

\*Johnson County portion



## Financial Stewardship

The financial goals of the Central Appraisal District of Johnson County reflect the unwavering focus on conservative fiscal stewardship and optimal utilization of financial and personnel resources. The financial process of the appraisal district is presented in two different publications: 1) the approved Financial Budget; and 2) the audited Financial Statements. The first shows what is planned and the second shows what actually happened.

The Financial Budget must be presented to the Board of Directors and the participating taxing entities by June 15<sup>th</sup> of each year. The Board of Directors holds a public hearing to receive input on the proposed budget which must be adopted no later than September 15<sup>th</sup>. The Financial Budget outlines operating and maintenance expenditures by category; personnel breakdown with staffing levels, salary ranges and cost of benefits; anticipated capitalized equipment to be purchased; and an estimate of the amount of the budget to be allocated to each taxing entity.

The Financial Statements are audited annually by a CPA in accordance with generally accepted auditing standards. An audit was conducted with a reporting date of May 8, 2024 for the year ended December 31, 2023. This audit was presented to the Board of Directors on July 18, 2024. No material weaknesses or instances of noncompliance were found.

	FY 2022	FY 2023
Financial Budget	\$4,219,011	\$4,598,443
Budget Change	\$105,381	\$379,432
% Budget Change	2.56%	8.99%
Johnson County Market Value	\$23.9 billion	\$30 billion
Number of Parcels	314,247	315,818
Entity Funding:		
From Municipalities	\$765,350.25	\$836,519.52
From School Districts	\$2,537,522.35	\$2,751,716.64
From Johnson County	\$802,866.54	\$901,898.48
From Hill College	\$56,726.74	\$62,323.96
From Special Districts	\$42,045.11	\$45,984.44

A useful statistic is comparing the appraisal district budget to the total taxes levied by the taxing entities. It reflects how much it costs to generate a dollar of property tax revenue which, in turn, indicates appraisal and operating efficiencies. The Budget / Levy comparison is shown below:

<b><u>2023 Tax Levy</u></b>	<b><u>2023 Budget</u></b>	<b><u>% of Levy</u></b>
\$398,804,473	\$4,598,443	1.15%

## Property Types Appraised

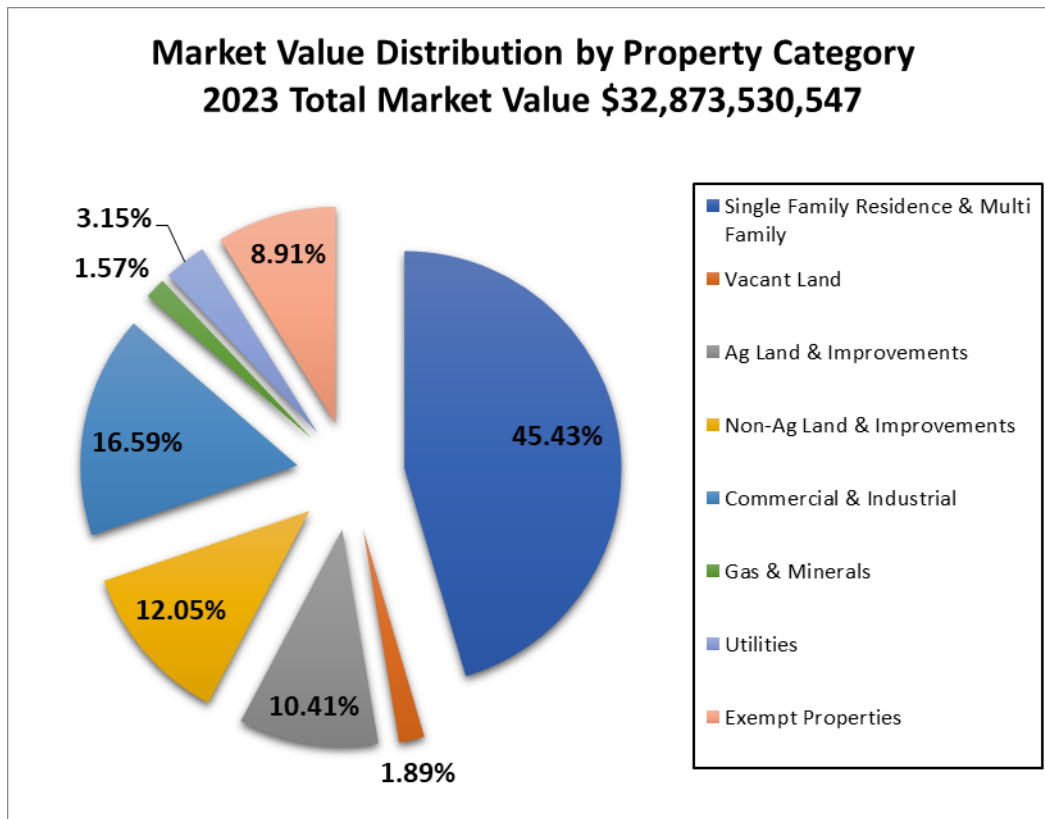
The appraisal district maintains approximately 316,390 parcels with property types of residential, agricultural, industrial, commercial, minerals, utilities and pipelines. The majority of vacant land is rural with agricultural production being the main use. Beginning in 2003, natural gas minerals found in the Barnett Shale contributed a significant amount of economic wealth to Johnson County. Gas production companies operate several gas compressor sites throughout the county. The following represents a summary of property types as established by the Comptroller's office and appraised by the district for 2023 before any exemptions:

PTAD Classification	Property Type	Parcel Count	Market Value
A	Single Family Homes	53,321	15,260,055,263
B	Multi Family Homes	1,038	622,804,869
C	Vacant Land (<5 acres)	10,559	584,845,712
D1	Qualified "Ag" Ranch Land	6,432	2,641,194,093
D2	Qualified "Ag" Improvements	1,593	47,925,033
D3	Qualified "Ag" Farmland	1,940	930,202,391
E	Farm/Ranch Land & Improvements	16,785	3,545,150,592
F1	Commercial Real Property	2,711	1,625,108,600
F2	Industrial Real Property	462	932,495,442
G	Oil/Gas/Minerals	204,240	817,193,237
J	Utilities	1,981	887,586,355
L1	Commercial Personal Property	4,894	722,099,403
L2	Industrial Personal Property	698	1,554,028,074
M	Mobile Homes	2,394	95,514,813
O	Residential Inventory	2,884	286,481,528
S	Dealer's Special Inventory	193	114,459,930
X	Exempt Property	4,265	2,206,385,212

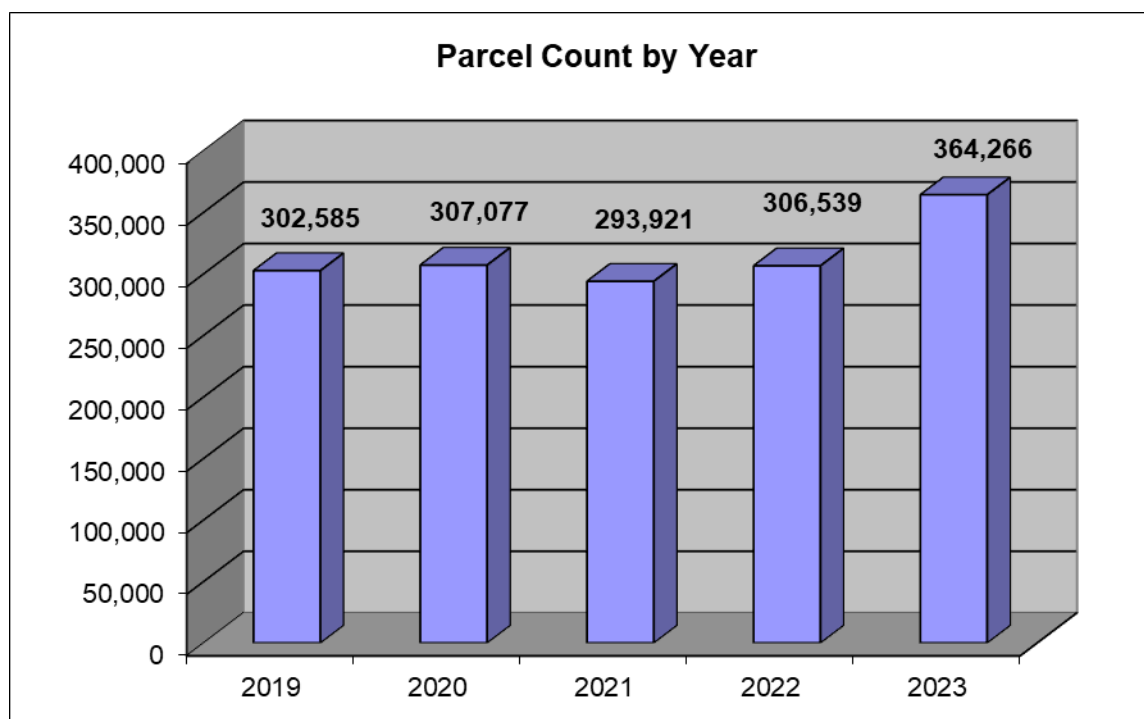
This chart shows the number of parcels for 2023 in the major categories of Real Property, Personal Property, Utilities and Minerals along with the total parcel count for Johnson County:

Property Category	Parcel Count
<i>Real Property:</i> Residential, Multi-Family, Commercial, Vacant Lots, Rural/Ag Land	97,263
<i>Personal Property:</i> Mobile Homes, Business & Industrial Personal Property, Personal Leased & Business Vehicles	8,641
<i>Utilities:</i> Telephone, Electric, Gas, Cable, Other Utilities	1,981
<i>Minerals:</i> Natural Gas	204,240
<b>Total Parcel Count for Johnson County</b>	<b>316,390</b>

The 2023 market value distribution by category illustrates that the top three categories are Residential, Commercial & Industrial, and Non-Ag Rural Land & Improvements. The residential sector represents approximately 45% of the county's market value.



The appraisal district's parcel count had steadily increased for the previous two years as a result of an increase in real and personal property accounts.



## Appraisal Operation Summary

During the 2023 appraisal year, appraisers made on-site inspections of improvements according to the district's 2023-2024 Reappraisal Plan (as adopted September 2022). Any changes are recorded, including characteristics, new home construction, additions, remodels, buildings, barns, pools, or any damage or repairs made to the property. In addition, appraisers utilized the appraisal district's geographic information system (GIS) that maintains cadastral maps and various layers of data along with aerial photography to systematically review all parcels. This task was completed by its target date of March 17, 2023.

The Texas Property Tax Code requires appraisal districts to appraise all property whether residential, commercial, business personal property or minerals at its fair market value as of January 1<sup>st</sup>. The appraisal district determines the market value of a property using mass appraisal standards and techniques which comply with the 2020-2021 edition of Uniform Standards of Professional Appraisal Practices (USPAP). The same appraisal methods and techniques shall be used in appraising the same or similar kinds of property.

Cost tables for all improvements were reviewed and compared to the January 1<sup>st</sup> tables contained in the Marshall Swift Valuation Service tables and the appraisal district's cost tables were updated and modified where needed. Neighborhood adjustments were applied where arms-length sales and ratio studies showed were needed.

The appraisal district measures the appraisal level and uniformity of residential properties through the use of appraisal to sale ratio of arms-length sales. The appraisal to sales ratio is calculated by dividing the appraised value by the sale price of the property. Appraisal level statistics include the calculation of the mean, median and aggregate (weighted) mean of the appraisal to sales ratio of the sample population of qualified sales. Ratio studies are conducted on property located within certain neighborhoods or areas. The sale ratio and comparative analysis of sale property to appraised property forms the basis for determining the level of appraisal and market influences and factors for the neighborhood. This information is the basis for updating property valuation for the entire area of property to be evaluated. Properly performed ratio studies are a good reflection of the level of appraisal for the district.

A total of 1562 arms-length sales were found with a sale date of 1/1/23 through 12/31/23. Of the 1562 sales in Johnson County, 1214 were Category A (single-family residential) and 121 were Category E (farm/ranch land). These sales suggest there is still a strong market within Johnson County.

The Central Appraisal District of Johnson County employs the services of Capitol Appraisal Group, an appraisal firm to appraise all minerals, industrial plants, pipelines, industrial personal property and utilities within the boundaries of the appraisal district.

Tax Calendar											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Appraisal Phase					Equalization Phase		Field Inspections for next tax year must be complete by Dec 1st				
1.) Discover, list and appraise property 2.) Administer exemptions and special appraisal 3.) Update property records 4.) Deliver notices					1.) Property owner protests 2.) Taxing unit challenges 3.) Approval of appraisal records by 4.) Certification of appraisal records		Assessment Phase 1.) Appraisal roll received 2.) Tax rate adopted within 60 days 3.) Various special procedures for tax rate increases 4.) Taxes calculated 5.) Tax roll approved 6.) Bills mailed around October 1st		Collections 1.) Collect current taxes (Oct 1 - Jan 31) Tax delinquent if not paid before February 1st (Some circumstances may postpone the deadline) 2.) Collect tax, penalty and interest on delinquent taxes 3.) Oversee delinquent tax collection efforts 4.) Tax bill due on receipt		

2023 Reappraisal Calendar of Events											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<input checked="" type="checkbox"/> 01/01/2023 - Appraisal date (except for properties appraised under Sec. 23.12(f))											
<input checked="" type="checkbox"/> 01/02/2023 - Agricultural valuation applications mailed											
<input checked="" type="checkbox"/> 01/13/2023 - BPP renditions & exempt property applications mailed											
<input checked="" type="checkbox"/> 1/30/2023 - EPTS report submitted to PTAD											
	<input checked="" type="checkbox"/> 03/17/23 - Deadline for appraisers to turn work into Data Entry										
	<input checked="" type="checkbox"/> 3/31/2023 - Process real property appraisal notices										
		<input checked="" type="checkbox"/> 04/17/2023 - BPP rendition deadline (without extension request)									
		<input checked="" type="checkbox"/> 04/17/2023 - Mail real property notices									
		<input checked="" type="checkbox"/> 04/26/2023 - Capitol Appraisal Group mailed mineral notices									
		<input checked="" type="checkbox"/> 04/28/2023 - Estimates of taxable value sent to entities									
		<input checked="" type="checkbox"/> 04/30/2023 - Deadline for exemption applications including Ag, Freeport & Pollution									
			<input checked="" type="checkbox"/> 05/1/2023 - Taxpayer protest procedures published in newspaper								
			<input checked="" type="checkbox"/> 05/12/2023 - Capitol Appraisal Group mailed industrial notices								
			<input checked="" type="checkbox"/> 5/17/2023 - BPP rendition deadline (with extension)								
			<input checked="" type="checkbox"/> 05/17/2023 - Protest deadline for real property								
			<input checked="" type="checkbox"/> 05/23/2023 - Process BPP appraisal notices								
			<input checked="" type="checkbox"/> 05/23/2023 - Chief Appraiser submits appraisal records to ARB								
			<input checked="" type="checkbox"/> 05/23/2023 - ARB hearings begin								
			<input checked="" type="checkbox"/> 05/26/2023 - Protest deadline for minerals								
			<input checked="" type="checkbox"/> 5/31/2023 - Mail BPP appraisal notices								
				<input checked="" type="checkbox"/> 06/04/2023 - Estimates of taxable value sent to entities							
				<input checked="" type="checkbox"/> 6/12/2023 - Protest deadline for industrial							
				<input checked="" type="checkbox"/> 06/30/2023 - Protest deadline for BPP							
					<input checked="" type="checkbox"/> 07/19/2023 - ARB approves records						
					<input checked="" type="checkbox"/> 07/25/2023 - Chief Appraiser certifies roll						
					<input checked="" type="checkbox"/> 7/31/2023 - EARS report submitted to PTAD						
					<input checked="" type="checkbox"/> 7/28/2023 - EPTS report submitted to PTAD						

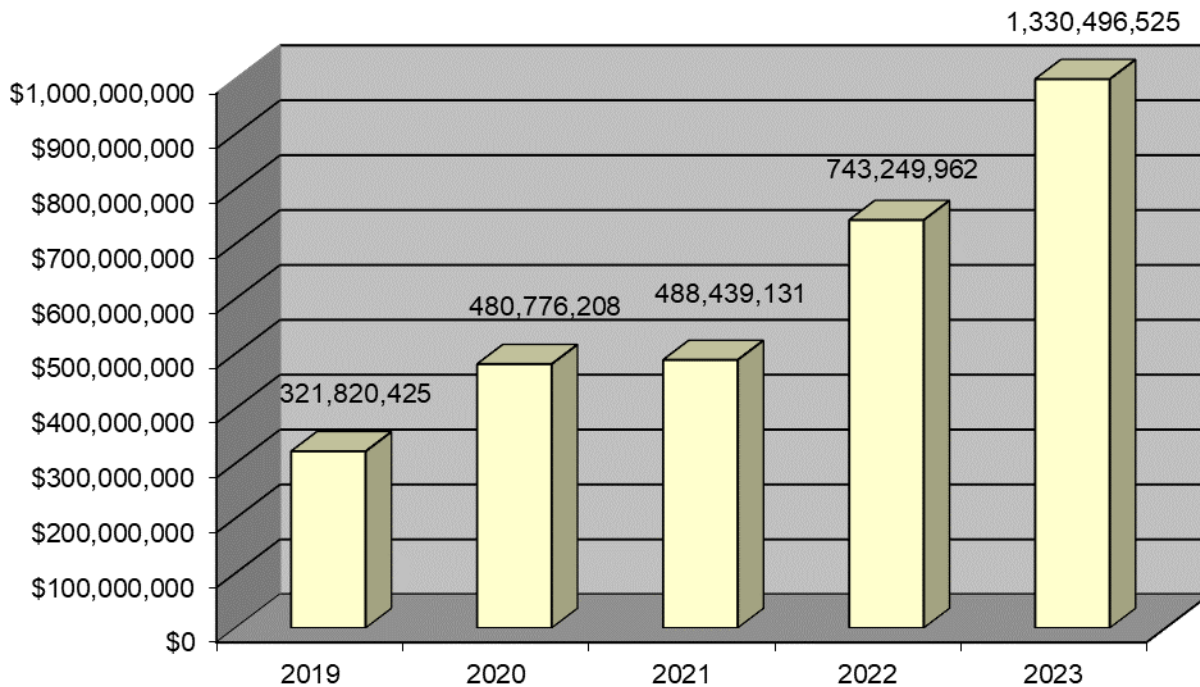
## Property Discovery

The appraisal district aggressively seeks to discover all newly constructed or added property each year through examination of:

- Building permits
- Filed material/mechanic's liens
- Mobile home installation reports
- Septic tank permits
- Electric connection reports
- Pictometry review
- Filed deeds
- MLS listings
- Assumed name filings
- Advertisements
- Railroad Commission reports (oil/gas)
- Visual observation/physical inspection
- Public "word of mouth"
- Plats, land review, maps & surveys

Utilizing these discovery tools 2,394 real parcels were added to the appraisal roll for 2023. This graph illustrates a five-year history of new value which includes residential construction and personal property.

**New Value Five Year History**



## Exemption Data

The appraisal district is responsible for administering qualified exemptions to property owners. An exemption reduces taxable value on a property, which in turn decreases the property owner's tax burden. Property owners may qualify for a variety of exemptions as provided by the Texas Constitution. Cumulatively, the total loss due to exemptions and total exempt properties for 2023 is \$3,374,548,551. Some of the most commonly occurring exemptions are described below.

### Residential Homestead

A property owner may only apply for a residential homestead exemption on one property in a tax year. A homestead may include up to 20 acres of land actually used in the occupancy of a home. To qualify for a homestead exemption, a property owner must own and reside in the home on January 1<sup>st</sup> of the tax year. A homestead exemption may be filed late if it is filed no later than one year after the date taxes become delinquent. The following chart represents the total exemption amounts available to homeowners who qualify for this exemption:

Jurisdiction	General Homestead	Over 65	Over 65 Local Option	Disability	Disability Local Option	100% Disabled Veteran
Johnson County	--	--	\$10,000	--	\$10,000	100%
Johnson Co. Lateral Road	\$3,000*	--	\$10,000		\$10,000	100%
City of Alvarado	--	--	\$15,000	--	\$15,000	100%
City of Burleson	--	--	--	--	--	100%
City of Cleburne	--	--	\$6,000	--	--	100%
City of Crowley	--	--	\$40,000	--	\$40,000	100%
City of Godley	--	--	\$10,000	--	--	100%
City of Grandview	--	--	\$5,000	--	\$5,000	100%
City of Joshua	--	--	\$25,000	--	\$25,000	100%
City of Keene	--	--	\$15,000	--	\$15,000	100%
City of Mansfield	--	--	\$50,000	--	\$10,000	100%
City of Rio Vista	--	--	\$5,000	--	\$5,000	100%
City of Venus	--	--	\$10,000	--	\$10,000	100%
Alvarado ISD	\$100,000	\$10,000	--	\$10,000	--	100%
Burleson ISD	\$100,000	\$10,000	\$25,000	\$10,000	\$25,000	100%
Cleburne ISD	\$100,000	\$10,000	\$7,000	\$10,000	--	100%
Crowley ISD	\$100,000	\$10,000	--	\$10,000	--	100%
Godley ISD	\$100,000	\$10,000	--	\$10,000	--	100%
Granbury ISD	\$100,000	\$10,000	--	\$10,000	--	100%
Joshua ISD	\$100,000	\$10,000	--	\$10,000	--	100%
Keene ISD	\$100,000	\$10,000	--	\$10,000	--	100%
Mansfield ISD	\$100,000	\$10,000	--	\$10,000	--	100%
Rio Vista ISD	\$100,000	\$10,000	--	\$10,000	--	100%
Venus ISD	\$100,000	\$10,000	--	\$10,000	--	100%
Hill College	--	--	\$10,000	--	\$10,000	100%
Emergency Services Dist. #1	--	--	\$10,000	--	\$10,000	100%

\* NOTE: not given if local option over 65 and/or disabled exemption given.

For school tax purposes the over 65, disability, and surviving spouse residential homestead exemptions create a tax ceiling prohibiting increased taxes on the homestead on *existing buildings*. (Any new areas added to the homesite will cause the ceiling to be readjusted and set in the subsequent tax year.)

Local Homestead Options - Texas law allows each taxing jurisdiction to decide whether to offer a local option exemption based on a percentage of a home's appraised value. Any taxing unit can exempt up to 20 percent of the value of each qualified homestead. No matter what percentage of value the taxing unit adopts, the dollar value of the exemption must be at least \$5,000. Taxing jurisdictions in Johnson County that grant the percentage homestead exemption are:

City of Cleburne	10% or not less than \$5,000
City of Joshua	10% or not less than \$5,000
City of Mansfield	14% or not less than \$5,000
Crowley ISD	10% or not less than \$5,000
Johnson County	3% or not less than \$5,000
Johnson County Lateral Road	1% or not less than \$5,000
Johnson County Emergency Services District	1% or not less than \$5,000
Hill College	1% or not less than \$5,000

All homeowners who qualify for the residential homestead exemption are subject to the placement of a **homestead cap** on their qualifying property which prohibits the increase of taxable value on the homestead property to ten percent per year. However, the market value may still 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, the law provides partial exemptions for any property owned by veterans who are disabled, surviving spouses and surviving children of deceased disabled veterans.

The other partial exemption is for homesteads donated to disabled veterans by charitable organizations at no cost or not more than 50 percent of the good faith estimate of the homestead’s market value to the disabled veterans and their surviving spouses.

The exemption amount is determined according to the percentage of service-connected disability.

Percentage Disability	Exemption Amount
10-29%	\$5,000
30-49%	\$7,500
50-69%	\$10,000
70-100%	\$12,000

A disabled veteran who receives 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or individual unemployability from the United States Department of Veterans Affairs is entitled to an exemption from taxation of the appraised value of the veteran’s residence homestead. Surviving spouses of veterans who qualified for this exemption or who would have qualified for this exemption if it had been in effect at the time of the veteran’s death are also eligible with certain restrictions.



The surviving spouse of a member of the U.S. armed services who is killed in action is allowed a total (100 percent) property tax exemption on his or her residence homestead if the surviving spouse has not remarried since the death of the armed services member.

### ***Surviving Spouse of First Responder***

Section 11.134 of the Tax Code provides a total property tax exemption for the residence homestead of a surviving spouse of a first responder killed or fatally injured in the line of duty if the surviving spouse has not remarried since the first responder's death. This exemption applies regardless of the date of the first responder's death.

### ***Freeport***

Section 11.251 of the Tax Code provides an exemption from taxation of inventory or property that consists of "freeport" goods. Freeport goods are tangible personal property, including goods, wares, merchandise, aircraft parts and ores. The exemption does not apply to oil, natural gas, or liquid or gaseous materials that are immediate derivatives of refining of oil or natural gas. Freeport goods qualify for the exemption if they leave Texas within 175 days from the date they are brought into or acquired in the state. The taxing entities in Johnson County that grant a freeport exemption are: City of Alvarado, City of Burleson, City of Keene, City of Mansfield, Alvarado ISD, Burleson ISD, Crowley ISD, Mansfield ISD, and Emergency Services District #1.

### ***Goods-in-Transit***

Section 11.253 provides an exemption from taxation of inventory or property that consists of "goods-in-transit". Goods-in-transit are tangible personal property, including goods, wares, merchandise, aircraft parts and ores other than oil, natural gas and petroleum products. Goods-in-transit qualify for the exemption if:

- The goods are acquired inside or outside of Texas;
- The goods are warehoused and shipped to another location within or outside of the state within 175 days of being acquired or imported into the state; and
- The goods are stored at a warehouse that is not in any way owned or controlled by the owner of the goods.

The taxing entities that grant a goods-in-transit exemption are: Crowley City, Godley City, Rio Vista City, Burleson ISD, Godley ISD, Grandview ISD, Rio Vista ISD, Venus ISD, Hill College, and Emergency Services District #1.

### ***Abatement***

A tax abatement is an agreement between a taxing unit and a property owner that exempts all or part of an increase in the value of real property and/or tangible personal property from taxation for a period not to exceed ten years. Counties, cities, and special districts may enter into tax abatement agreements; school districts may not. Taxing units must adopt guidelines and criteria that govern abatements prior to offering tax abatement agreements. These guidelines and criteria are effective for two years; after which they must be reviewed, revised and re-adopted by the governing body of the taxing unit. There are 16 active tax abatement agreements in Johnson County.

## ***Pollution Control***

Property used for pollution control may receive an exemption. The exemption applies to all or part of real and personal property used solely or partly as a facility, device, or method to control air, water, or land pollution. Property not eligible for the exemption include residential; park or scenic land; vehicles; and property owned by a person or company that manufactures pollution control property or provides pollution control services.

To qualify for a use determination, the person or company must apply to the Texas Commission on Environmental Quality (TCEQ) for a permit or permit exemption. TCEQ notifies the Chief Appraiser about the application and determines the proportion of the property that is used for pollution control. Then, TCEQ issues a determination letter to the applicant. The property owner includes the letter with the exemption application to the appraisal district. The Chief Appraiser must accept the letter's determination as conclusive evidence for the exemption. There are 108 accounts in Johnson County currently receiving the pollution control exemption.

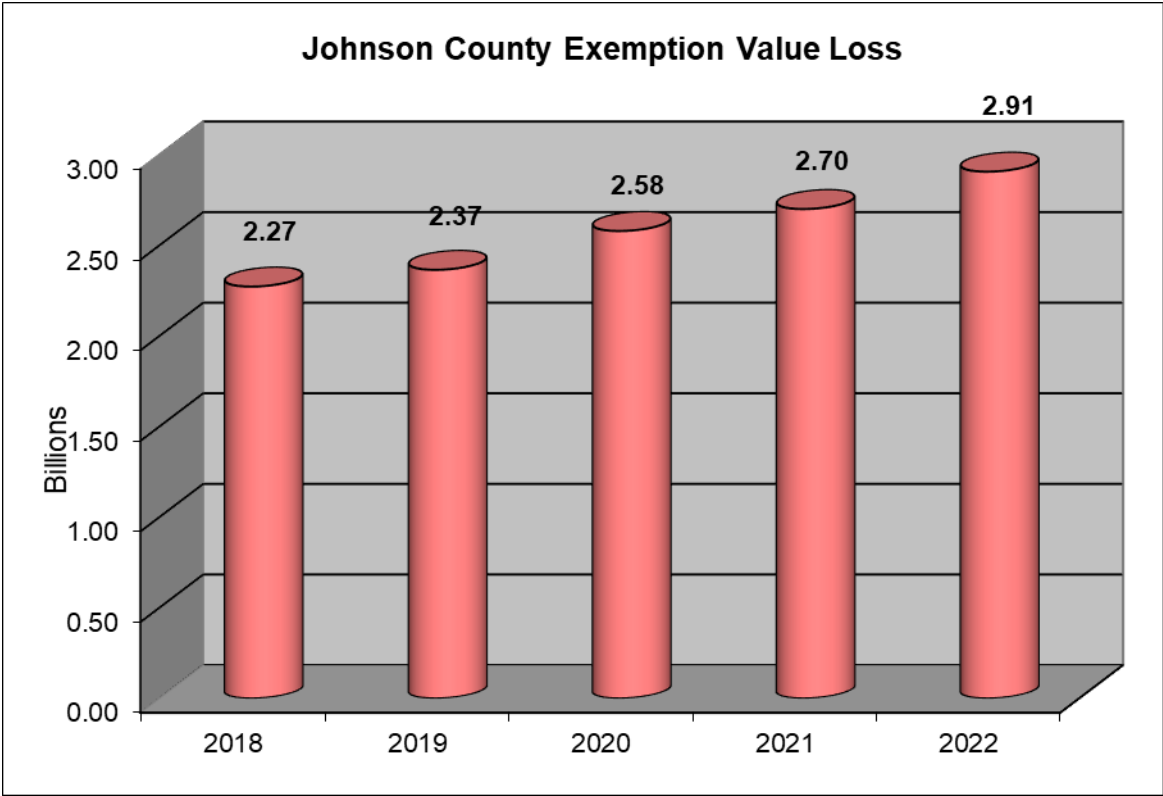
## ***Other Exemptions***

Other commonly occurring total exemptions are:

- Cemeteries
- Charitable Organizations
- Community Housing Development Organizations
- Economic Development Services Organizations
- Nonprofit Water Supply
- Primarily Charitable Organizations
- Private Schools
- Religious Organizations
- Solar/Wind Power
- Special Utility Districts
- Veteran's Organizations
- Youth Development Organizations

Other less commonly occurring exemptions are available and described in the Texas Property Tax Code, Chapter 11.

The graph below illustrates a five-year history of market value loss due to all exemptions and total exempt properties.



## School Districts

Exemptions	Alvarado	*Burleson	Cleburne	*Crowley	*Godley	*Granbury
Homestead State Mandated	426,584,818	419,806,242	827,288,834	34,065,830	270,766,176	12,482,082
Homestead Local Option	0	0	0	3,215,331	0	0
Over 65 State Mandated	11,894,709	134,236,648	45,231,791	1,417,756	5,004,989	850,000
Over 65 Local Option	0	92,553,891	17,429,346	0	0	0
Disabled Persons State Mandated	805,443	7,371,424	1,706,509	20,000	560,306	10,000
Disabled Persons Local Option	0	5,132,394	0	0	0	0
Disabled Veterans	1,210,597	4,382,038	2,581,499	127,500	1,285,045	19,500
Disabled Veterans-100%	16,252,940	78,827,008	27,481,430	690,451	32,895,376	300,804
Surviving Spouse-First Resp/Military	0	0	0	0	0	713,982
Total Exempt Property	214,957,748	584,851,017	590,772,046	957,333	80,838,907	0
Abatements	0	0	0	0	0	119,091
Pollution Control	1,074,435	655,999	25,685,896	0	1,300,375	0
Freeport	88,198,209	33,459,071	0	0	0	0
Goods-in-Transit	0	0	0	0	0	0
Historic	0	0	0	0	0	0
Low Income Housing	0	0	0	0	0	0
Solar/Wind Power	747,011	2,494,450	2,247,241	52,173	881,019	21,420
Prorated Exempt Property	0	0	0	0	0	0
<b>Total Exemptions/Deductions</b>	<b>761,725,910</b>	<b>1,363,770,182</b>	<b>1,540,424,592</b>	<b>40,546,374</b>	<b>393,532,193</b>	<b>14,516,879</b>

### Other Deductions from Market Value

Loss due to Agricultural Valuation	519,032,289	152,282,607	1,099,704,491	11,459,287	531,804,089	12,094,222
Loss due to 10% Homestead Cap	267,492,372	609,452,349	370,727,306	9,269,458	181,979,054	28,840,182

Exemptions	*Grandview	Joshua	Keene	*Mansfield	*Rio Vista	Venus
Homestead State Mandated	138,43,006	688,511,558	71,544,884	288,780,680	110,502,958	189,396,717
Homestead Local Option	0	0	0	0	0	0
Over 65 State Mandated	4,100,580	21,032,803	2,717,971	4,764,550	3,512,193	3,023,291
Over 65 Local Option	0	0	0	0	0	0
Disabled Persons State Mandated	244,909	1,224,205	54,540	315,800	240,525	314,058
Disabled Persons Local Option	0	44,971,157	0	0	0	0
Disabled Veterans	468,909	0	98,500	1,421,034	400,076	561,378
Disabled Veterans-100%	4,865,743	2,447,205	1,693,868	81,982,052	5,588,459	5,347,586
Surviving Spouse-First Resp/Military	0	0	0	291,980	0	0
Total Exempt Property	42,399,425	257,338,302	116,912,438	187,598,132	37,499,066	70,268,109
Abatements	0	0	0	0	0	291,877
Pollution Control	2,786,835	1,306,250	37,204	508,304	2,141,842	0
Freeport	0	0	0	169,231,460	0	0
Goods-in-Transit	0	0	0	0	0	0
Historic	0	0	0	0	0	0
Low Income Housing	0	0	0	0	0	0
Solar/Wind Power	384,496	1,199,341	320,308	932,477	0	340,130
Prorated Exempt Property	0	0	0	0	0	0
<b>Total Exemptions/Deductions</b>	<b>193,393,871</b>	<b>1,018,030,880</b>	<b>193,379,713</b>	<b>735,826,469</b>	<b>159,885,119</b>	<b>269,835,023</b>

### Other Deductions from Market Value

Loss due to Agricultural Valuation	331,594,107	367,507,574	5,457,037	86,717,644	272,001,883	
Loss due to 10% Homestead Cap	153,733,249	377,114,525	31,718,062	180,289,666	39,098,616	

\*Johnson County portion only

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## Cities

Exemptions	Alvarado	*Burleson	Cleburne	*Crowley	*Godley	*Grandview
Homestead State Mandated	0	54,621,084	129,289,052	0	0	0
Homestead Local Option	0	17,278,368	52,122,759	0	0	0
Over 65 State Mandated	4,170,596	0	14,723,054	130,800	1,215,000	499,400
Over 65 Local Option	0	0	0	130,800	0	469,400
Disabled Persons State Mandated	536,889	0	0	0	0	26,100
Disabled Persons Local Option	0	0	2,157,205	0	0	26,100
Disabled Veterans	476,740	3,712,550	29,834,249	0	382,500	88,000
Disabled Veterans-100%	9,015,772	91,923,241	0	363,425	10,612,579	1,451,455
Surviving Spouse-First Resp/Military	0	0	536,256,229	0	0	0
Total Exempt Property	156,985,912	647,016,068	36,082,825	61,557	48,462,482	35,318,101
Abatements	85,041	120,783,288	15,261,074	0	0	0
Pollution Control	27,298,631	508,619	0	0	0	14,477
Freeport	0	34,333,706	0	0	0	0
Goods-in-Transit	0	0	0	0	0	0
Historic	0	0	0	0	0	0
Low Income Housing	0	0	0	0	0	0
Solar/Wind Power	469,404	2,587,172	2,203,328	0	120,156	163,328
Prorated Exempt Property	0	0	0	0	0	0
<b>Total Exemptions/Deductions</b>	<b>199,038,985</b>	<b>972,764,096</b>	<b>832,235,829</b>	<b>686,582</b>	<b>60,792,717</b>	<b>38,056,361</b>

### Other Deductions from Market Value

Loss due to Agricultural Valuation	26,657,116	84,396,502	118,127,629	0	12,490,710	4,411,445
Loss due to 10% Homestead Cap	65,635,641	489,551,499	261,536,341	754,047	28,317,075	28,000,889

Exemptions	Joshua	Keene	*Mansfield	*Rio Vista	Venus
Homestead State Mandated	41,530,634	0	127,472,706	0	0
Homestead Local Option	14,907,611	0	11,537,076	0	0
Over 65 State Mandated	15,458,810	6,013,553	12,861,315	325,000	1,210,000
Over 65 Local Option	14,871,310	5,847,953	10,412,428	0	1,120,000
Disabled Persons State Mandated	923,822	232,844	210,000	72,500	125,000
Disabled Persons Local Option	873,822	232,844	180,000	0	125,000
Disabled Veterans	803,500	174,359	1,297,005	27,000	297,500
Disabled Veterans-100%	12,151,855	4,139,104	94,780,405	596,069	6,392,047
Surviving Spouse-First Resp/Military	0	0	291,980	0	0
Total Exempt Property	131,703,049	131,533,443	178,613,180	13,547,126	0
Abatements	0	0	0	0	0
Pollution Control	0	79,572	171,496	15,501	0
Freeport	0	0	168,074,281	0	0
Goods-in-Transit	0	0	0	0	0
Historic	0	0	0	0	0
Low Income Housing	0	0	0	0	0
Solar/Wind Power	390,630	381,115	0	0	111,701
Prorated Exempt Property	0	0	0	0	0
<b>Total Exemptions/Deductions</b>	<b>233,615,043</b>	<b>148,634,787</b>	<b>72,482,189</b>	<b>14,583,196</b>	<b>72,482,189</b>

Loss due to Agricultural Valuation	31,902,207	8,223,540	557,462	557,462	8,782,291
Loss due to 10% Homestead Cap	64,811,053	44,226,602	115,066,817	8,548,555	50,936,627

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## County, Hill College & Other

Exemptions	Johnson Co.	Lateral Road	ESD #1	HILL- ALS	Hill - CLS
Homestead State Mandated	41,530,634	424,138,463	126,403,962	22,928,739	43,064,750
Homestead Local Option	14,907,611	112,853,291	0	9,186,584	17,848,380
Over 65 State Mandated	15,458,810	147,590,651	92,333,923	16,975,358	33,791,374
Over 65 Local Option	14,871,310	142,820,798	82,834,173	16,661,205	32,835,974
Disabled Persons State Mandated	923,822	10,980,183	0	1,516,100	2,762,096
Disabled Persons Local Option	873,822	10,781,883	7,006,387	1,511,100	2,707,096
Disabled Veterans	803,500	16,359,290	9,197,195	1,459,561	2,980,711
Disabled Veterans-100%	12,151,855	395,191,317	180,779,432	26,710,4260	43,948,160
Surviving Spouse-First Resp/Military	0	291,980	0	214,957,748	0
Total Exempt Property	131,703,049	2,206,362,173	841,205,891	0	498,779,191
Abatements	0	0	35,908	214,957,748	0
Pollution Control	0	35,908,108	19,966,919	0	25,685,896
Freeport	0	0	114,201,264	1,074,435	0
Goods-in-Transit	0	0	0	0	0
Historic	0	0	0	0	0
Low Income Housing	0	0	0	0	0
Solar/Wind Power	390,630	0	4,230,709	832,775	2,289,883
Prorated Exempt Property	0	0	0	0	0
<b>Total Exemptions/Deductions</b>	<b>233,615,043</b>	<b>3,513,171,383</b>	<b>1478,195,763</b>	<b>313,814,031</b>	<b>706,693,511</b>

### Other Deductions from Market Value

Loss due to Agricultural Valuation	31,902,207	3,527,484,772	3,303,345,745	519,032,289	1,099,704,491
Loss due to 10% Homestead Cap	64,811,053	2,417,138,828	1,550,953,558	267,492,372	370,727,306

Exemptions	Hill - GOS	Hill - GVS	Hill - JOS	Hill - KES	Hill - RIS	Hill - VES
Homestead State Mandated	13,904,797	7,207,663	35,956,814	3,909,338	5,991,175	10,358,757
Homestead Local Option	3,487,255	2,621,500	31,873,209	1,756,025	2,542,417	2,855,800
Over 65 State Mandated	6,588,283	4,998,287	25,189,710	3,372,032	4,763,305	5,259,419
Over 65 Local Option	6,143,283	4,823,287	24,349,010	3,292,032	4,593,705	5,089,419
Disabled Persons State Mandated	765,400	315,000	1,799,522	120,865	4,763,305	650,400
Disabled Persons Local Option	1,406,358	315,000	1,759,522	120,859	450,000	620,400
Disabled Veterans	1,406,358	544,272	2,676,632	2,603,043	483,952	650,000
Disabled Veterans-100%	42,179,256	7,060,217	64,419,242	2,603,043	8,612,862	10,149,350
Surviving Spouse-First Resp/Military	0	0	0	0	0	0
Total Exempt Property	80,838,907	42,399,425	121,944,003	121,944,003	37,499,066	70,268,109
Abatements	0	0	0	0	0	0
Pollution Control	1,300,375	2,786,835	0	0	0	291,877
Freeport	0	0	0	0	0	0
Goods-in-Transit	0	0	0	0	0	0
Historic	0	0	0	0	0	0
Low Income Housing	0	0	0	0	0	0
Solar/Wind Power	897,681	384,496	1,280,329	339,382	0	635,941
Prorated Exempt Property	0				0	0
<b>Total Exemptions/Deductions</b>	<b>158,917,953</b>	<b>73,455,982</b>	<b>465,540,359</b>	<b>137,578,444</b>	<b>69,699,787</b>	<b>106,829,472</b>

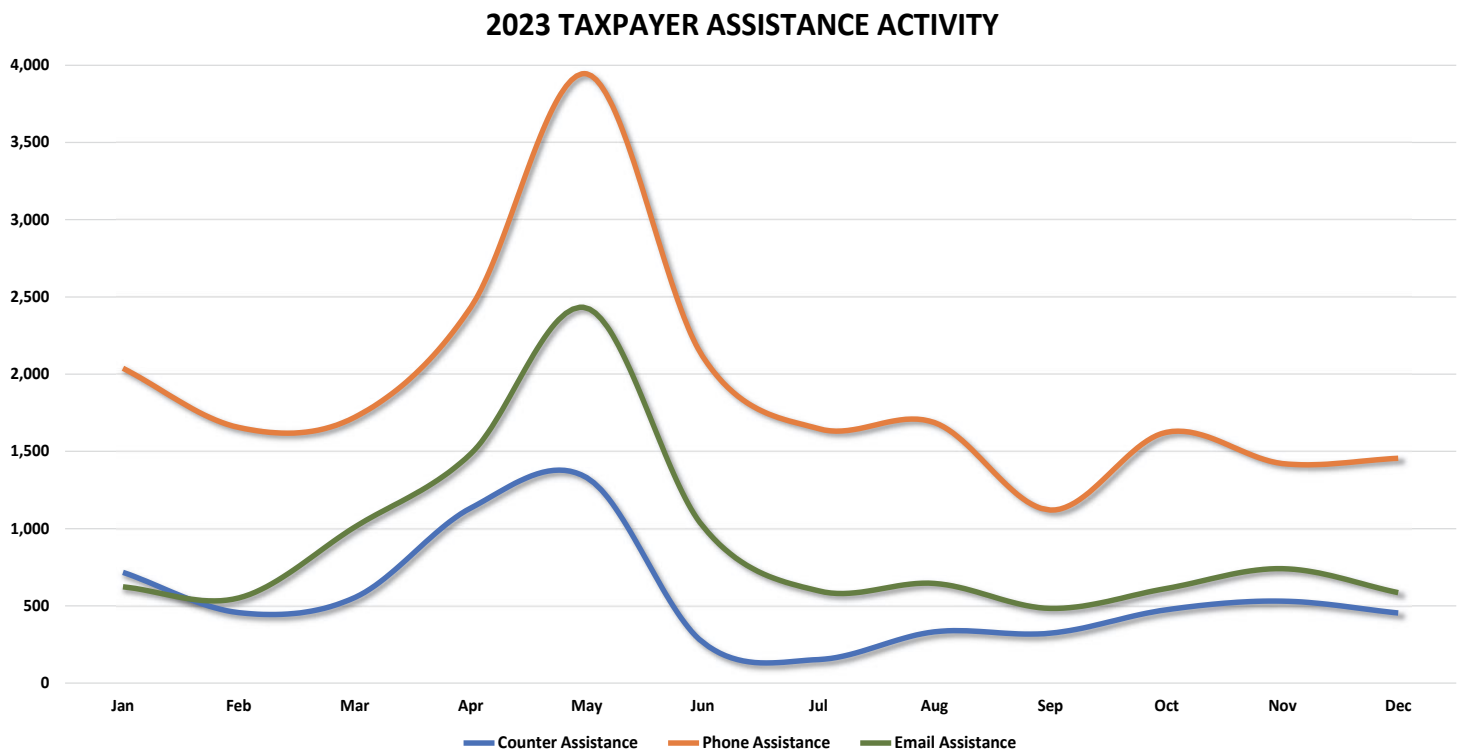
Loss due to Agricultural Valuation	531,804,089	331,594,107	367,507,574	5,457,037	272,001,883	137,829,542
Loss due to 10% Homestead Cap	181,979,054	153,733,249	31,718,062	31,718,0625	39,098,616	167,423,989

\*Johnson County portion only  
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## Taxpayer Assistance

The Customer Service Department is the first point of contact as taxpayers enter the appraisal district building or call to make general inquiries. Customer service in the appraisal district consists of one-on-one contact with taxpayers in answering their questions. The time spent assisting taxpayers in the supplemental Appraisal Review Board process is also included.

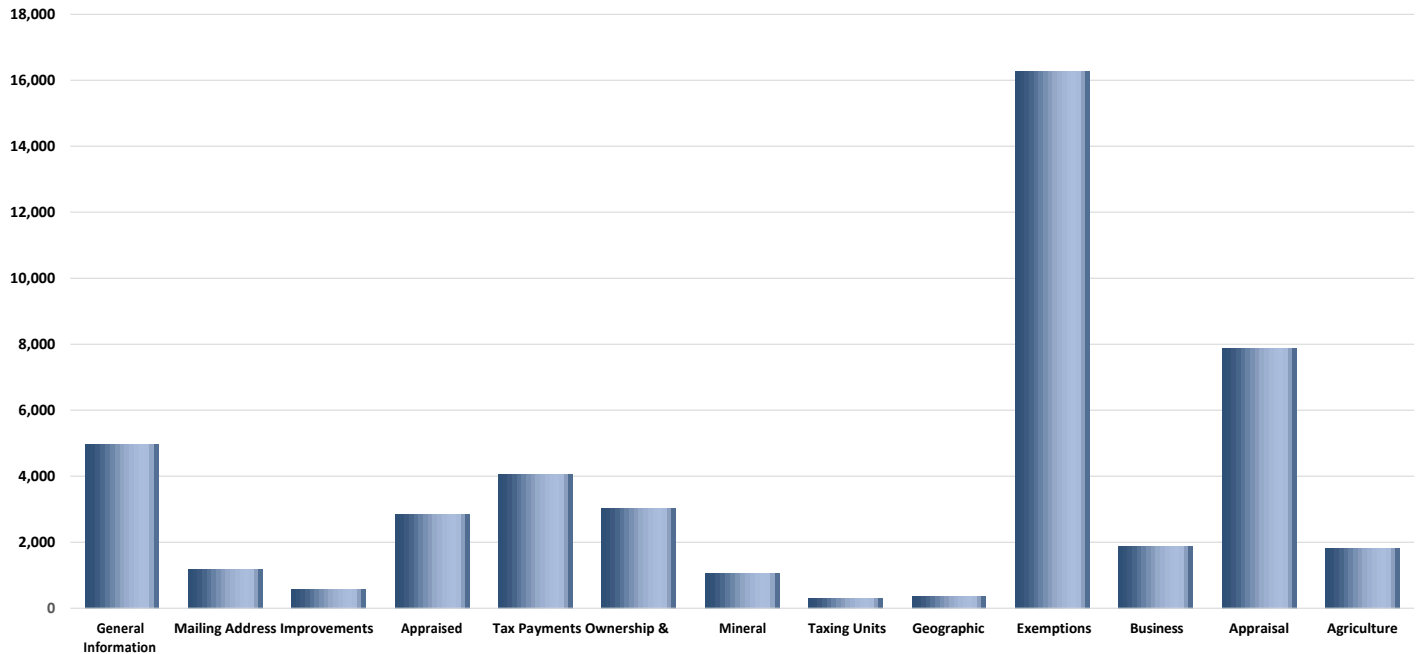
Each year, the appraisal district tracks customer service volumes in the categories of phone calls, counter (in-person inquiries), faxes and email. The graph below illustrates the customer service volume in each of these areas for the months of January - December during 2023.



Customer Service contact increases after notices are mailed and the subsequent ARB season during the months of May through July. The customer service volume rises again in October after tax statements are sent by the tax assessor/collector.

This graph on the following page illustrates the various inquiries by topic with the top three categories being Exemptions, Appraisal and General Information.

## 2023 TAXPAYER REPRESENTATIVE INQUIRIES



The Central Appraisal District of Johnson County strives to keep the citizens of Johnson County and surrounding areas informed by news releases and/or publications. The appraisal district's website at [www.johnsoncad.com](http://www.johnsoncad.com) is a premier source of appraisal information for Texas property tax in addition to having data for individual parcels with 416,721 total visits by 204,552 people in 2023.

Parcel searches by name – 66,115 pages

Parcel searches by address – 45,726 pages

Parcel searches by account number – 22,937 pages

Parcel searches by anything – 98,718 pages

## Appeal Information

State law requires the appraisal district to mail Notices of Appraised Value to property owners where:

- New property has been included for the first time on the appraisal roll
- There has been an ownership change
- There has been a change in taxable value of \$1,000 or more
- The property filed a rendition statement of the property
- The property has been annexed or de-annexed to a taxing jurisdiction

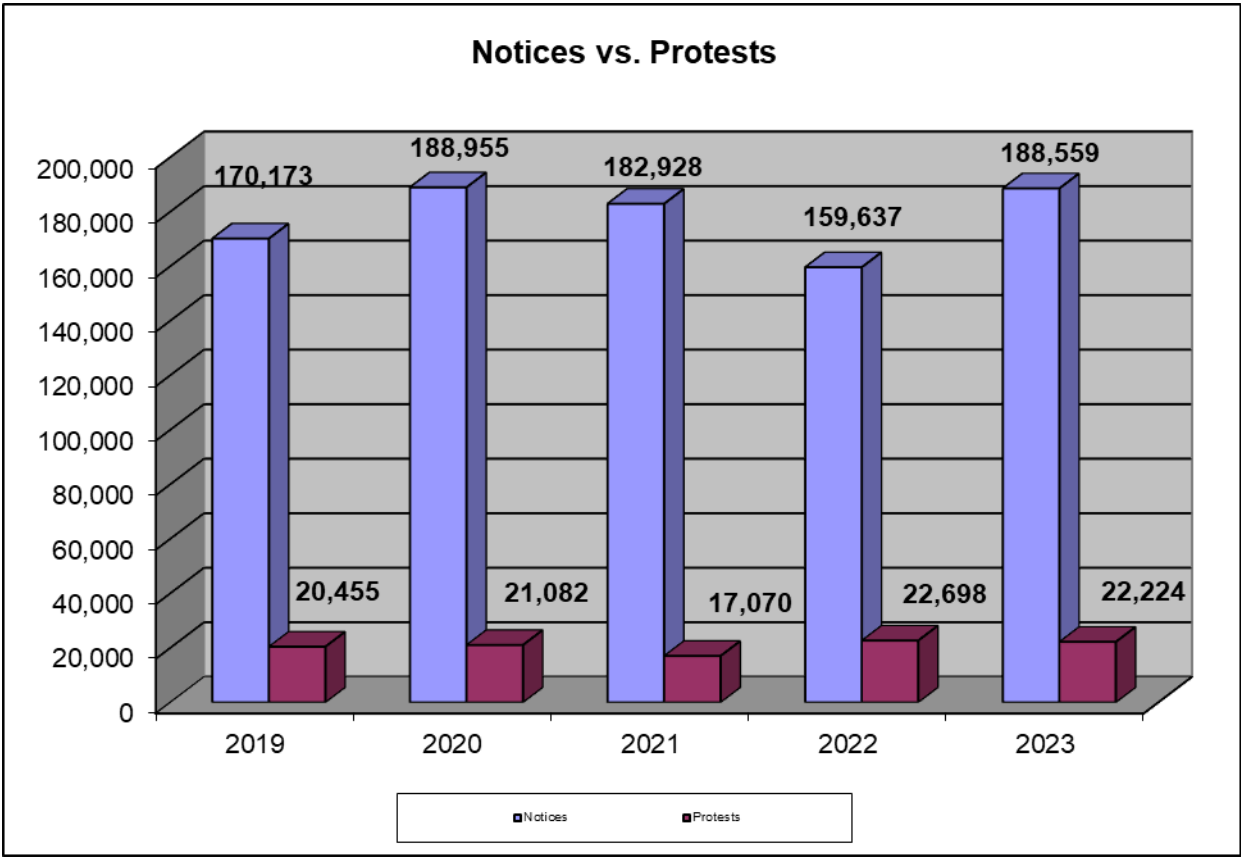
In compliance with these laws, the appraisal district prepared and delivered 213,321 required notices for:

Number	Description
74,064	Real estate parcels
1,327	Mobile home parcels
8,136	Commercial & industrial personal property parcels
21	Utility parcels
129,773	Mineral parcels



In accordance with the Texas Property Tax Code, Section 41.44, a property owner and/or authorized tax consultant may file an appeal with the Appraisal Review Board (ARB) of Johnson County. The ARB schedules these appeals for protest hearing and notifies the protesting party of their scheduled hearing before the ARB. The ARB hears all of the protested property accounts and then approves and submits an appraisal roll to the Chief Appraiser. The protest process begins around the end of May and concludes by July 20<sup>th</sup> of each year. The Chief Appraiser then certifies the appraisal roll to the 33 taxing entities of Johnson County who are served by the appraisal district.

The number of protests filed during a typical protest period has averaged approximately 20,705 cases over the last five years. Of the protests filed for 2023, real and business personal property were 42 percent and protests filed on all other accounts were 58 percent. Appraisal district staff resolved 1 percent of these cases through informal hearings with the property owner. The ARB heard 35 percent of the cases filed with 38 percent being withdrawn. The graph below demonstrates a five year comparison of the number of protests filed in relation to the number of notices mailed.



The Appraisal Review Board is a quasi-judicial body appointed by the local Administrative District Judge. Members are charged with the function of providing an impartial review of the appraisal records prepared by the appraisal district. The ARB is empowered to equalize values of all properties in the district in relation to fair market value and hear taxpayer appeals through scheduled hearings for those that dispute their appraised valued. The ARB members do not work for the appraisal district but rather, arbitrate between the taxpayer and the appraisal district to determine market value.

The Appraisal Review Board keeps statistics on the appeals process tracking protests received, scheduled, heard or resolved. From the 2023 notices mailed, there were 22,224 parcels protested with the following characteristics:

Description	Parcel Count
Value is over market value	22,224
Value is unequal compared with other properties	22,224
Property should not be taxed	125
Failure to send required notice	89
Other	7
Exemption was denied, modified, or cancelled	358
Change of land use	132
Open Space Land valuation was denied, modified, or cancelled	210
Owner's name is incorrect	244
Property should not be taxed in a taxing unit	125

Note - multiple reasons may be checked on a notice of protest.

The final results of these protests were:

Description	Parcel Count
Protest withdrawn	8602
Protest settled by informal hearing with appraiser	2,201
ARB hearing scheduled	11,139
Case dismissed for failure (of taxpayer) to appear at hearing	3,301
ARB ordered no change to the appraisal record	3,379
ARB ordered a change to the appraisal record	4,033
ARB hearing pending	260

The ARB made a change to 15 percent of the cases brought before them and did not make a change to 15 percent. 18 percent were the result of property owners failing to appear at scheduled hearings. The average reduction in value received by property owners appearing before the ARB was \$9,422.

## Certified Values

The Chief Appraiser certified market and taxable values to each taxing jurisdiction on July 24, 2023, summarized as follows:

Jurisdiction	Parcel Count	Market Value	Taxable Value
Johnson County	315,818	\$30,667,177,539	\$22,769,920,493
Johnson Co. Lateral Road	315,816	\$30,667,177,539	\$22,389,327,920
City of Alvarado	5,160	\$780,416,520	\$645,770,462
City of Burleson*	65,681	\$6,175,894,520	\$5,081,419,222
City of Cleburne	43,292	\$4,119,203,250	\$3,412,160,929
City of Crowley*	520	\$5,036,067	\$3,702,041
City of Godley	3,243	\$515,857,433	\$461,139,016
City of Grandview	1,133	\$198,023,054	\$158,591,011
City of Joshua	7,646	\$883,682,314	\$689,396,673
City of Keene	11,996	\$492,041,310	\$414,641,386
City of Mansfield*	6,527	\$2,311,654,671	\$1,754,526,887
City of Rio Vista	678	\$87,604,338	\$77,462,236
City of Venus*	2,841	\$458,567,837	\$387,579,505
Alvarado ISD	42,306	\$3,550,175,732	\$2,136,739,950
Burleson ISD*	82,423	\$6,971,703,998	\$4,531,832,286
Cleburne ISD	61,000	\$6,396,872,900	\$3,769,578,558
Crowley ISD*	1,620	\$117,264,747	\$51,426,843
Godley ISD*	18,803	\$2,688,830,437	\$1,618,730,403
Granbury ISD*	1,652	\$179,639,904	\$117,554,530
Grandview ISD*	8,337	\$1,215,575,262	\$540,514,417
Joshua ISD	47,384	\$4,084,448,102	\$2,409,722,317
Keene ISD	8,061	\$387,334,601	\$256,707,503
Mansfield ISD*	25,285	\$2,935,737,518	\$2,069,499,242
Rio Vista ISD*	7,444	\$895,863,215	\$439,324,975
Venus ISD	11,552	\$1,224,182,403	\$700,526,426
Hill College - Alvarado	42,306	\$3,550,175,732	\$2,605,127,847
Hill College - Cleburne	61,000	\$6,396,872,900	\$4,538,744,016
Hill College - Godley	18,803	\$2,688,830,437	\$1,874,100,499
Hill College - Grandview*	8,337	\$1,215,575,262	\$674,764,220
Hill College - Joshua	47,384	\$4,084,448,102	\$3,027,568,402
Hill College - Keene	8,061	\$387,334,601	\$322,148,735
Hill College - Rio Vista*	7,444	\$895,863,215	\$543,714,955
Hill College - Venus	11,552	\$1,224,182,403	\$873,176,387
Emergency Services District #1	211,602	\$18,022,505,457	\$12,606,397,096

\* Johnson County portion

These values reflect an overall market value gain of \$6,755,084,667 or a 28.25% increase in value from the previous year's certified value. While a 35.5% increase in the real estate and personal property rolls was noted, the mineral/utility roll also increased by 27%. This gain is attributable to steady natural gas prices with 4,542 active wells in 2023.

## Certified Taxable Market Values

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Johnson County	16,359,312,750	17,314,093,383	20,160,025,375	23,912,092,872	30,667,177,539
Johnson Co. Lateral Road	16,359,312,750	17,314,093,383	20,160,025,375	23,912,092,872	30,667,177,539
City of Alvarado	403,196,100	413,888,856	474,205,022	566,399,613	780,416,520
City of Burleson*	3,522,599,593	3,806,949,435	4,196,686,573	5,065,083,352	6,175,894,520
City of Cleburne	2,583,311,715	2,652,366,654	3,018,292,434	3,426,754,963	4,119,203,250
City of Crowley*	3,184,164	3,171,706	3,190,135	4,339,077	5,036,067
City of Godley	87,521,083	125,649,761	188,795,845	290,563,840	515,857,433
City of Grandview	117,238,326	115,295,685	121,897,646	152,560,663	198,023,054
City of Joshua	485,343,677	530,290,090	606,831,947	715,253,253	883,682,314
City of Keene	277,663,255	311,876,408	335,531,191	399,327,727	492,041,310
City of Mansfield*	669,882,030	853,070,521	1,149,951,451	1,599,706,340	2,311,654,671
City of Rio Vista	53,395,479	53,833,894	56,180,150	63,230,095	87,604,338
City of Venus*	177,350,879	197,890,613	266,390,708	365,956,235	458,567,837
Alvarado ISD	1,953,647,850	1,977,957,137	2,351,791,603	2,602,380,610	3,550,175,732
Burleson ISD*	4,176,284,887	4,480,072,241	4,872,614,239	5,771,033,642	6,971,703,998
Cleburne ISD	3,733,694,912	3,803,932,488	4,278,737,338	4,820,371,633	6,396,872,900
Crowley ISD*	87,663,992	86,668,340	90,622,913	111,101,452	117,264,747
Godley ISD*	1,149,578,042	1,242,512,048	1,673,232,156	2,124,200,176	2,688,830,437
Granbury ISD*	102,049,269	95,114,309	100,311,679	111,457,403	179,639,904
Grandview ISD*	626,395,565	640,554,489	734,497,043	954,784,552	1,215,575,262
Joshua ISD	2,217,935,229	2,379,972,829	2,848,853,357	3,306,158,577	4,084,448,102
Keene ISD	219,264,368	256,341,353	268,532,116	320,690,505	387,334,601
Mansfield ISD*	1,044,499,603	1,242,292,148	1,603,692,385	2,109,979,699	2,935,737,518
Rio Vista ISD*	519,737,247	536,469,671	586,868,461	629,253,869	895,863,215
Venus ISD	512,399,893	555,711,625	732,571,607	1,032,144,208	1,224,182,403
Hill College - Alvarado	1,953,647,850	1,977,957,137	2,351,791,603	2,602,380,610	3,550,175,732
Hill College - Cleburne	3,733,694,912	3,803,932,488	4,278,737,338	4,820,371,633	6,396,872,900
Hill College - Godley	1,149,578,042	1,242,512,048	1,673,232,156	2,124,200,176	2,688,830,437
Hill College - Grandview*	626,395,565	640,554,489	734,497,043	954,784,552	1,215,575,262
Hill College - Joshua	2,217,935,229	2,379,972,829	2,848,853,357	3,306,158,577	4,084,448,102
Hill College - Keene	219,264,368	256,341,353	268,532,116	320,690,505	387,334,601
Hill College - Rio Vista*	519,737,247	536,469,671	586,868,461	629,253,869	895,863,215
Hill College - Venus	512,399,893	555,711,625	732,571,607	1,032,144,208	1,224,182,403
Emergency Services District #1	9,581,245,750	9,999,115,850	11,785,188,872	13,795,442,384	18,022,505,457

\*Johnson County portion

## Certified Net Taxable Values

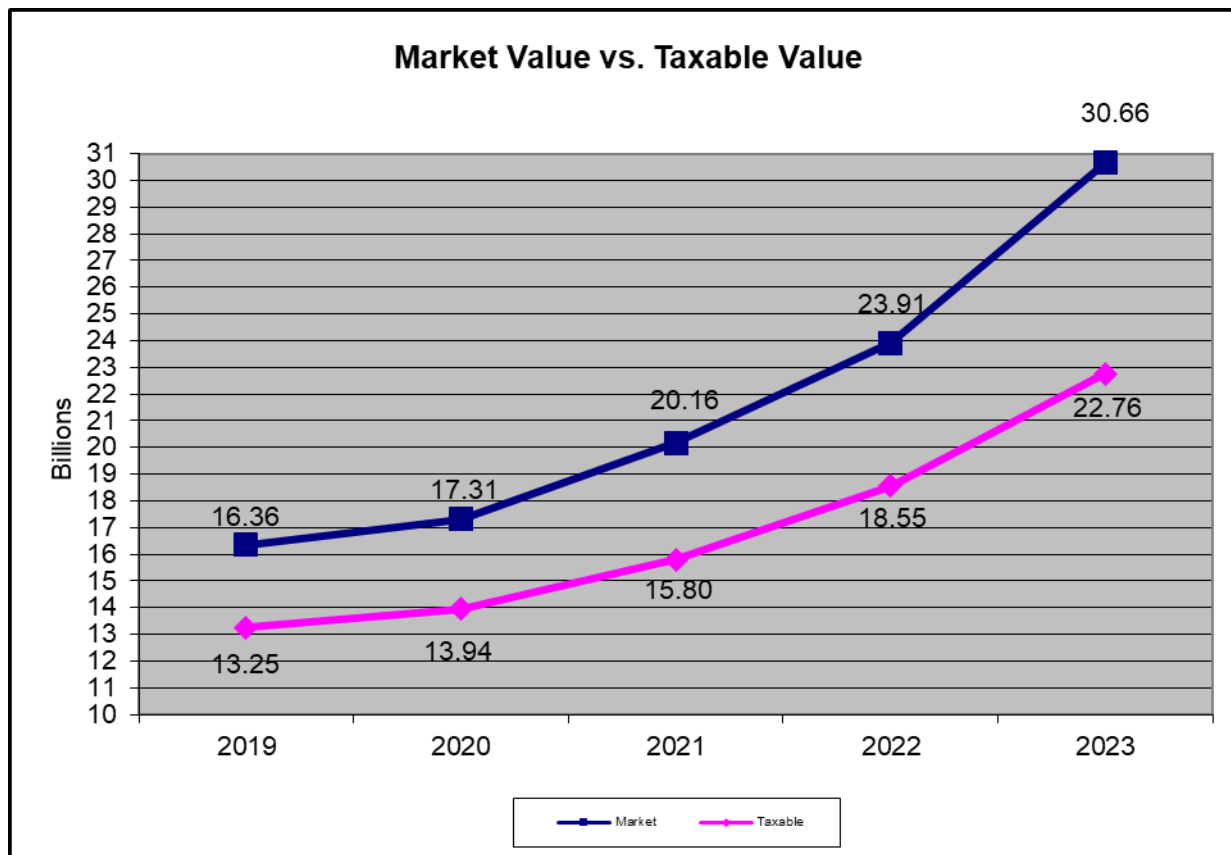
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Johnson County	13,254,280,795	13,942,908,409	15,810,596,892	18,549,180,095	20,472,408,271
Johnson Co. Lateral Road	13,469,990,248	14,246,972,357	16,038,477,246	18,504,753,164	20,590,240,409
City of Alvarado	364,208,632	374,269,018	412,643,685	494,775,893	646,070,690
City of Burleson*	3,183,685,718	3,385,013,600	3,747,264,263	4,326,085,495	5,065,577,939
City of Cleburne	2,194,096,124	2,274,766,466	2,580,531,695	2,907,789,725	3,056,663,950
City of Crowley*	3,005,462	2,979,503	2,924,637	3,587,998	2,960,409
City of Godley	85,260,368	121,128,702	169,064,477	265,547,088	462,719,413
City of Grandview	99,626,670	99,592,045	106,604,452	132,506,318	148,556,684
City of Joshua	412,625,355	435,814,675	494,232,796	576,317,538	598,335,630
City of Keene	257,534,819	281,047,153	301,484,923	351,620,506	358,916,970
City of Mansfield*	584,113,283	710,875,153	946,168,300	1,264,979,703	1,709,719,865
City of Rio Vista	48,884,398	50,791,075	53,638,657	60,734,629	77,462,251
City of Venus*	162,281,765	185,400,238	246,989,608	311,403,473	366,572,437
Alvarado ISD	1,453,400,700	1,458,172,650	1,679,378,521	1,863,692,382	2,083,510,501
Burleson ISD*	3,306,466,884	3,559,807,092	3,888,857,510	4,394,660,308	4,369,620,006
Cleburne ISD	2,827,317,034	2,893,095,107	3,208,132,684	3,537,716,293	3,679,843,282
Crowley ISD*	54,962,943	55,207,704	57,057,119	64,286,161	46,753,993
Godley ISD*	858,368,589	906,269,973	1,058,584,798	1,345,796,876	1,582,404,253
Granbury ISD*	84,654,792	77,590,722	81,245,447	91,038,019	110,846,602
Grandview ISD*	359,882,227	376,629,767	420,835,872	510,268,794	520,015,636
Joshua ISD	1,686,326,553	1,810,168,158	2,105,871,353	2,372,060,589	2,274,090,372
Keene ISD	178,707,611	200,182,748	214,534,135	251,809,141	247,552,828
Mansfield ISD*	864,419,225	1,033,831,513	1,287,678,316	1,645,883,858	2,016,418,383
Rio Vista ISD*	315,067,862	332,691,219	371,339,697	397,397,590	415,598,238
Venus ISD	365,297,288	404,890,163	510,548,036	661,935,086	691,095,528
Hill College - Alvarado	1,583,253,332	1,595,128,780	1,796,780,480	2,054,359,577	2,410,333,784
Hill College - Cleburne	3,049,079,494	3,088,357,020	3,390,173,740	3,796,276,165	4,132,443,705
Hill College - Godley	891,404,323	938,215,011	1,097,115,974	1,420,445,518	1,769,614,241
Hill College - Grandview*	383,498,149	397,713,040	443,971,974	547,992,546	603,536,473
Hill College - Joshua	1,798,488,795	1,908,571,940	2,194,938,291	2,535,021,720	2,677,912,957
Hill College - Keene	192,034,013	212,920,945	226,368,673	272,584,787	284,486,672
Hill College - Rio Vista*	333,489,749	349,675,454	389,575,572	429,329,159	476,134,639
Hill College - Venus	398,305,580	438,014,420	546,346,259	726,085,696	819,804,526
Emergency Services District #1	7,493,864,304	7,786,749,400	8,793,946,117	10,246,512,624	12,614,086,363

\*Johnson County portion

Since 2008, the majority of top ten taxpayers have been gas production companies and gas related industries. The chart below lists the 2023 top ten taxpayers and taxable value for Johnson County:

Top Ten Taxpayers		Taxable Value
1.	JAVELIN ENERGY PARTNERS MGMT	\$197,385,936
2.	KLEIN TOOLS INC	\$165,244,001
3.	UPP OPERATING LLC	\$164,933,258
4.	ETC TEXAS PROCESSING LTD	\$146,207,298
5.	JAMES HARDIE BUILDING PRODUCTS	\$131,561,408
6.	ONCOR ELECTRIC DELIVERY CO LLC	\$107,571,375
7.	BKV NORTH TEXAS	\$85,756,597
8.	TEP BARNETT USA LLC	\$83,075,618
9.	WAL-MART STORES EAST LP	\$82,281,155
10.	HALLIBURTON ENERGY SERVICES IN	\$79,921,944

The graph below provides a comparison of the appraisal district's overall market value and taxable value. In comparing 2019 with 2023, market value reflects an increase of 14.3 billion dollars or a 87.4 percent increase in values.



## Average Home Values

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Johnson County	158,240	170,091	195,009	231,408	286,263
Johnson Co. Lateral Road	158,240	170,091	195,009	231,408	286,263
City of Alvarado	117,755	123,003	148,650	166,424	246,321
City of Burleson*	205,754	216,994	234,026	280,493	333,429
City of Cleburne	134,119	137,853	166,304	186,680	220,231
City of Crowley*	207,699	207,699	207,699	285,077	330,315
City of Godley	118,855	158,844	199,352	253,890	311,840
City of Grandview	138,392	139,171	145,535	181,203	252,278
City of Joshua	177,911	186,526	211,295	245,812	289,463
City of Keene	118,956	144,790	153,307	179,533	225,244
City of Mansfield*	270,358	293,301	339,783	404,209	507,075
City of Rio Vista	121,134	122,232	127,937	134,553	180,212
City of Venus*	158,850	169,334	196,059	257,652	291,838
Alvarado ISD	103,696	110,026	134,221	146,167	204,956
Burleson ISD*	209,117	219,717	236,282	280,903	333,485
Cleburne ISD	132,659	136,723	164,629	183,796	220,562
Crowley ISD*	197,869	197,676	216,587	263,886	283,464
Godley ISD*	126,069	171,724	209,519	258,537	333,174
Granbury ISD*	219,964	222,185	230,903	240,565	467,167
Grandview ISD*	147,214	156,505	175,985	226,466	311,677
Joshua ISD	163,798	175,892	203,279	237,619	286,454
Keene ISD	112,994	144,825	148,419	178,398	222,718
Mansfield ISD*	221,031	244,474	293,784	355,366	453,065
Rio Vista ISD*	158,835	167,346	179,743	196,000	242,544
Venus ISD	97,092	107,679	128,700	186,071	216,294
Hill College - Alvarado	103,696	110,026	134,221	146,167	204,956
Hill College - Cleburne	132,659	136,723	164,629	183,796	220,562
Hill College - Godley	126,069	171,724	209,519	258,537	333,174
Hill College - Grandview*	147,214	156,505	175,985	226,466	311,677
Hill College - Joshua	163,798	175,892	203,279	237,619	286,454
Hill College - Keene	112,994	144,825	148,419	178,398	222,718
Hill College - Rio Vista*	158,835	167,346	179,743	196,000	242,544
Hill College - Venus	97,092	107,679	128,700	186,071	216,294
Emergency Services District #1	139,095	152,733	176,759	209,401	263,662

\*Johnson County portion

## Tax Rates

Using the taxable values as certified by the Chief Appraiser(s) and following the requirements of the Truth In Taxation laws, the taxing jurisdictions adopted the following tax rates per \$100 of taxable value:

Taxing Jurisdictions	2023	2022	2021	2020	2019
Alvarado ISD	1.169200	1.354600	1.372000	1.466400	1.470000
Alvarado City	0.811895	0.812696	0.812696	0.751419	0.732031
Burleson ISD	1.257500	1.442900	1.494600	1.538300	1.568350
Burleson City	0.632500	0.657200	0.685900	0.711100	0.720000
Cleburne ISD	1.211900	1.397300	1.448600	1.514700	1.528300
Cleburne City	0.581318	0.640476	0.690498	0.760092	0.773206
Crowley ISD	1.257500	1.442900	1.484100	1.539800	1.568400
Crowley City	0.594890	0.645203	0.729545	0.699806	0.681992
Godley ISD	1.289200	1.474600	1.492000	1.466400	1.470000
Godley City	0.516064	0.454124	0.490390	0.540000	0.540000
Granbury ISD	0.934200	0.999600	1.088800	1.111400	1.125000
Grandview ISD	0.998900	1.105900	1.178100	1.133100	1.196100
Grandview City	0.650000	0.650000	0.760566	0.771282	0.771282
Joshua ISD	1.087200	1.272600	1.290000	1.396000	1.440000
Joshua City	0.651229	0.711493	0.711493	0.761240	0.765270
Keene ISD	1.048900	1.165470	1.231270	1.285800	1.299400
Keene City	0.834134	0.834134	0.844134	0.854134	0.867822
Mansfield ISD	1.149200	1.334600	1.418300	1.446400	1.460000
Mansfield City	0.659293	0.680000	0.690000	0.690000	0.710000
Rio Vista ISD	1.183300	1.322990	1.322990	1.397390	1.498350
Rio Vista City	0.436333	0.399317	0.502741	0.527606	0.572667
Venus ISD	1.180700	1.366100	1.383500	1.421300	1.491500
Venus City	0.754842	0.754842	0.807224	0.838991	0.869918
Hill College - Alvarado ISD	0.044780	0.049230	0.050000	0.050000	0.047389
Hill College - Cleburne ISD	0.047046	0.049847	0.050000	0.048692	0.044494
Hill College - Godley ISD	0.021423	0.024210	0.026092	0.025422	0.022252
Hill College - Grandview ISD	0.044393	0.047223	0.050000	0.050000	0.048357
Hill College - Joshua ISD	0.048091	0.050000	0.049928	0.050000	0.047566
Hill College - Keene ISD	0.042922	0.043503	0.049548	0.049548	0.049393
Hill College - Rio Vista ISD	0.029441	0.031778	0.033478	0.035391	0.035216
Hill College - Venus ISD	0.038098	0.039827	0.047245	0.050000	0.050000
Johnson County Total	0.335000	0.415000	0.420000	0.425000	0.425000
County		0.368455	0.379700	0.384700	0.384700
Lateral Road	0.050000	0.046545	0.040300	0.040300	0.040300
Emergency Services Dist. #1	0.054201	0.060000	0.060000	0.060000	0.060000



## Comptroller PTAD Studies

Beginning in 2010, the Comptroller's Property Tax Assistance Division (PTAD) will alternate between a Property Value Study (PVS) and a Methods and Assistance Program (MAP) review for each appraisal district. The Central Appraisal District of Johnson County had its PVS in 2023 and its MAP in 2022.

### Property Value Study

The Property Value Study has two purposes – to assess the median level of appraisal for each appraisal district and to determine the taxable value of property for each ISD for school funding purposes. If the appraisal district is within a 5% margin, the Comptroller will certify the local value to the Commissioner of Education. The findings of the study are used in the school funding formula for state aid. The Central Appraisal District of Johnson County has received local value for each ISD located in Johnson County for 2023 with an overall 1.00 median level of appraisal.

#### COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION 2023 PROPERTY VALUE STUDY / CAD SUMMARY WORKSHEET 126 JOHNSON

Category	Number of Ratios **	2023 CAD Reported Appraisal Value	Median Level of Appraisal	Coefficient of Dispersion	% Ratios within (+/-) 10 % of Median	% Ratios within (+/-) 25 % of Median	Price - Related Differential
A.SINGLE-FAMILY RESIDENCES	1,193	15,260,055,263	1.00	9.19	68.82	91.03	1.01
B.MULTI-FAMILY RESIDENCES	43	622,804,869	*	*	*	*	*
C1.VACANT LOTS	43	584,845,712	*	*	*	*	*
C2.COLONIA LOTS	0	0	*	*	*	*	*
D2.FARM/RANCH IMP	0	45,377,643	*	*	*	*	*
E.RURAL-NON-QUAL	204	3,547,697,982	1.00	17.79	45.59	71.57	1.02
F1.COMMERCIAL REAL	116	1,625,108,600	*	*	*	*	*
F2.INDUSTRIAL REAL	0	932,495,442	*	*	*	*	*
G.OIL, GAS, MINERALS	73	813,819,457	*	*	*	*	*
J.UTILITIES	8	869,084,255	*	*	*	*	*
L1.COMMERCIAL PERSONAL	41	721,171,495	*	*	*	*	*
L2.INDUSTRIAL PERSONAL	0	1,554,027,814	*	*	*	*	*
M.OTHER PERSONAL	0	95,514,813	*	*	*	*	*
O.RESIDENTIAL INVENTORY	0	286,481,528	*	*	*	*	*
S.SPECIAL INVENTORY	0	114,459,930	*	*	*	*	*
OVERALL	1,721	27,072,944,803	1.00	10.82	64.50	87.33	1.06

\* Category result not calculated. Calculation requires a minimum of five ratios from either of the following:

- Categories representing at least 25 percent of total CAD category value.
- Five ISDs or half the ISDs in the CAD, whichever is less \* \*\*Statistical measures may not be reliable when the sample is small

Based upon the Mass Appraisal Standards adopted by the International Association of Assessing Officers (IAAO), the above statistics indicate that the appraisal district's mass appraisal system is accurately and uniformly appraising property.

**Methods and Assistance Program**

The Methods and Assistance Program review is conducted in accordance with Tax Code Section 5.10(a), effective January 1, 2010 and related State Comptroller Rule 9.301. The PTAD performed the reviews for 128 appraisal districts in 2022 and 125 appraisal districts in 2023. As part of the MAP review process the appraisal district is required to submit, in advance of the review, electronic copies of procedures, policies, notices, manuals and related materials necessary for the completion of this review. Comptroller reviewers also collect related information at the time of the on-site review, compare appraisal district records to existing property and locate property using appraisal district maps. The MAP review has four pass/fail questions as shown below. The Comptroller is also required by statute to review appraisal districts for: Governance; Taxpayer Assistance; Operating Procedures; and Appraisal Standards, Procedures and Methodology. The Central Appraisal District of Johnson County successfully passed the mandatory MAP requirements and received a rating of meets all with a score = 100 in each appraisal district activity and no recommendations.

**TEXAS COMPTROLLER OF PUBLIC ACCOUNTS  
METHODS AND ASSISTANCE PROGRAM 2022 REPORT  
CENTRAL APPRAISAL DISTRICT OF JOHNSON COUNTY - TIER 1**

<b>Mandatory Requirements</b>	<b>PASS/FAIL</b>
1. Does the appraisal district board of directors, through the chief appraiser, ensure administrative functions are followed in accordance with Chapter 6 of the Texas Property Tax Code?	PASS
2. Does the appraisal district have up-to-date appraisal maps?	PASS
3. Is the implementation of the appraisal district's most recent reappraisal plan current?	PASS
4. Are the appraisal district's appraisal records up-to-date and is the appraisal district following established procedures and practices in the valuation of property?	PASS
5. Are values reproducible using the appraisal district's written procedures and appraisal records?	PASS
<b>Appraisal District Activities</b>	<b>RATING</b>
Governance	MEETS ALL
Taxpayer Assistance	MEETS ALL
Operating Procedures	MEETS ALL
Appraisal Standards, Procedures and Methodology	MEETS ALL

*Appraisal District Ratings:*

Meets All – The total point score is 100.

Meets – The total point score ranges from 90 to less than 100.

Needs Some Improvement – The total point score ranges from 85 to less than 90.

Needs Significant Improvement – The total point score ranges from 75 to less than 85.

Unsatisfactory – The total point score is less than 75.

# Legislative Changes for 2023-2024

## 88<sup>th</sup> Session of Texas Legislature

This publication includes highlights of legislation relating to property tax passed during the 88th Regular Session. The highlights are general summaries and do not reflect the exact or complete text of the legislation. Not all legislation impacting property tax is addressed. Please be advised that this information is being provided solely as an informational resource. The information provided is not intended for use in lieu of, or as a substitute for, the legislation referenced herein and should not be relied upon as such. Additionally, the information provided neither constitutes nor serves as a substitute for legal advice. Questions regarding the meaning or interpretation of any information included or referenced in this publication should, as appropriate or necessary, be directed to an attorney or other appropriate counsel

### 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 elec-

tion 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 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), (d- 9), (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 child-care 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/ Property Taxes 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. 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 changed 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 on-line 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 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*

### **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.*

#### Education Code

##### **Section 45.1011**

**HB 3** adds this section relating to school facility safety standards. Subsection (a) authorizes the use of bond proceeds for the construction and equipment of school buildings and the purchase of the necessary sites for school building to be used to pay the costs associated with complying with school safety and security requirements for school facilities in accordance with Education Code Section 37.351 (safety and security requirements for facilities, facilities standards compliance). Subsection (b) requires a school district that has been determined by the agency to not be in compliance with safety and security requirements to use bond proceeds for the construction and equipment of school buildings and the purchase of necessary sites for school buildings to achieve compliance with applicable safety and security requirements before the district may use the proceeds for any other authorized purpose.

*Effective Sept. 1, 2023.*

##### **Section 46.071**

**SB 2 (2nd CS)** adds subsection (a-2) to provide that beginning with the 2023-2024 school year, a school district is entitled to additional state aid to the extent that state and local revenue used to service eligible debt is less than the state and local revenue that would have been available to the district if the increase in the residence homestead and any additional limitation on tax increases had not occurred. Adds subsection (b-2) to provide that additional state aid under this section, beginning with the 2023-2024 school year, is equal to amount by which the loss of local interest and sinking revenue for debt service attributable to any increase in the residence homestead exemption and any additional limitation on tax increases is not offset by a gain in state aid under this chapter. Adds subsection (c-2) to provide that for purposes of determining state aid under subsections (a-2) and (b-2), local interest and sinking revenue for debt service is limited to revenue required to service debt eligible under this chapter as of Sept. 1, 2023, or authorized by the voters but not yet issued as of Sept. 1, 202, that later becomes eligible, including refunding of that debt subject to Section 46.061. The limitation on the existing debt tax rate imposed by Section 46.034(a) does not apply for the purpose of determining state aid under this section.

*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).*

##### **Section 48.2542**

**SB 2 (2nd CS)** amends this section related to additional state aid for the adjustment of the limitation on tax increases for a residence homestead of an elderly or disabled person to add the adjustments as provided by Tax Code Sections 11.26(a-11) and (a-12).

*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 related to additional state aid for the adjustment of the limitation on tax increases for a residence homestead of an elderly or disabled person to provide for the adjustment as described by Tax Code Section 11.26(a-10) and strikes references to subsections that are repealed by the bill.

*Effective Jan. 1, 2025, contingent on voter approval of HJR 2 (2nd CS).*

#### **Section 48.2543**

**SB 2 (2nd CS)** add subsection (a-1) to provide that, beginning with the 2023-2024 school year, a school district is entitled to additional state aid to the extent that state and local revenues for maintenance and operations (M&O) with the increased homestead exemption would be less than the district's combined state and local revenue for M&O had the residence homestead exemption not increased. Amends subsection (b) to specify that the currently adopted M&O tax rate for the 2022 tax year is used for the purpose of determining additional state aid.

*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).*

#### **Section 48.2555**

**SB 2 (2nd CS)** adds this section to require the commissioner of education to calculate a school district's maximum compressed rate (MCR) by determining the district's MCR under Education Code Section 48.2551 or 48.2552(b), as applicable, and reducing the rate by \$0.107 for the 2023-2024 school year. Provides that if the newly compressed tax rate is less than 90 percent of another school district's MCR then the district's MCR is the value at which the MCR would be equal to 90 percent of the other district's MCR. Creates a permanently compressed rate by providing that for purposes of determining a school district's MCR for the 2024-2025 school year, the value of the district's prior year maximum compressed rate (PYMCR) is the MCR as determined under this section.

*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).*

#### **Section 48.2556**

**SB 2 (2nd CS)** amends subsection (a), relating to information the Texas Education Agency (TEA) is required to post on the agency's website to assist each appraisal district and assessor in making the calculations for the adjustment to the limitation on tax increases, to add references to Tax Code Sections 11.26(a-11) and (a-12).

*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 subsection (a), relating to information TEA is required to post on the agency's website to assist each appraisal district and assessor in making the calculations for the adjustment to the limitation on tax increases, to strike the requirement that TEA post each school district's tier one maintenance and operations tax rate for the 2018 tax year, strike references to repealed provisions, and update the reference to the adjustment calculation to Tax Code Section 11.26(a-10).

*Effective Jan. 1, 2025, contingent on voter approval of HJR 2 (2nd CS).*

#### **Section 48.283**

**SB 2 (2nd CS)** adds this section to provide additional state aid to school districts that received an adjustment under Education Code Section 48.257(b) for the 2022-2023 in an amount equal to the amount of that adjustment for the 2022- 2023 school year less the difference between the amount to which the district is entitled for the current school year and the amount the district would be entitled to for the current year if the district's MCR had not been reduced under Education Code Section 48.2555.

*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).*

#### **Section 49.004**

**SB 2 (2nd CS)** adds subsections (a-1), (b-1), and (c-1) to provide that the annual review of local revenues conducted by TEA be done using the revised property values that reflect the increased residence homestead exemption amount. Authorizes a school district with a local revenue level in excess of entitlement that has not previously held an election to reduce local revenue to request and receive approval from TEA to delay the date of the election otherwise required to be ordered before September 1. Provides that a school district that receives approval to delay an election may adopt a tax rate for the 2023 tax year before TEA certifies that the district has reduced its local revenue level to the appropriate level. These temporary provisions expire on Sept. 1, 2024.

*Effective July 22, 2023, contingent on voter approval of HJR 2 (2nd CS).*

#### **Section 49.0042**

**SB 2 (2nd CS)** adds this section as a transitional provision to require TEA to approve a district's request for a delayed election if TEA determines that the district would not have a local revenue level in excess of entitlement if the proposed constitutional amendment were approved by the voters. Requires TEA to set a date by which each district must order the election. Requires TEA to order detachment and annexation of property or the consolidation of districts to reduce a district's local revenue level to the appropriate level if the district fails to hold an election or does not receive voter approval at the election. This section expires Sept. 1, 2025.

*Effective July 22, 2023, contingent on voter approval of HJR 2 (2nd CS).*

#### **Section 49.0121**

**SB 2 (2nd CS)** adds this section to provide that Section 49.012, related to the date of elections to reduce a district's local revenue level, does not apply if the district receives approval to delay the election. Requires the district to hold the election on a Tuesday or Saturday on or before a date specified by TEA. This section applies only to an election that occurs during the 2023-2024 school year and expires on Sept. 1, 2024.

*Effective July 22, 2023, contingent on voter approval of HJR 2 (2nd CS).*

#### **Section 49.154**

**SB 2 (2nd CS)** adds subsection (a-2) and (a-3) to requires a school district that receives approval for a request to delay an election to reduce the district's local revenue level to pay for attendance credits purchased in equal monthly payments as determined by TEA beginning March 15, 2024, and ending Aug. 15, 2024 or in the manner provided by statute that the district notifies TEA of the district's election to pay in that manner not later than March 15, 2024. These subsections expire Sept. 1, 2024.

*Effective July 22, 2023, contingent on voter approval of HJR 2 (2nd CS).*

#### **Section 49.308**

**SB 2 (2nd CS)** adds subsection (a-1) to provide that, for the 2023-2024 school year, TEA is required to order any detachments and annexations of property as soon as practicable after the canvass of the votes on the constitutional amendment. This subsection expires Sept. 1, 2024.

*Effective July 22, 2023, contingent on voter approval of HJR 2 (2nd CS).*

### **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 maintain in the database.

*Effective Jan. 1, 2024, and applies only to an agreement made on or after the effective date.*

#### **Section 403.302**

**SB 2 (2nd CS)** amends subsection (j-1) relating to the requirement that the comptroller separately identify the final taxable value for each school district as adjusted to account for the reduction of the amount of the limitation on tax increases to update the reference to Tax Code Section 11.26(a- 10) and strike references to subsections that are repealed by the bill. Adds subsection (j-2) to require the comptroller to separately identify the final taxable value for each school district as adjusted to account for the reduction of the amount of the limitation on tax increases provided by Tax Code Sections 11.26(a-5), (a-6), (a-7), (a-8), (a-9), (a-10), (a-11), and (a- 12); the subsection expires on Jan. 1, 2025.

*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 subsection (d) relating to the definition of taxable value for purposes of the School District Property Value Study to include an adjustment for property subject to the circuit breaker limitation under Tax Code Section 23.231. Amends subsection (i) to add references to value lost due to the circuit breaker limitation under Tax Code Section 23.231.

*Effective Jan. 1, 2024, contingent on voter approval of HJR 2 (2nd CS).*

**SB 2 (2nd CS)** amends subsections (d) and (i) to remove references to the circuit breaker limitation under Tax Code Section 23.231.

*Effective Jan. 1, 2027, contingent on voter approval of HJR 2 (2nd CS).*

#### **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.

Section 403.607 requires an applicant to submit required information to the Comptroller on a form prescribed by the Comptroller. The application must include information on the location of the project, a brief description of the proposed project, a disclosure of any grant or loan of public money that the applicant is receiving or expects to receive for the project, a description of the eligible property, a projected timeline for construction and completion, and the proposed incentive period. In addition, the application must identify the reinvestment zone, enterprise zone, or qualified opportunity zone, and summarize the economic benefits of the proposed project. The application must include a fee payable to the Comptroller for administrative costs, a fee payable to the school district not to exceed \$3,000, and a map of the site of the proposed project. Section 403.608 requires an applicant to submit an economic benefit statement with the application. The annual statement must contain detailed information about the project, including an estimate of the number of total jobs that will be created, an estimate of the total capital investment, an estimate of the increase in appraised value of property that will be attributable to the project, an estimate of the amount of ad valorem taxes that will be imposed by each taxing unit, an estimate of the amount of state taxes that will be paid in connection with the project, and an estimate of the associated economic benefits that may be reasonably attributable to the project, including the total impact of the project on state and local taxes. The bill requires the Comptroller to establish criteria for the methodology used to create the economic benefit statement and may require the applicant to supplement or modify the statement to ensure the accuracy of the estimates provided.

Section 403.609 requires the Comptroller to determine whether to recommend or not recommend the application for approval. The Comptroller is authorized to recommend an application for approval if the Comptroller finds that the proposed project:

- is an eligible project;
- is reasonably likely to generate an amount of state and local tax revenue, including property tax revenue, sufficient to offset the loss of school district maintenance and operations property tax revenue as a result of the agreement before the 20th anniversary of the first day of the construction period;

- is a compelling factor in a competitive site selection determination and that, in the absence of the agreement, the applicant would not make the proposed investment in this state; and,
- is located in a qualified opportunity zone if the application indicates the eligible project is located in the zone. The Comptroller is required to provide a recommendation on the application no later than 60 days after the date the Comptroller determines the application is complete and provide written notice of the action to the governor, the school district in which the project is located, and the applicant.

Section 403.610 requires the Governor to consider the application and by official action determine whether the Governor is agreeable to entering into the agreement no later than 30 days after receiving the application and recommendation from the Comptroller. The Governor is required to provide written notice of the determination to the Comptroller, the applicable school district, the oversight committee, and the applicant no later than the seventh day after the determination is made. Section 403.611 requires the governing body of the school district to consider the application and by official action determine whether the district is agreeable to entering into the agreement no later than 30 days after receiving the application and recommendation from the Comptroller. The governing body of the school district is required to hold a public hearing on the application. The governing body must provide notice of the public hearing no later than 15 days before the date of the hearing. The notice must continue the name of the applicant, the name and location of the existing or proposed reinvestment zone or enterprise zone in which the eligible project is proposed to be located, a general description of the proposed project, and the projected investment the applicant will make in the project.

*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 411.1296**

**HB 4123** amends the heading of this section to read “access to criminal history record information: employment by appraisal district, appointment to appraisal review board for appraisal district, and applicant to Texas Appraiser and Licensing and Certification Board.” The bill amends subsection (a) to provide that the Texas Appraiser Licensing and Certification Board is entitled to obtain criminal history record information for an applicant for a license of certification as an appraiser trainee, licensed residential appraiser, certified residential appraiser, or certified general appraiser or for an appraisal management company regulated by the Texas Appraiser Licensing and Certification Board. The bill adds subsection (a-1) to provide that an appraisal district and the Texas Appraiser Licensing and Certification Board are entitled to obtain criminal history record information maintained or indexed by the Federal Bureau of Investigation and obtain state criminal history record information maintained by the Department of Public Safety or any other criminal justice agency in this state. Adds subsection (d) to prohibit an appraisal district or the Texas Appraiser Licensing and Certification Board from releasing or disclosing criminal history record information obtained from the Federal Bureau of Investigation. The bill prohibits the release or disclosure of criminal history record information obtained from the Department of Public Safety or other criminal justice agency except on court order with written consent of the person who is the subject of the information. Adds subsection (e) to provide that an appraisal district or the Texas Appraiser Licensing and Certification Board may disclose criminal history record information obtained from the Department of Public Safety or other criminal justice agency in a criminal proceeding or in a hearing conducted by the entity. Adds subsection (f) to require criminal history record information be destroyed after the information is used for its authorized purpose.

*Effective June 13, 2023, and applies on to an open meeting held on or after the effective date.*

#### **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 552.275**

**HB 3033** adds subsection (n) to authorize a governmental body to request photo identification from a requestor of public information for the purpose of establishing that the requestor has not concealed his or her identity and that the requestor has not exceeded a limit established by the 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. Adds subsection (o) to provide that governmental body must include a statement to the requestor that describes the specific reasons why the requestor may be required to provide photo identification. The governmental body is required to accept physical presentment of a photo identification or an image of the photo identification that is transmitted electronically or through the mail as proof of the requestor's identity. Allows a requestor to decline to provide identification and to obtain the requested information by paying the charge assessed in the statement. The bill makes conforming changes to subsections (b), (g), and (h) related to the request for photo identification.

*Effective Sept. 1, 2023, and applies only to a request made on or after the effective date.*

#### **Section 552.3031**

**HB 3033** adds this section to require certain governmental bodies to submit a request for an Attorney General decision related to withholding information from being disclosed under the Public Information Act through the Attorney General's designed electronic filing system. This requirement does not apply:

- if the governmental body submitting the request has fewer than 16 full-time employees and is located in a county with a population of less than 150,000;
- the amount or format of responsive information at issue makes use of the electronic filing system impractical or impossible; or,
- The request is hand delivered to the Office of the Attorney General.

The bill authorizes the Attorney General to adopt rules necessary to implement the electronic filing system, including rules that define the amount or type of formatting of information that makes use of the electronic filing system impractical or impossible.

*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 552.310**

**HB 3033** adds this section to require the Office of the Attorney General to create and maintain a searchable database containing information related to requests from governmental entities for a determination on whether the entity may

withhold information requested under the Public Information Act. The database must include information identifying each request for a determination and the Attorney General's determination. The database must allow a person to search for a request by the name of the governmental entity making the request and the exception that a government entity asserts in the request. The database must allow a person to view the current status of a request and an estimated timeline indicating the date each stage of the request will be started and completed.

*Effective Sept. 1, 2023. The Office of the Attorney General is required to make the database available no later than Jan. 1, 2024.*

#### **Section 2051.054**

**SB 943** adds this section to require a newspaper that publishes a notice for a governmental entity to, at no additional cost to the governmental entity, publish the notice on the newspaper's Internet website on one or more webpages that are clearly designated for notices and accessible to the public at no cost. The newspaper is required to deliver the notice to the Texas Press Association, which is required to post the notice on the association's Internet website if the association maintains an Internet website as a statewide repository of notices. The bill provides that the validity of the notice printed in the newspaper is not affected if there is an error in the notice published on the website or if publication of the notice on the website is temporarily prevented due to a technical issue with the website.

*Effective Sept. 1, 2023, and applies only to notices published on or after the effective date.*

#### **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.*

#### **Section 211.0166**

**HB 4057** adds this section to grant a property owner with property located in a municipality with a population of 2 million or more the right to exclude the property from a conservation district that is a local preservation district that preserves, maintains, and protects the physical elements of development and the community character and heritage of neighborhoods having distinctive characteristics and patterns

of development. The bill requires the property owner to file an acknowledged statement in the real property records of the county describing the property by reference to a map or plat of a subdivision and stating that the owner elects to have the property excluded from the district before the first anniversary of the date the property was included in the district. Property is not eligible to be excluded if the property is designated as a local historic landmark or located in a local historic district.

*Effective June 10, 2023, and applies only to the inclusion of a property within the boundaries of a conservation district authorized by ordinance after the effective date.*

#### **Sections 212.201-212.213, Subchapter H**

**HB 1526** adds this subchapter, Multifamily, Hotel, and Motel Park Dedication: Municipalities with a Population of More than 800,000, to Local Government Code Chapter 212, Municipal Regulation of Subdivisions and Property Development. Section 212.201 provides definitions for various terms, including "affordable dwelling unit," "median family income," "multifamily unit," "parkland," and "parkland dedication." A "plan" means a subdivision development plan, subdivision plan, site plan, land development plan, and site development plan each proposing the development of multifamily, hotel, or motel units; commercial property is exempt from parkland dedication requirements.

Section 202.203 provides that the subchapter cannot be construed to prohibit a municipality from requiring by ordinance that a landowner dedicate a portion of their property for park use, impose a dedication fee, or both, for the development of single-family or two-family uses. Section 202.204 provides that a municipality has exclusive authority within its boundaries to require the dedication of parkland, impose a parkland dedication fee, or both. A municipality is prohibited from delegating this authority to another political subdivision and a municipality may only exercise its authority through a plan application as provided by this subchapter.

Section 212.205 authorizes a municipality to require a landowner to dedicate a portion of the landowner's property for parkland use, impose a parkland dedication fee, or both, under a plan application filed by paying a fee or dedicating a portion of land and paying a reduced fee. A municipality may allow a landowner to elect a parkland dedication, a parkland dedication fee, or both. Section 212.206 authorizes a landowner to make a written request to a municipality that the municipality make a timely determination on the dedication amount the municipality will impose under the parkland dedication requirements. A municipality is required to respond in writing to the request not later than 30 days after the date the request is received; failure to respond to the request prohibits the municipality from requiring a parkland dedication as a condition of approval of the proposed plan or application. A determination issued by a municipality is legally binding and applicable to the property for a period of the less of two years or the time between the date the determination is issued and the date a plan application is filed that uses or relies on the determination. Section 212.208 provides that a municipality may not require a landowner to dedicate more than 10 percent of the gross site area of the land subject to a plan application.

Section 212.209 requires a municipality to hold a public hearing and, by official action, designate all territory within the municipality as a suburban area, urban, area, or central business district area. Not later than the 10th day after the designation of territory, the municipality is required to notify the appraisal district in which the municipality is wholly or partly located. Once every 10 years, each appraisal district is required to calculate the average land value for each area. If multiple appraisal districts calculate an average land value for different portions of a designated area, the area's total average land value is determined by multiplying each district's calculated value for the portion located in the district by the percentage that the portion is to the total area and add the resulting amounts. In each year in which the appraisal district does not calculate average land values for each designated area, the average land value is calculated by multiplying the previous year's average land value by one plus the average consumer price index for each month of the previous year. A municipality is required to set the dwelling unit factor, which reflects the number of parkland acres for each dwelling unit proposed by the plan application. The factor may not be more than .005 for multifamily units and .004 for rooms in a hotel or motel ordinarily used for sleeping. A municipality is required to set the density factor, which reflects the diminishing expectation of parkland acres per dwelling unit in increasingly dense urban environments for each designated area. The density factor may not be less than one for suburban areas, four for urban areas, and 40 for the central business district area.

Sections 212.210 and 212.211 detail the calculations for parkland dedication fees based on the number of multifamily units, excluding affordable dwelling units, or hotel and motel rooms ordinarily used for sleeping, the average land value for the area, and applicable density factors, or, for a municipality with low fees based on a percentage of median family income, based on the land value and the number of acres dedicated. If the calculation of the fee for property that is both dedicating land and paying a parkland dedication fee is less than zero, the property owner is entitled to receive from the municipality the positive difference between the calculated amount and zero. The municipality is required to pay that amount to the landowner at the time of transfer of fee simple title or the recording of the easement.

Section 212.212 requires a municipality to provide a landowner with a written determination of fees owed before approving a plan application and may only collect a fee authorized as precondition to the issuance of a final certificate of occupancy. Section 212.213 authorizes a landowner to appeal a determination made by a municipality regarding any element of a parkland dedication requirement, including amount, orientation, or suitability. The appeal must include a requested adjudication of the issue in controversy; the governing body of the municipality may uphold, reverse, or modify a parkland dedication requirement as applied to the landowner making the appeal. A determination on an appeal must be made not later than 60 days after the date the appeal is filed. Failure to act on the appeal results in the appeal being resolved in favor of the landowner's requested adjudication.

*Effective June 10, 2023, and applies only to a plan application filed on or after Jan. 1, 2024. Each appraisal district is required to calculate the average land value as provided by this Act not later than Jan. 1, 2024.*

### **Section 232.0315**

**SB 59** amends subsections (a) and (b) to expand the types of taxing units, from certain counties located near an international border to all political subdivisions located in such counties, that are required to provide notice of water and



wastewater requirements for real property intended for residential use when selling property at a tax foreclosure sale or property taken by writ of execution.

*Effective Sept. 1, 2023, and applies only to notice given on or after the effective date.*

#### **Section 375.022**

**HB 2815** adds subsection (d) to provide that a petition for the creation of a municipal management district may request that the board of directors of the district be elected rather than being appointed by the governing body of the municipality with input from the owners of a majority of the assessed value of property subject to assessment by the district. Adds subsection (e) to require the Texas Commission on Environmental Quality to issue a notice indicating that the petition is administratively complete. The Commission may conduct a public hearing regarding the petition if deemed necessary.

*Effective June 18, 2023.*

#### **Sections 375.023 and 375.024**

**HB 2815** repeals these sections. Section 375.023 relates to the Texas Commission on Environmental Quality hearing and notice of a hearing to consider each petition received by the Commission for the creation of a municipal management district. Section 375.024 relates to the publication and delivery of such notice.

*Effective June 18, 2023.*

#### **Section 375.025**

**HB 2815** amends this section to make conforming changes related to the election of the board of directors of a municipal management district. The bill repeals subsection (a) related to the Texas Commission on Environmental Quality hearing on a petition under Local Government Code Section 375.023, which is also repealed. The bill repeals subsection (b) related to the Commission's jurisdiction to determine each issue relating to the sufficiency of the petition and to the creation of the district and ability to issue necessary incidental orders.

*Effective June 18, 2023.*

#### **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.*

#### **Section 375.0645**

**HB 2815** adds this section related to the election of the board of directors of a municipal management district if the petition creating the district included a request for elected board members. Requires the Texas Commission on Environmental Quality to appoint the initial directors; subsequent directors are elected in the manner provided by Subchapter D, Chapter 49, Water Code. Provides that an elected director is entitled to receive fees of office as provided by Water Code Section 49.060 and reimbursement for actual expense. Certain provisions of the Chapter 375, Local Government Code, relating to board compensation, succession, the requirement to receive a petition signed by the owners of a majority of the assessed value of the property subject to the assessment or tax to authorize a bond election, and the prohibition on imposing an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication on single-family detached residential property, duplexes, triplexes, and fourplexes unless authorized or approved by the voters of the district, do not apply to an elected board of directors.

*Effective June 18, 2023.*

#### **Section 375.071**

**HB 2815** amends this section related to what constitutes a quorum of the board of directors of a municipal management district to redesignate a portion of subsection (a) as subsection (b) and to provide that if at least two-thirds of the directors executes a written consent at any time, a majority of a quorum at a board meeting may

authorize the levy of assessments, the levy of taxes, the imposition of impact fees, or the issuance of bonds. A director may execute a written consent outside of a board meeting.

*Effective June 18, 2023.*

#### **Section 375.161**

**HB 2815** amends subsection (b) to provide that a tax or assessment is allowed on single-family detached residential property, duplexes, triplexes, and fourplexes if authorized or approved by the voters of the municipal management district.

*Effective June 18, 2023.*

#### **Section 375.208**

**HB 2815** amends this section to provide that a municipal management district must obtain approval from the Texas Commission on Environmental Quality to issue bonds only if the bonds are to provide water, sewage, or drainage facilities. The bill strikes provisions related to a municipal management district not being subject to the jurisdiction of the Commission except as provided by Local Government Code Section 375.062, as it relates to the appointment of the board of directors, and Local Government Code Section 375.064, as it relates to the succession of the board of directors.

*Effective June 18, 2023.*

### **Occupations Code**

#### **Section 51.002**

**HB 3743** reenacts this section to provide that the Texas Commission on Licensing and Regulation and the Texas Department of Licensing and Regulation (TDLR) are subject to the Texas Sunset Act. Unless continued in existence, the commission and the department are abolished on Sept. 1, 2033.

*Effective Sept. 1, 2023.*

#### **Section 51.207**

**HB 3743** amends subsection (c) to authorize the Texas Commission on Licensing and Regulation by rule to require an applicant, license holder, or other person who regularly receives correspondence from the department to provide an email address to the department for purposes of receiving correspondence.

*Effective Sept. 1, 2023.*

#### **Section 51.209**

**HB 3743** adds subsection (d) to provide that Government Code Chapter 2110, related to state agency advisory committees, does not apply to an advisory board established to advise the Texas Commission on Licensing and Regulation or TDLR.

*Effective Sept. 1, 2023*

#### **Section 51.4014**

**HB 3743** adds this section to authorize TDLR to accept an application from a person who is an inmate imprisoned in the Texas Department of Criminal Justice but may not issue a license until the applicant has been released. TDLR's ability to determine or verify the applicant's eligibility for the license or to issues a provisional or restricted license is not limited by this section.

*Effective Sept. 1, 2023* **Chapter 60**

**HB 2453** adds this chapter to authorize a licensing authority that issues occupational licenses, including a license, certificate, registration, permit, or other form of authorization required to be obtained by an individual to engage in a particular business, occupation, or profession, to issue the occupational license in a digital format. The digital license must be in a secure format and readily accessible by the license holder through an Internet website and on a wireless

communication device. The public must be able to view a license holder's digital license through an Internet website or by using a QR code as defined by Health and Safety Code Section 443.001. If the licensing authority contracts with a vendor for the issuance of a digital license, the digital license must be in a format in which the vendor and authority can verify the validity of the license.

*Effective Sept. 1, 2023.*

#### **Section 1103.003**

**SB 1577** amends subdivision (6) by replacing the commissioner of the Texas Appraiser Licensing and Certification Board with an executive director, and makes conforming changes necessary throughout Occupations Code Chapter 1103.

*Effective Jan. 1, 2024, and applies only to a license renewal on or after the effective date.*

#### **Section 1103.004**

**SB 1222** amends subsection (a) to exempt a person who performs appraisals in connection with the Practical Applications of Real Estate Appraisal course as approved by the Appraiser Qualifications Board and who does not use a title "certified real estate appraiser" or "licensed real estate appraiser" or refer to an appraisal performed by the person as a "certified appraisal" or "licensed appraisal" from the Texas Appraiser Licensing and Certification Act. Adds subsection (b) to provide that appraisals performed by an exempt individual previously described may be credited toward satisfying the experience required to obtain a license or certificate.

*Effective Sept. 1, 2023.*

#### **Section 1103.205**

**SB 1222** repeals subsection (b) which requires an applicant for a certificate or license to provide an affidavit on a form prescribed by the Texas Appraiser Licensing and Certification Board stating that the applicant has the required number of hours of experience in performing appraisals as recognized by the Appraiser Qualifications Board. Amends subsection (c) by removing experience as a real estate mortgage lending officer of a financial institution, or a real estate broker that includes the actual performance of technical review of real estate appraisers, from the experience required when determining qualified applicants.

*Effective Sept. 1, 2023, and applies only to an application for a certificate or license made on or after the effective date.*

#### **Section 1103.259**

**SB 1222** repeals this section, which requires the Texas Appraiser Licensing and Certification Board to publish guidelines and study guides.

*Effective Sept. 1, 2023.*

#### **Section 1103.554**

**SB 1222** amends subsection (a) by removing language providing that a person commits an offense if they knowingly provide false information in connection with an affidavit filed under Occupation Code Section 1103.205 (Fulfillment of Experience Requirements).

*Effective Sept. 1, 2023, and applies only to an offense committed on or after the effective date.*

#### **Section 1104.2051**

**SB 1222** adds this section authorizing the Texas Appraiser Licensing and Certification Board to appoint an investigative committee of at least two members, the presiding officer of which must be a board member. An investigative committee is required to review and determine the facts of a complaint submitted to the Texas Appraiser Licensing and Certification Board and timely submit a written report regarding the complaint to the board.

*Effective Sept. 1, 2023, and applies only to a complaint submitted or offense committed on or after the effective date.*

**Section 1201.1025**

**HB 2706** adds subsection (a-1) to provide that a person is exempt from holding a manufactured housing retailer's license if all manufactured homes sold or offered for sale by the person are located in a manufactured home community as defined by Property Code Section 94.001, and sold or offered for sale to the same purchaser in connection with a sale of the real property of the community. Amends subsection (c) to specify that a person exempt from licensing requirements is subject to department rules regarding the sale or transfer of manufactured homes.

*Effective Sept. 1, 2023.*

**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.*

**Property Code****Section 41.0022**

**HB 207** adds this section to provide that the conveyance of a parcel that does not meet the definition of an urban homestead under Property Code Section 41.002(a) or (c) by an individual to an entity in which the individual or individual's spouse has a direct or indirect ownership interest is not a sham or pretended sale under Section 50(c), Article XVI, Texas Constitution if the deed conveying the parcel is recorded at least 30 days before the entity grants a mortgage, trust deed, or other lien on the parcel, the individual does not reside on the parcel at the time of conveyance, the parcel is not contiguous to the parcel on which the individual resides, the deed conveying the parcel does not contain a condition of defeasance, and the individual files an affidavit with the deed. The affidavit must contain the following information:

- a title caption stating "Affidavit Regarding Conveyance to an Entity;"
- the date of the affidavit;
- a description of the deed, including the title of the deed, the date of the deed, the name and address of the grantor, and the name and address of the grantee;
- a description of the parcel being conveyed to the entity;
- a description of the parcel upon which the individual currently resides;
- a statement that the parcel being conveyed is not contiguous to the parcel on which the individual currently resides;
- a statement that the parcel upon which the individual currently resides is not an urban homestead;

- a statement that the individual is unmarried or married and include the name of the individual's spouse;
  - a statement that the individual or individual's spouse owns a direct or indirect interest in the entity;
  - a statement that the individual has executed the deed conveying the parcel to the entity;
  - a statement that the individual intends to vest title in the entity;
  - a statement that there are no written or oral agreements regarding a defeasance of the parcel;
  - a statement that the individual acknowledges that the individual will be estopped from claiming the conveyance to the entity is a sham or pretended sale;
  - a statement that the individual acknowledges that the individual will be estopped from claiming the individual had not abandoned homestead rights, if any, in the parcel by executing the deed;
- a statement that the individual understand that if the parcel is valued for ad valorem tax purposes as qualified open-space land, the entity must reapply in its own name by the application deadline; and,
- statement that the individual has had an opportunity to review the affidavit prior to its execution and consult with an attorney.

The bill provides that if the individual is married, the individual's spouse must join in the execution of the deed and the affidavit. The entity or a lender for value may conclusively rely on the affidavit filed with the deed. A transaction that does not meet the requirements of this section is not invalid if the homestead has been abandoned or disclaimed as provided by law.

*Effective Sept. 1, 2023.*

#### **Section 51.002**

**SB 62** amends subsection n (f-1) to require a county to prominently post notice of the sale of real property under a contract lien on the county's Internet website where the county posts other auction information and include the date, time, and location of the sale.

*Effective Sept. 1, 2023.*

#### **Special District Local Laws Code**

#### **Section 3919.205**

**HB 2815 and HB 2816** amend subsection (d) to require the Old Celina Municipal Management District No. 1 to generate and implement a program to provide notice modeled after the notice described by Water Code Section 49.4521, regarding the existence of a special taxing unit or assessment district, to prospective purchasers of property within the district.

*Effective June 18, 2023 (HB 2815).*

*Effective Sept. 1, 2023 (HB 2816).*

#### **Water Code**

#### **Section 49.011**

**HB 2815** amends subsection (a) to add Local Government Code Chapter 375, to the requirement that the Texas Commission on Environmental Quality issue a notice that the application for the creation of a municipal management district is administratively complete.

*Effective June 18, 2023.*

#### **Section 49.060**

**HB 2815** amends subsection (a) to strike the limitation on the fee of office of a member of the board of directors of not more than \$150 for each day the director spends performing the duties of a director. Provides that the board by resolution is required to set the fees of office. The board is prohibited from setting the fees of office in an amount greater than the amount of the per diem set by the Texas Ethics Commission for members of the Legislature. Adds subsection (a-1) to authorize an authority created by special law to set the annual limit on the fees of office at an

amount greater than the amount a director would receive for 60 days of service a year at the maximum daily rate authorized by subsection (a).

*Effective June 18, 2023.*

#### **Section 49.063**

**HB 2815** adds subsection (d) to authorize a water district that is required by law to post notice of a meeting on an Internet website to instead provide the notice to the county clerk for each county in which the district is located to post the notice on the county clerk's or the county's Internet website. Adds subsection (e) to provide that failure to timely or properly post a notice of a meeting on an Internet website does not prohibit the district from conducting the meeting if the notice required by Government Code Section 551.054(a)(1), related to the notice by a water district that extends into fewer than four counties being posted at a place convenient to the public in the administrative office of the district, is posted timely and properly.

*Effective June 18, 2023.*

#### **Section 49.060**

**HB 2815** amends subsection (a) to strike the limitation on the fee of office of a member of the board of directors of not more than \$150 for each day the director spends performing the duties of a director. Provides that the board by resolution is required to set the fees of office. The board is prohibited from setting the fees of office in an amount greater than the amount of the per diem set by the Texas Ethics Commission for members of the Legislature. Adds subsection (a-1) to authorize an authority created by special law to set the annual limit on the fees of office at an amount greater than the amount a director would receive for 60 days of service a year at the maximum daily rate authorized by subsection (a). *Effective June 18, 2023.*

#### **Section 49.065**

**HB 2815** adds subsection (d) to provide that the personal e-mail address of a member of the board of directors of a water district is subject to the Public Information Act if the district does not make an official e-mail address available to the public. Defines "personal e-mail address" to mean an e-mail address that is not paid for by the district and is not used primarily for the transaction of official business of the district.

*Effective June 18, 2023.*

#### **Section 49.102**

**HB 2815** amends subsection (j) to provide that the provisions of this section requiring a confirmation election for the creation of the district, rather than the entirety of the section, do not apply to a district exercising power under Local Government Code Chapter 375, or any district created by a special act of the Legislature that does not require a confirmation election. Adds subsection (k) to authorize the board of directors to hold a confirmation election if the board determines that an election is in the best interest of the voters of the district. Adds subsection (l) to provide that Local Government Code Section 43.075, , related to the abolition of or division of functions of water-related special districts, does not apply to a district until the board declares the district is created as provided by subsection (e) of this section.

*Effective June 18, 2023.*

#### **Section 49.106**

**HB 2815** amends subsection (e) to strike the provision that the water district's authorization to issue bonds is dissolved if the district is annexed by another district. Adds subsection (f) to provide that the board of directors of a water district may submit new bond authorization and refunding bond authorization in a single proposition at an election.

*Effective June 18, 2023.*

#### **Section 49.181**

**HB 2815** adds subsection (f-1) to require the Texas Commission on Environmental Quality, when evaluating the financial feasibility of a project financed by a bond, to consider a district located wholly or partly in Austin, Brazos, Chambers, Grimes, Liberty, Walker, or Wharton counties as if the district were located in Harris County and a district located wholly or partly in Bastrop, Bell, Burnet, Caldwell, Gillespie, Kendall, Lee, or Milam counties as if the district were located in Travis County.

*Effective June 18, 2023.*

#### **Section 49.23602**

**HB 2815** amends subsection (c) to provide that a developed district is not required to have an election to approve a tax rate that is higher than the district's mandatory tax election rate if the adopted tax rate is less than or equal to the voter-approval tax rate.

*Effective June 18, 2023.*

#### **Section 49.271**

**HB 2815** adds subsection (f) to provide that the provisions of the section apply to a contract for construction work entered into by a third party on behalf of a district. Amends subsection (e) to make conforming changes related to third-party contracts.

*Effective June 18, 2023.*

#### **Section 49.316**

**HB 2815** adds this section to authorize the board of directors of the district to adopt an order to divide the district on a motion of the board or on receipt of a petition signed by the owner or owners of a majority of the assessed value of real property in the district. An order dividing a district may create one or more new districts and may provide for the continuation of the district. Requires an order dividing the district to include the name of the new district, the metes and bounds description of the new district, the appointment of temporary directors for the new district, and provide for the division of assets and liabilities between the districts. The bill provides that the board of directors may adopt an order dividing the district before or after the date the board holds an election to confirm the creation of the district. A district may only be divided if the district has never issued any bonds and is not imposing property tax. A new district created by the division of a district may not include any land outside the area of the original district. The district is required to file the order dividing the district with the Texas Commission on Environmental Quality and record the order in the real property records of the county not later than 30 days after the order dividing the district is adopted.

The new district created by division is required to hold an election to confirm the creation of the new district. The district is required to file the election results with the Commission if the district's creation is confirmed. The new district is required to hold an election to obtain voter approval before the district may impose maintenance tax or issue bonds payable wholly or partly from property tax. Municipal consent to the creation of the district acts as municipal consent to the creation of any new district by division.

*Effective June 18, 2023.*

#### **Section 49.452**

**HB 2815 and HB 2816** amend subsection (a) to define "district" for purposes of this section to mean a municipal management district under Local Government Code Chapter 375, or a district created under General Law Districts Title 4, or by a special act of the Legislature that meets certain criteria. Adds subsection (a-1) to provide that a person who proposes to sell or convey real property located in a district must give the purchaser written notice regarding the property's location within a special taxing district as provided by this section and Water Code Section 49.4521. Redesignates subdivision (a)(2) as subsection (a-2) and adds that the provisions of this section are not applicable to transfers of title for the purpose of qualifying a director.

*Effective June 18, 2023 (HB 2815).*

*Effective Sept. 1, 2023 (HB 2816).*

**Section 49.452**

**HB 2815 and HB 2816** repeal subsection (b) related to notice for water districts located wholly or partly in extraterritorial jurisdictions (ETJs) of one or more home-rule municipalities. Repeal subsection (c) relating to the required notice for water districts located wholly or partly within the corporate boundaries of municipality. Repeal subsection (d) relating to notice for water districts not located wholly or partly in corporate boundaries of a municipality or ETJ of home rule municipalities. Repeal subsection (e) stating that if a law relating to annexation or dissolution of a water district is amended and causes inaccuracies in the content of notices, the district must revise the content of the notices to accurately reflect the law.

*Effective June 18, 2023 (HB 2815).*

*Effective Sept. 1, 2023 (HB 2816).*

**Section 49.4521**

**HB 2815 and HB 2816** add this section to prescribe the content of the notice required under Water Code Section 49.452. The notice must include a title caption in at least 24-point bold font stating “NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT” and a series of statements applicable to the district regarding the ability of the district to impose taxes and issue bonds, the current property tax rate for the district, the rate of the district assessment, the total amounts of bonds payable wholly or partly from property tax or assessments including the amount of fees imposed to provide various services, the aggregate initial principal amounts of all bonds issues, the ability of the district to impose a standby fee and the personal liability of a standby fee, and whether the district is located in a municipality or extraterritorial jurisdiction, whether the district has entered into a strategic partnership with a municipality to provide certain services, the purpose of the district and the services the district provides, and a statement and signature line for the purchaser to acknowledge receipt of the notice at or before the execution of the binding contract for the purchase of the real property or at closing of the purchase.

*Effective June 18, 2023 (HB 2815).*

*Effective Sept. 1, 2023 (HB 2816).*

**Section 49.453**

**HB 2815 and HB 2816** add subsection (e) to require a water district that must maintain an Internet website post or create a process for posting the water district’s notice to purchasers of property within the district.

*Effective June 18, 2023 (HB 2815).*

*Effective Sept. 1, 2023 (HB 2816).*

**Section 49.455**

**HB 2815 and HB 2816** amend subsection (c) to remove language that requires a map or plat to be signed by a majority of the members of the board and be filed with the county clerk.

*Effective June 18, 2023 (HB 2815).*

*Effective Sept. 1, 2023 (HB 2816).*

**Section 49.455**

**HB 2815 and HB 2816** repeal subsection (f), related to requiring a person who affirms the correction and accuracy of an informational form, map or plat that includes information that is inaccurate or correct to be guilty of a misdemeanor and applicable fines, and subsection (h), related to water district members willfully failing to file necessary informational forms, maps or plats or amendments thereto are guilty of a misdemeanor and applicable fines.

*Effective June 18, 2023 (HB 2815).*

*Effective Sept. 1, 2023 (HB 2816).*



**Section 49.4645**

**SB 938** amends subsection (a) by adding reclamation and conservation districts, all, or part of which are located in El Paso County, to the list of counties authorized to issue bonds supported by property taxes to pay for the development and maintenance of recreational facilities if voted on for that purpose.

*Effective Nov. 7, 2023, contingent on voter approval of SJR 32.*

**Section 51.7131**

**HB 2815** adds this section to authorize a water control and improvement district to substitute land within the district in the same manner as a municipal utility district under Water Code Sections 54.739 to 54.747.

*Effective June 18, 2023.*

**Section 53.029**

**HB 2815** amends subsection (e) to add that a fresh water supply district that has adopted the rights, authority, privileges, and functions of a road district may reimburse expenditures for an approved construction contract at a price not to exceed the replacement cost of the road or road improvements without any additional approval or determination by the commissioner's court of the county in which the district is located.

*Effective June 18, 2023.*

**Section 54.030**

**HB 2815** repeals subsection (b) as added by Chapter 539, Acts of the 86th Legislature, Regular Session, 2019, relating to the requirement for the governing body of certain special purpose water districts to adopt a resolution declaring that conversion into a municipal utility district would serve the best interests of the district and would benefit the land and property included in the district.

*Effective June 18, 2023.*

**Section 54.032**

**HB 2815** repeals subsection (a) as added by Chapter 539, Acts of the 86th Legislature, Regular Session, 2019, which duplicates the requirement to give notice of conversion of certain special purpose water districts into a municipal utility district by publishing notice in a newspaper with general circulation in the county or counties in which the district is located.

*Effective June 18, 2023.*

**Section 54.033**

**HB 2815** repeals subsection (a) as added by Chapter 539, Acts of the 86th Legislature, Regular Session, 2019, which duplicates the provision related to the Texas Commission on Environmental Quality's order regarding the conversion of certain special purpose water districts into a municipal utility district.

*Effective June 18, 2023.*

**Section 54.103**

**HB 2815** repeals this section related to prohibiting the board of directors of a municipal utility district from filling a vacancy on the board by appointing a person who resigned from the board in the two years preceding the date of the vacancy or on or after the vacancy date but before the vacancy is filled or a person who was defeated in a directors election held by the district in the two years preceding the vacancy date.

*Effective June 18, 2023.*

**Section 54.234**

**HB 2815** amends subsection (d) to provide that a municipal utility district may undertake a road project if the municipality or county with platting jurisdiction, rather than one that will operate and maintain the road, has approved the plans and specifications for the road project. Amends subsection (e) to add "notwithstanding any other

law” a municipal utility district is not required to obtain approval from the Texas Transportation Commission to acquire, construct, convey, or finance the road project except if the state is to operate and maintain the road.

*Effective June 18, 2023. Section 54.728*

**HB 2815** amends this section to redesignate a portion of this section as subsection (a) and adds subsection (b) to provide that one or more municipal utility districts and one or more municipal management districts may consolidate into one district. The consolidation must be by agreement and may provide for the consolidated district to continue operating with the powers, authorities, duties, responsibilities, and board of directors of one of the original districts. After the initial election of directors, a consolidated district is governed as agreed by either an elected board of directors, who must be elected in the manner provided for under Section 49.103 for water districts, or an appointed board of directors, who must be appointed in the manner provided for under Local Government Code Chapter 375, relating to municipal management districts. Consolidation may also occur as provided by Water Code Sections 54.729 to 54.733, relating to municipal utility districts.

*Effective June 18, 2023.*

#### **Section 57.053**

**HB 2815** amends subsection (a) to redesignate a portion of that subsection as subsection (b), providing that a director appointed to fill a vacancy on the board of directors of a levee improvement district must be a person qualified to serve as director under Water Code Section 57.059.

*Effective June 18, 2023.*

#### **Section 57.059**

**HB 2815** amends this section to provide that to be eligible to serve on the board of directors of a levee improvement district a person must be at least 18 years of age, own land subject to taxation in the district or be a qualified voter in the district, and if the director is elected, be a qualified voter of the precinct in the district established by the commissioner’s court from which the director is elected.

*Effective June 18, 2023.*

#### **Section 60.038**

**SB 818** amends subsections (a), (b) and (c) and adds subsections (e), (f) and (g) to authorize a navigation district to exchange real property or any interest in real property owned by the district, regardless of the manner of acquisition, and authorizes the district to impose restrictions on the development, use, and transfer of any real property or interest in real property in connection with its sale or exchange. The bill authorizes a navigation district to donate, exchange, convey, sell, or lease land, improvements, easements, or any other interests in real property to an electric utility or a telecommunications utility to promote a public purpose related to the development of the district. Property that is transferred to an electric utility or telecommunications utility may be done for less than its fair market value and without complying with certain notice and bidding requirements. The bill allows certain narrow strips of real property or larger properties that have been subject to encroachments by abutting real property owners for more than 25 years to be abandoned, released, exchanged, or transferred to the abutting owners under appropriate terms set by the district; such a conveyance may be done for less than its fair market value and without complying with certain notice and bidding requirements.

*Effective May 19, 2023.*

### **Session Law**

#### **General Appropriations Act**

**HB 1** requires the Comptroller to conduct a study out of appropriated funds to determine the amount of property tax revenue that each county containing a United States military installation, each county adjacent to a county containing a United States military installation, and each municipality located in either type of those counties lost for the 2023 property tax year as the result of the granting of the property tax exemption required by Tax Code Section 11.131, for

100 percent disabled veterans. The revenue loss would be calculated by multiplying the property tax rate adopted by the county of municipality, as applicable, for the 2023 property tax year by the total appraised value of all property located in the county or municipality, as applicable, that was granted the exemption for that tax year.

The bill requires the Comptroller to prepare a report that states the amount of property tax revenue that was lost by:

- each municipality listed by name;
- each county listed by name; and,
- all municipalities and counties in this state in the aggregate.

The bill requires the Comptroller not later than Dec. 1, 2024, to submit the report to the Speaker of the House of Representatives, the Lieutenant Governor, and each member of the Legislature.

*Effective Sept. 1, 2023.*

### **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.*

**Article XVI, Section 59**

**SJR 32** amends subsection (c-1) to authorize conservation and reclamation districts located in El Paso County to issue bonds supported by property taxes to pay for the development and maintenance of recreational facilities if voted on for that purpose.

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