



713-739-9455
Drew@Law-DW.com

Property Tax LitigatorSM

2024 Guide on Texas Property Law Changes

The legislative sessions in 2023 enacted some important new property tax laws that became effective on January 1, 2024. The Property Tax Litigator is providing this guide as a resource for property owners about the recent changes. If you have questions, want to utilize these new laws, or other strategies to maximize your tax savings this year, contact us today!

Introduction & Highlights

Approved by voters on Nov. 7, 2023, Proposition 4 will cut property taxes for Texas homeowners by increasing the state's homestead exemption and through tax compression. Taxpayers' 2023 property tax bills, as outlined in Senate Bill (SB) 2, will be adjusted. Here are some main takeaways from the law changes:

- An increase in the residence homestead exemption for school districts from \$40,000 to \$100,000.
- Compressed school district tax rates, which are estimated to save homeowners an additional 10.7 cents per \$100 valuation (\$107 per \$100,000 valuation) for the 2023-2024 tax year.
- Owners of commercial, mineral, and residential properties — like rental homes and apartment buildings — that do not receive a homestead exemption and are valued at less than \$5 million now will have a 20% cap on their value growth each year for the next three years. Previously, businesses did not have such a cap, unlike homeowners, whose taxable home values cannot rise more than 10% each year under state law.
- An adjustment to the tax limitation (commonly called a tax ceiling or tax freeze) for an individual who is aged 65 or older or disabled related to the increase in the residence homestead from \$25,000 to \$40,000 and from \$40,000 to \$100,000, as well as ongoing adjustments based on any future increase in the residence homestead exemption.
- A temporary three-year “circuit breaker” limitation on the appraised value of real property, other than residence homesteads or property subject to special appraisal, of 20 percent of the appraised value of the property in the prior year plus the value attributable to new improvements.
- It expands the pool of businesses that don't have to pay the state's franchise tax. And the amendment allows voters in counties with at least 75,000 residents to pick three new members of their local appraisal districts' board of directors, which have been appointed positions.

Bills List and Further Learning

[HB 260](#) relates to the calculation of "net to land" in the appraisal of open-space land for ad valorem tax purposes. The effect of diseases and pests on the net income of the land must be considered when the chief appraiser makes the calculations.

[HB 456](#) relates to an exemption from ad valorem taxation of specific interests in a mineral in place owned by certain charitable organizations.

[HB 614](#) relates to property owners' association fines.

[HB 796](#) relates to the creation and maintenance by the chief appraiser of each appraisal district of a publicly available database of information regarding protest hearings.

[HB 1058](#) relates to a franchise or insurance premium tax credit for certain housing developments.

[HB 1228](#) relates to the delivery of certain information under the Property Tax Code.

[HB 1285](#) relates to the training and duties of a taxpayer liaison officer for an appraisal district.

[HB 1922](#) relates to periodic reauthorization of municipal building permit fees.

[HB 2121](#) relates to the form of a rendition statement or property report used to render property for ad valorem tax purposes.

[HB 2354](#) relates to the eligibility of land to continue to be appraised for ad valorem tax purposes as qualified open-space land following a transfer to a surviving spouse.

[HB 3273](#) relates to public notice of the availability on the internet of property-tax-related information.

[HB 4077](#) relates to the procedure for qualifying for an exemption from ad valorem taxation of the residence homestead of an elderly person.

[HB 4101](#) relates to the matters that may be the subject of limited binding arbitration to compel compliance with procedural requirements about protests before appraisal review boards.

[HB 4456](#) relates to the calculation of specific ad valorem tax rates of a school district.

[HB 4645](#) relates to the exemption from ad valorem taxation of specific property used to provide low-income or moderate-income housing.

[SB 539](#) relates to how an individual who has elected to defer collection of a tax, abate a suit to collect a delinquent tax or abate a sale to foreclose a tax lien on the individual's residence homestead is listed on the outstanding tax roll of a taxing unit.

[SB 719](#) relates to an exemption from ad valorem taxation of property owned by a charitable organization that provides services related to the placement of a child in a foster or adoptive home.

[SB 1340](#) relates to the local development agreement database maintained by the comptroller of public accounts.

[SB 1381](#) relates to the eligibility of the surviving spouse of an elderly person who qualified for a local option exemption from ad valorem taxation by a taxing unit of a portion of the appraised value of the deceased person's residence homestead to continue to receive an exemption for the same property from the same taxing unit in an amount equal to that of the exemption for which the deceased person qualified without applying for the exemption.

[SB 1577](#) relates to the Texas Real Estate Research Center, the Real Estate Research Advisory Committee, the Texas Real Estate Commission, and the Texas Appraiser Licensing and Certification Board; increasing a fee; authorizing a payment.

[SB 1780](#) relates to online notarizations.

[SB 1999](#) relates to the calculation of the unused increment rate of a taxing unit.

[SB 2355](#) relates to the appeal of specific ad valorem tax determinations through binding arbitration.

[SB 2440](#) relates to a requirement that certain plats for the subdivision of land include evidence of groundwater supply.

[SB 2603](#) relates to the creation of the Montgomery County Municipal Utility District No. 216; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

**Drew Willey, the [Property Tax LitigatorSM](#), is an experienced tax attorney and accountant with over a decade of proven litigation and negotiation excellence, inside and out of the courtroom, navigating sophisticated & sometimes hostile challenges with demonstrated results for his clients. Contact me for your tax litigation needs today!*

713-739-9455
Drew@Law-DW.com



www.PropertyTaxLitigator.com