



TAXING MATTERS

NAVIGATING THE EVER-EVOLVING LANDSCAPE OF PROPERTY TAXES

PROPERTY TAX BILLS, BREAKS AND BURDENS: WHAT DID THE 2025 TEXAS LEGISLATURE DO?

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TEXAS HOUSE BILLS AND JOINT RESOLUTIONS

HJR 1/HB 9: Increases Business Personal Property Tax Exemption to \$125,000

Raises the business personal property tax exemption from \$2,500 to \$125,000. No rendition is required if a person believes that their business personal property has a value less than \$125,000.

However, a key discrepancy may exist between the House Joint Resolution and its enabling legislation. HJR 1 appears to amend the Constitution to allow a total exemption of up to \$125,000 for business personal property used to produce income. In contrast, HB 9 provides that the \$125,000 exemption applies per location, allowing businesses with multiple sites to exempt substantially more value statewide.

Effective January 1, 2026, if HJR 1 is approved by voters on November 4, 2025.

HB 21: Restricts Traveling Housing Finance Corporation Exemptions

Restricts housing finance corporations (HFCs) from operating outside their founding municipality or county unless they first obtain approval from the governing body of the local jurisdiction where the project is proposed. This effectively eliminates the ability of HFCs to “travel” across the state and grant 100% property tax exemptions without local oversight.

The bill also imposes tighter affordability requirements, mandates annual audits, and requires that at least 50% of any property tax savings be passed through to renters in the form of lower rents.

Effective May 28, 2025.

HB 22: Intangible Personal Property Is Not Taxable

Confirms that intangible personal property is not subject to property taxation in Texas. The bill repeals outdated statutory exceptions to eliminate confusion and ensure consistency across the Tax Code.

Effective January 1, 2026.

HB 30: Limits Tax Increases After Disasters

Modifies the property tax rate calculation and adoption process to allow taxing units to raise additional revenue—without a tax rate approval election—but only to cover added governmental expenses related to a declared disaster.

Effective January 1, 2026.

HB 148: Eligibility And Training Requirements For Appraisal District Board of Directors

Establishes eligibility and annual training requirements for appraisal district board members, including residency and voter registration within the district, and mandates completion of yearly training on property tax administration, board duties, conflicts of interest, and ethical responsibilities.

Effective January 1, 2026.

HJR 34/HB 247: Exempts Value Increases Attributable to the Border Wall

Provides a property tax exemption for the increased value of real property in certain counties resulting from the installation or construction of border security infrastructure, such as walls and surveillance equipment.

Effective January 1, 2026, if HJR 34 is approved by voters on November 4, 2025.

HB 1244: Continues Open Space Land Valuation If There Has Been No Change Of Use Incident to a Transfer of Title. Extends Time To File New Application

Allows land to continue receiving open-space appraisal after a transfer if it was appraised in the previous year and the new owner uses the land in materially the same way, with the same individuals overseeing or conducting the use as before. A transfer to a surviving spouse is also not considered a change of ownership for this purpose. The new provision permits late applications for open-space appraisal in these situations, as long as the application is filed by

the later of the tax delinquency date for that year or the first anniversary of the ownership transfer.

Effective January 1, 2026.

HB 1392: Tax Delinquency Deadline Is Extended If a Tax Office Is Closed On the Due Date

Postpones the delinquency date for property tax payments if the tax collector's office is closed on the due date, with payment instead due on the next regular business day.

Effective January 1, 2026.

HJR 99/HB 1399: Exempts Animal Feed Sold At Retail

Exempts from ad valorem taxation tangible personal property consisting of animal feed held by the owner for sale at retail.

Effective January 1, 2026, if HJR 99 is approved by voters on November 4, 2025.

HB 1533:

Omnibus bill that makes the following changes:

- **Omitted Property Notices:** Requires appraisal districts to send notices regarding property omitted from taxation by certified mail.
- **Agent IP Address Removed:** Removes the requirement for agents to provide their Internet Protocol (IP) address when submitting an electronic designation of agent form.
- **ARB Training Must Include Tax Agent:** Requires at least one trainer in mandatory property tax courses for appraisal review board (ARB) members to be a qualified taxpayer agent.
- **Weekly Appraisal District Website Updates Required:** Requires appraisal districts in counties with populations of 120,000 or more to maintain a website that displays updated appraisal records, refreshed at least weekly.
- **Remote Hearing Option:** Allows property owners without an agent to request telephone or videoconference appraisal hearings up to five days before the hearing date.
- **Subpoena Notice Period:** Extends the minimum notice period for ARB good cause hearings involving the issuance of a subpoena to 15 days.
- **Written ARB Dismissal Reasons:** Requires ARBs to explain in writing the basis of their decision when dismissing a protest on jurisdictional grounds.
- **Tenant Arbitration Rights:** Permits tenants who are contractually responsible for paying property taxes to appeal through binding arbitration if the appraised value of the property is \$5 million or less.
- **Discovery and Expert Deadline Limits:** Prohibits district courts from setting discovery deadlines in property tax appeals unless specifically requested by a party,

and bars courts from imposing accelerated deadlines for expert witness disclosure.

Effective September 1, 2025, except for requirements pertaining to training of appraisal review board members and appeals to binding arbitration filed by tenants which are effective January 1, 2026.

HB 2011: Reacquiring Property After Eminent Domain If Taxes Not Paid

Expands property owner rights in eminent domain cases by allowing former owners to repurchase condemned property if the condemning entity fails to pay property taxes within two years of their due date. It requires the condemning entity to notify the former owner within 180 days of becoming aware of the delinquency. Starting 18 months after the property is taken, former owners may annually request information about the tax status of the property. They may also express intent to repurchase the property as soon as they become aware of the delinquency, even before receiving formal notice.

Effective September 1, 2025.

HJR 133/HB 2508: PACT Act Surviving Spouse Exemption

Provides a 100% exemption from ad valorem taxation for the residence homestead of the surviving spouse of a veteran who died as a result of a qualifying condition or disease under the PACT Act, so long as the surviving spouse has not remarried.

Effective January 1, 2026, if HJR 133 is approved by voters on November 4, 2025.

HB 2525: Expands Senior Housing Exemption Qualifications

Expands the property tax exemption for charitable organizations that provide housing and services to seniors aged 62 or older. It applies to (1) retirement communities that provide a continuum of care, including independent living, assisted living, and nursing services on a single campus, and (2) organizations that provide permanent housing and related social, healthcare, and educational services to elderly individuals. To qualify, organizations must either offer services regardless of ability to pay or provide charitable care equal to at least 4% of net resident revenue. Entities using the 4% standard must have existed for at least 20 years or be affiliated with one that has. The bill also aligns financial definitions with those used for hospitals.

Effective January 1, 2026.

HB 2723: Exempts Obvious Human Burial Land

Requires chief appraisers to automatically grant property tax exemptions for land used exclusively for human burial if the site is visibly identifiable, not held for profit, and the owner cannot be identified. No formal application is needed in such cases. Appraisers may consult with government or nonprofit entities to verify eligibility.

Effective January 1, 2026.

HB 2730: Homestead Reapplication Limits

Prohibits a chief appraiser from requiring a homeowner with a residence homestead exemption to reapply or confirm eligibility unless there is a specific reason to believe the person no longer qualifies. Before doing so, the appraiser must attempt to verify the

homeowner's eligibility, such as by checking driver's license records. If reapplication is required, the appraiser must provide written notice stating the reason and include the necessary application form.

Effective May 24, 2025.

HB 2742: Extension of Split Payment Deadline

Requires taxing units that offer split payments and mail tax bills after November 30 to delay the due date for the first half of taxes until the first day of the second month after the mailing date.

Effective January 1, 2026.

HB 3093: Mandatory Taxpayer Notices of Gulf Coast Property Tax Litigation

Imposes new requirements on major property owners in Gulf Coast counties (excluding Harris County) who anticipate substantial litigation over high-value property tax assessments. If such an owner (or an associated business entity) plans to appeal appraisal review board orders to district court and any of the properties had a top-20 taxable value in the district and now exceed 125% of their uncontested value, the owner must submit a notice to each affected taxing unit. This notice must include the amount of uncontested taxable value and a written statement of intent to pay taxes based on that amount. The submitted uncontested value can only be used by taxing units to calculate their tax rates—it cannot be used to argue that the remainder of the value is not in dispute during litigation.

Effective January 1, 2026.

HB 3307: Adds Continuing Legal Education Classes to Eligibility For Arbitrator Education

Allows property tax arbitrators to meet their educational requirements for renewal of their qualifications by taking courses in arbitration and alternative dispute resolution approved for continuing legal education.

Effective September 1, 2025.

HB 3370: Timberland Late Application Relief Upon Death

Allows a surviving spouse, child, executor, administrator, or fiduciary acting on their behalf to file a late application for timberland appraisal if the land received that appraisal in the prior year and ownership changed due to the owner's death. The application must be submitted by the tax delinquency date for that year. A 10% penalty does not apply to late applications filed under this provision.

Effective January 1, 2026.

HB 3424: Heavy Equipment Inventory Dealer Reporting Changes

Requires heavy equipment dealers to assign and collect a unit property tax not only on sold items but also on leased or rented equipment, with the tax amount listed separately on invoices. Dealers must report inventory activity and remit taxes on a quarterly basis instead of monthly. Tax collectors must notify dealers by December 15 each year of the applicable unit property tax factor for the following year. Buyers of dealerships may contractually agree

to pay the seller's current year inventory taxes, but sellers remain legally responsible for the tax payment.

Effective January 1, 2026.

HB 4236: Creates Group To Study Comptroller Audit Methodologies

Creates a legislative study group to hold a single public meeting to examine how the Comptroller's property value study is used to distribute state aid for public education. The group will also develop recommendations for improving how complex property valuations are verified and included in the study. It may request relevant data from state agencies, appraisal districts, and taxing units. A final report with findings and recommendations must be submitted to state leadership by December 1, 2026.

Effective May 24, 2025.

HB 4809: Allows Separate Challenges to Values of Land and Improvements of Exempt Historic Site Properties

Allows property owners that qualify for a historic or archeological exemption to separately protest the appraised value of the land and to protest the appraisal district's allocation of value between the land and the exempt structure or site.

Effective June 20, 2025.

TEXAS SENATE BILLS AND JOINT RESOLUTIONS

SJR 2/SB 4: Increases School District Homestead Exemption From \$100,000 to \$140,000

Increases the state's homestead exemption on school district taxes from \$100,000 to \$140,000. The state is to reimburse school districts for the lost revenue.

Effective retroactively to January 1, 2025, if SJR 2 is approved by voters on November 4, 2025.

SJR 85/SB 23: Increases Exemption for Disabled and Over Age 65 From \$10,000 to \$60,000

Provides an additional \$50,000 homestead exemption for individuals over 65 or with disabilities, increasing this exemption to \$60,000.

Effective retroactively to January 1, 2025, if SJR 85 is approved by voters on November 4, 2025.

SB 370: Allows Public Defenders to Exclude Their Identity From Public Appraisal Roll

Expands confidentiality protections to include current and former employees of public defenders' offices and their family members, shielding their personal information from public disclosure under the Tax Code. It also removes prior restrictions on protections for certain Attorney General employees and standardizes the definition of "family member" across related statutes.

SB 402: Provides Mandatory Form to Direct Refunds

Provides taxpayers more control over where property tax refunds are mailed. It allows taxpayers to submit a written request—using a form prescribed by the comptroller—directing refunds to be sent to an address other than the one listed on the appraisal roll. Tax collectors are required to honor these requests if they are submitted before the refund is issued. The bill also provides a process for revoking such a request.

Effective September 1, 2025.

SJR 84/SB 467: Creates A Temporary Pro-Rated Exemption For Homes Destroyed By Fire

Creates a temporary partial exemption from ad valorem taxation for the portion of a residence homestead improvement that is completely destroyed by fire and remains uninhabitable for at least 30 days. The exemption applies only for the tax year in which the fire occurs and is prorated based on the number of days remaining in the year after the fire. Homeowners must apply within 180 days of the fire, and the chief appraiser may use outside sources (like fire marshals or insurance adjusters) to verify eligibility. If taxes have already been paid, the overpayment must be refunded.

Effective retroactively to January 1, 2025, if SJR 84 is approved by voters on November 4, 2025.

SB 850: Clarifies Deadlines and Procedures For Refunds and Interest

Standardizes, clarifies, and expands taxpayer rights and procedures related to *ad valorem* tax refunds. It affects refund timing, interest accrual, notice requirements, refund applications, and litigation rights:

(1) Refunds Over \$20 Require No Application: Taxpayers no longer need to apply for refunds of overpayments or erroneous payments if the refund exceeds \$20. Collectors must automatically issue these refunds once verified.

(2) Refunds Under \$20 Still Require Application: For smaller refunds (under \$20), taxpayers must still apply. The collector must notify the taxpayer of the overpayment and include an application form.

(3) Refund Timing and 12% Interest Penalty: Refunds must generally be issued within 60 days of the date the liability arises (as defined for each type of refund situation). If not, the taxing unit must pay 12% annual interest, calculated from the tax delinquency date to the refund date.

(4) Elimination of Local Governing Body Approval Thresholds Prior law required governing body approval for refunds exceeding certain dollar amounts (e.g., \$500 or \$5,000), depending on county size. Those approval requirements are repealed, allowing collectors to issue refunds without local approval delays.

(5) Clarified Refund Triggers Across Code Sections Defines exactly when refund liability "arises" for various situations, such as:

- Approval of late-filed exemptions (e.g., homestead, charitable use, religious)
- Final determination of appeals or protests
- Changes to the tax roll or certified values

- Escrow overages or challenge/protest settlements

(6) Appeal-Related Refunds Must Be Paid Promptly: For refunds due after final determination of district court appeals or arbitration, taxing units must pay within 60 days of the date of judgment. Interest at 12% applies if they do not. The bill also increases interest from 9.5% to 12% for refunds that are delayed *beyond* 60 days in judicial appeal cases.

(7) Refund Disputes and Lawsuits: Taxpayers may sue to compel refunds within 60 days of receiving denial (or notice, if no application is required). Courts may award costs and up to the greater of \$1,500 or 30% of the refund amount in attorney's fees to prevailing taxpayers.

(8) Escrow and Split-Payment Accounts: Clarifies that overages in escrow or challenge-related payments must be refunded within 60 days of final determination, or interest applies. This helps taxpayers who pay under protest or escrow during valuation disputes.

(9) Refunds Tied to Local Government Code § 72.010 Disputes: If the Texas Supreme Court resolves a multi-jurisdictional tax dispute, refunds must now be paid within 60 days (reduced from 180), or 12% interest applies.

Effective September 1, 2025.

SB 973: Allows Appraisal District To Display Images of Property. Prohibits Appraisal Districts From Creating Timelines At Variance From The Tax Code

Allows public release of property-related images and sketches, including aerial photos showing more than one separately owned building, street-level photos of exteriors, and basic field sketches showing outlines, landscape features, and measurements. These materials are no longer considered confidential.

Prohibits an appraisal district board of directors from adopting a reappraisal plan that includes a timeline preventing the chief appraiser from performing market value appraisals as required by the Tax Code.

Effective June 22, 2025.

SB 1023: Require Tax Rate Notices To Include Hyperlinks to Calculations

Requires taxing units to use comptroller-provided electronic tax rate forms that include hyperlinks to source documents verifying the accuracy of each data entry (excluding mathematical calculations). For taxing units participating in multiple reinvestment zones, the bill mandates separate calculations of property values and tax increment adjustments for each zone. Forms used to calculate the no-new-revenue and voter-approval tax rates must also include hyperlinks to supporting documentation.

Effective January 1, 2026.

SB 1025: Requires Election Ballots to Clearly State That A Tax Increase Will Result

Requires tax-related ballot propositions to include clear language stating the amount or rate of a proposed tax increase or reduction. Propositions seeking to impose or raise a tax must also display the statement "THIS IS A TAX INCREASE" in capital letters at the top.

Effective May 24, 2025.

SB 1352: Grants Automatic Extension to Applications for Freeport and Interstate Commerce Applications If Rendition Deadline Is Extended

Provides that if the April 15 rendition deadline is extended to May 15, the same extension is to be automatically applied to Freeport exemption and interstate allocation applications. The bill reduces penalties applied for late-filed applications to the lesser of 10% of the tax savings or 10% of the total tax imposed.

Effective September 1, 2025.

SB 1453: Requires More Detail For School District Tax Rate Notices

Expands the required contents of school district tax notices to include detailed comparisons of proposed and prior year rates, revenue per student, fund balances, and debt obligations. It defines “current debt service” as the minimum amount needed for debt payments and requires taxing units to publish this information, along with unencumbered fund balances, on their websites. School districts may adopt a higher debt rate than the standard calculation if it is approved by at least 60% of the board through a motion that specifies the increase and explains how the additional revenue will be used.

Effective January 1, 2026.

SB 1502: Bars School District From Raising Tax Rates If A Voter Approval Rate Election Fails

Prohibits school districts from using a fallback tax rate calculation method to raise their tax rate in any year when voters have already rejected a proposed increase.

Effective January 1, 2026.

SB 1569: Allows Higher Education Executives And Board Members to Remove Their Identities From Public Portions of Appraisal Rolls

Adds university system chancellors, college presidents, and members of higher education governing boards to the list of individuals whose personal information is protected from public disclosure. It allows them to request that their home address be withheld from appraisal district tax records.

Effective September 1, 2025.

SB 1951: Notices of Rendition Penalties Must Be Sent By Certified Mail With the Notice of Appraised Value

Requires appraisal districts to notify property owners of penalties for late or missing renditions by certified mail and to include notices of appraised value with it. Tax bills must separately list the penalty amount in addition to the regular tax due.

Effective September 1, 2025.

SB 2068: Prohibits Appraisal Districts From Displaying or Including Information Pertaining to Children On Public Documents

Requires appraisal districts to keep confidential a child’s name, age, home address, and phone

number if that information has been included in a property tax exemption application.

Effective September 1, 2025.

SB 2173: Extinguishes Tax Liens Attributable To Late Removal Of Homestead Exemptions If A Person Obtains A Tax Certificate

Provides that if a property is transferred with a tax certificate and the appraisal district later cancels a previously granted homestead exemption, the resulting retroactive tax lien is extinguished—unless the transfer was between related parties, such as close family members, an employer and employee, a parent company and subsidiary, or a trust and its beneficiary. In all cases, the seller remains personally liable for the unpaid taxes.

Effective September 1, 2025.

SB 2520: Provides An Option For Persons Becoming Disabled or Reaching 65 Years Of Age As to Whether the Year of Qualification or the Subsequent Year is the Base Year for their Tax Freeze

Provides if someone first qualifies for the 65+ or disabled exemption after a tax year has already begun, the school tax freeze ceiling for the following year will be the *lower* of (1) the frozen amount that would normally apply or (2) the actual school taxes owed without applying the freeze. This ensures the ceiling doesn't lock in a higher amount just because the person qualified partway through the previous year.

Effective January 1, 2026.



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