

Property:

Texas: Recent Election Suggests Voters Support Certain Legislatively Established Property Tax Cuts

Proposition No. 4, unofficially approved by voters 11/7/23. Based on unofficial results from the election held on November 7, 2023, Texas voters have approved (pending certification) amending the state constitution to:

URL: <https://results.texas-election.com/races>

“authorize the legislature to establish a temporary limit on the maximum appraised value of real property other than a residence homestead for ad valorem tax purposes; to increase the amount of the exemption from ad valorem taxation by a school district applicable to residence homesteads from \$40,000 to \$100,000; to adjust the amount of the limitation on school district ad valorem taxes imposed on the residence homesteads of the elderly or disabled to reflect increases in certain exemption amounts; to except certain appropriations to pay for ad valorem tax relief from the constitutional limitation on the rate of growth of appropriations; and to authorize the legislature to provide for a four-year term of office for a member of the board of directors of certain appraisal districts.”

Note that state legislation enacted earlier this year provides various property tax-related changes to the Texas Education Code and Texas Tax Code [see S.B. 2 (2023), and *State Tax Matters*, Issue 2023-30, for more details on these recent legislative changes], including limiting certain real property tax appraisal increases of non-homestead property (e.g., rental houses, commercial retail, or business properties valued at no more than \$5 million) to a 20% increase, plus the market value of any new improvements to the property during the year, wherein school districts are entitled to additional State aid to account for the reduction in property taxes as a result of these amendments. Please contact us with any questions.

URL: <https://capitol.texas.gov/BillLookup/History.aspx?LegSess=882&Bill=sb2>

URL: https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230728_10.html

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