

A low-angle photograph of the Texas State Capitol dome, showing the top of the dome with the American and Texas state flags flying. The dome is surrounded by green trees against a clear blue sky. The text is overlaid in white on the upper portion of the image.

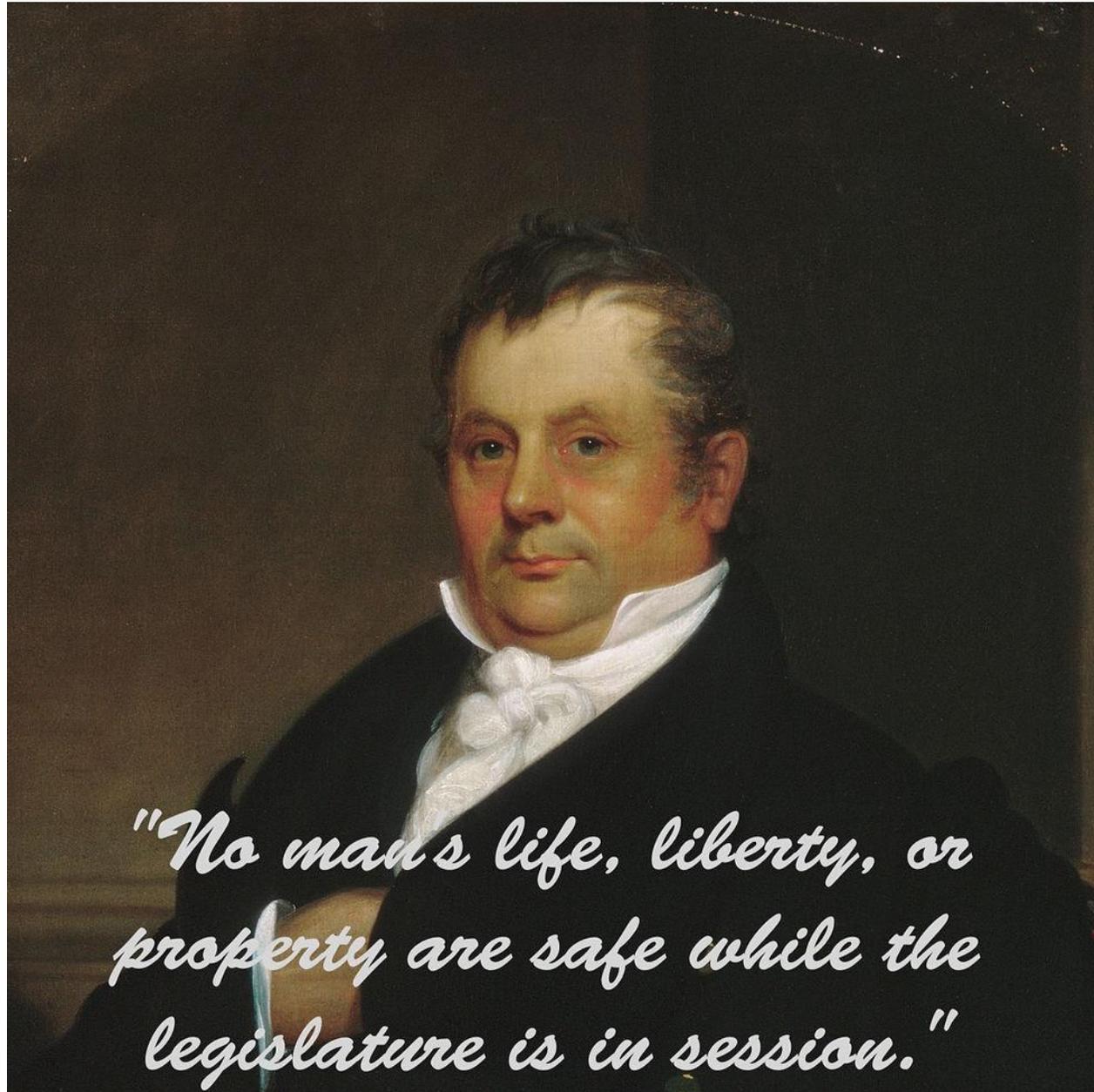
89th Texas Legislative Session: Exemptions etc.

Tracey L. Foster, JD, RPA, RTA, CTA

Session Agenda Overview

- Exemption Bills requiring Voter Approval on November 4, 2025. (7)
- Additions & Changes to Current Exemption Laws. (6)
- Miscellaneous Bills. (2)





"No man's life, liberty, or property are safe while the legislature is in session."

**Exemption Bills
Requiring Voter
Approval on
November 4,
2025**



SB 4 & SJR 2

SCHOOL HOMESTEAD EXEMPTION INCREASED FROM \$100,000 TO \$140,000

Includes additional state aid to schools expanding the current laws from 2023-2024 to 2025-2026.

Effective upon approval of Voters for January 1, 2025 tax year.

SB 23 & SJR 85

SCHOOL DISABLED & OVER-65 EXEMPTION INCREASED FROM \$10,000 TO \$60,000

Includes additional state aid to schools expanding the current laws from 2023-2024 to 2025-2026.

Effective upon approval of Voters for January 1, 2025 tax year.





HB 2508 & HJR 133

ADDS SURVIVING SPOUSE OF A VETERAN WHO DIED FROM QUALIFYING CONDITION OR DISEASE RELATED TO SERVICE

Must have died from a disease or condition set out in the **SERGEANT FIRST CLASS HEATH ROBINSON HONORING OUR PROMISE TO ADDRESS COMPREHENSIVE TOXICS ACT OF 2022** where the Act establishes a presumption of service connection.

Exemption applies regardless of date of Veteran's death so long as spouse qualifies.

Surviving spouse can transfer amount of original exemption to a different residential HS so long as not remarried.

Effective January 1, 2026, if approved by voters.

SB 467 & SJR 84

ADDS Section 11.351 – Eff 01/01/2026 with voter approval

The house burns down on January 2nd and its NOT taxable!

MUST be Residence homestead & file application within 180 days of fire & HS must be

1. Completely destroyed by fire (can rely on Fire Marshall or insurance adjuster to make determination)
2. WAS a habitable dwelling immediately before the date of fire;
3. Remains uninhabitable for at least 30 days after the fire.

Only applies for year of the fire.

Amount of Exemption = number days in year remaining after fire / 365 ie. 363/365 = 99% exemption APPLY TO IMPROVEMENT VALUE ONLY.





HB 1399 & HJR 99

ANIMAL FEED* HELD FOR SALE AT RETAIL IS 100% EXEMPT.

- * FEED FOR FARM & RANCH ANIMALS
- * FEED FOR ANIMALS HELD FOR SALE IN
THE REGULAR COURSE OF BUSINESS

If it qualifies for exemption from sale & use tax,
then it qualifies for this new property tax
exemption.

**Effective January 1, 2026, if approved by
voters.**



HB 247 & HJR 34

BORDER SECURITY INFRASTRUCTURE EXEMPTED

1. Real Property only.
2. In a county that borders the “United Mexican States.”
3. Property installed under a qualified Border Infrastructure Agreement; OR
4. On land subject to a recorded easement to the State of Texas or the US that dedicates the property as Border Security Infrastructure.

Once granted do not need to reapply unless change of use or ownership.

Cannot consider the price paid by Texas or US for the easement in market value appraisal.

Effective January 1, 2026, upon voter approval.



HB 9 & HJR 1

**BPP EXEMPTION
INCREASED FROM \$2,500
TO \$125,000.**

\$125,000 BPP EXEMPTION

OLD EXEMPTION

- **ANYTHING LESS THAN \$2500**
- **IN A SINGLE TAXING ENTITY**
- **EXAMPLE 1:**
 - COMPANY OWNS
 - \$2,000 IN ISD1 – NOT TAXABLE
 - \$500 IN ISD2 – NOT TAXABLE
 - \$2,500 COUNTY – TAXABLE
- **EXAMPLE 2:**
 - COMPANY OWNS
 - \$100,000 IN ISD1 – ALL TAXABLE
 - \$1,000,000 IN ISD2 – ALL TAXABLE
 - \$1,100,000 COUNTY – ALL TAXABLE

NEW EXEMPTION

- **\$125,000 OFF BPP**
- **AT EACH LOCATION**
- **EXAMPLE**
 - COMPANY OWNS
 - \$100,000 IN ISD1 – NOT TAXABLE
 - \$1,000,000 IN ISD2 - \$875,000 TAXABLE
 - \$1,100,000 COUNTY - \$875,000 TAXABLE

\$125,000 BPP EXEMPTION

- Prevents companies from creating other business entities to maximize the exemption. “RELATED BUSINESS ENTITIES”
- “LOCATION” is taxable situs, not jurisdiction.
- Only required to render if aggregate BPP market value at a location is greater than \$125,000.
- Must file a certification that value is below \$125,000 and that certification stays in effect until ownership changes.
- Effective January 1, 2026, upon approval of voters.

Additions & Changes to Current Exemption Laws

Intangible Assets



HB 22: INTANGIBLE PERSONAL PROPERTY IS NOT TAXABLE

Effective January 1, 2026.



HB 22: COMPTROLLER MUST BE A PARTY IN APPEAL OVER RAILROAD ROLLING STOCK



**HB 2730:
Chief may NOT Require new HS app unless. . .**

- 1. Chief has reason to believe the person no longer qualifies ;**
- 2. Has attempted to make a determination by researching TDL databases etc.;**
- 3. Delivers written notice to the taxpayer along with the application form stating:**
 - a) The Chief believes they no longer qualify AND**
 - b) states the specific reason for their belief.**

Effective 05/24/2025.

SB 1352: Late Filed Freeport & Allocation Applications

If a chief appraiser extends the rendition deadline to May 15th, it automatically extends the deadline to file a FREEPORT APPLICATION (11.251) or an APPLICATION FOR ALLOCATION (21.09) to May 15th.

If either the Freeport or Allocation application are filed late, the penalty is now the lower of

- 1. [Existing] 10% of the difference between the tax with the FREEPORT or ALLOCATION applied and without; or**
- 2. [New] 10% of the tax on the FREEPORT goods or ALLOCATION of the property.**

Effective September 1, 2025.



HB 2525: ADDING TO CHARITABLE HOUSING FOR ELDERLY

Amends Section 11.18 to add a section to part 13 regarding charitable organizations providing housing to persons over 62.

Previously, a taxpayer qualified if they provided the housing **“without regard to the resident’s ability to pay.”**

Now, it can also be provided in an amount that is **“not less than 4% of the charitable organization’s net resident revenue.”**

Charitable Organization must have existed for 20+ years to qualify for exemption under added section.



Effective January 1, 2026.



HB 2723: Human Burial Property

Chief Shall Grant the Exemption if

1. No one applies for the exemption,
2. The Chief knows or should know based on reasonable inspection that the property is burial property, and
3. The owner is not identifiable.

Effective January 1, 2026.

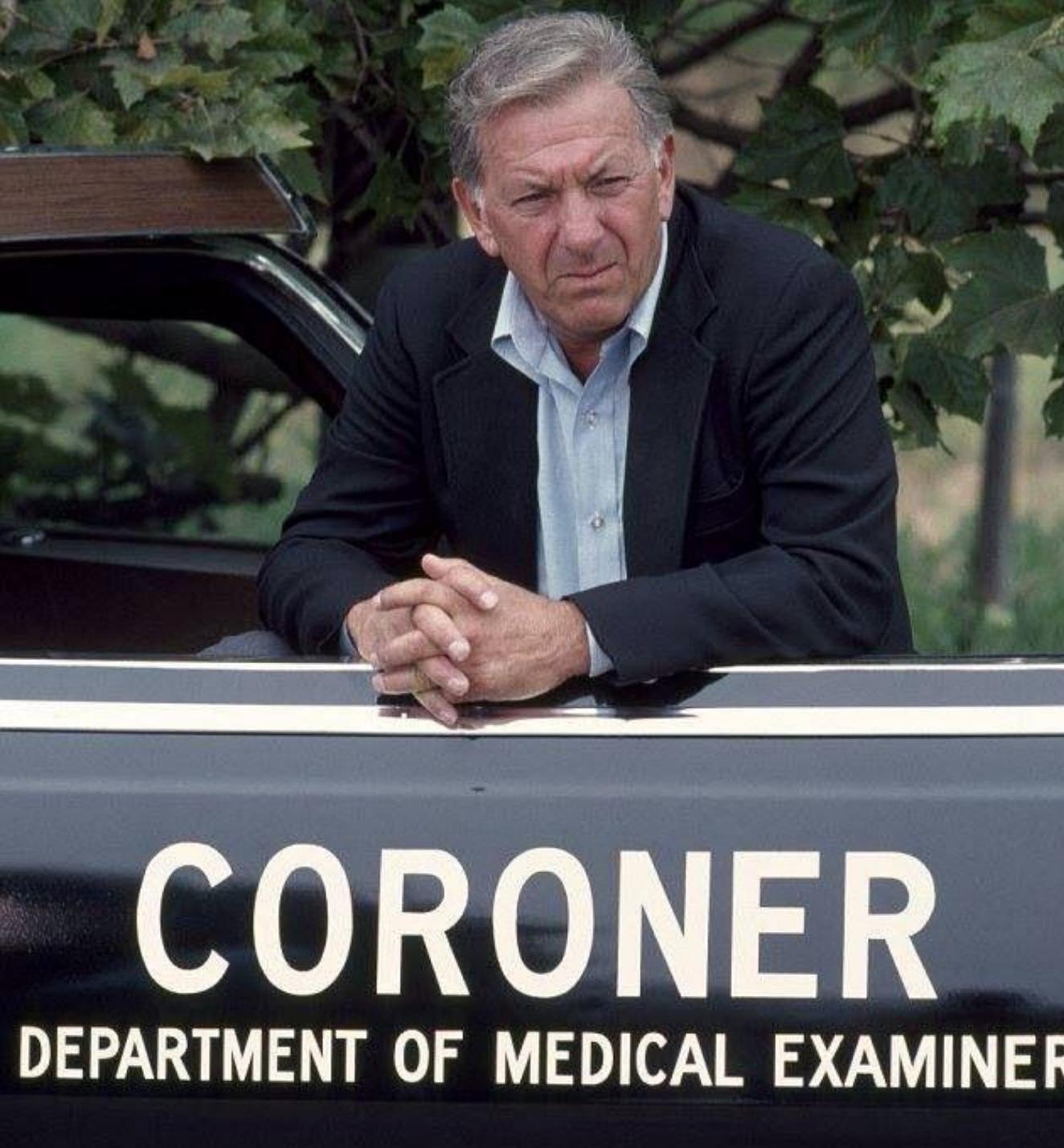


HB 4809: Archeological Sites (11.24)

Amends Section 11.24 to add a section (c) which allows a property owner of an archeological site and land to protest each separately AND protest the allocation between the site and land.

Effective June 20, 2025.

Miscellaneous Bills



HB 1306: Death Investigation Professionals

Adds “Death Investigation Professional” to those entitled to compensation for disease related illness due to exposure at work and for preventative immunization AND to the list of “FIRST RESPONDERS” entitled whose spouse is entitled to a full exemption if they are killed in the line of duty. (Section 11.134)

Includes JPs and County Medical Examiners.

Paid for by employer.

Effective September 1, 2025.

SB 523: Allowing Alt Address on ID

Adds Parole Officers and Probation Officers to those allowed to use their work address instead of home address on their official ID or driver's license.

Includes Peace Officers and Prosecutors.

Effective September 1, 2025.



Conclusion

BILLS
PENDING
VOTER
APPROVAL:

Homestead Exemption \$140,000

Over-65 & Disabled \$60,000

ADD Surviving Spouse of Veteran died from disease or condition to exempt until remarried

HS completely destroyed by fire exemption prorated for that year

Animal Feed held for Retail Sale is exempt

Border Security Infrastructure Real property exempt

\$125,000 of BPP value at each location exempt





BILLS EFFECTIVE SEPTEMBER 1, 2025:

- Chief can no longer require everyone to reapply for HS.
- Rendition extension means Freeport & Allocation apps extended too.
- Owners of archeological sites can protest either site or land or allocation of value.
- County Coroner and JPs added to list of 'First Responders.'
- Parole Officers & Probation Officers join Peace Officers and Prosecutors in having their work address on their ID instead of their home address.

BILLS EFFECTIVE JANUARY 1, 2025:

- Intangible property is not taxable & Comptroller is a party on appeal of railroad rolling stock allocation.
- Broader allowance for charitable housing for elderly.
- Human burial property gets the exemption without application if the Chief can tell its burial property.







89th Texas
Legislative
Session:
Exemptions, etc.

Tracey L. Foster, JD, RPA, RTA, CTA