



Over 8,500 House and Senate Bills were filed during the 88th Regular Legislative Session and subsequent four Special Legislative Sessions in 2023. Through Texas BOMA's advocacy efforts we were able to prevent the passage of several damaging bills that would greatly impact the commercial real estate community while working to ensure our top priority was passed into law -
- Property Tax Relief.

Highlighted below are a list of key bills passed during the legislative session that will impact or be of interest to Texas BOMA.

Property Tax System

Senate Bill 2 (88th 2nd Special Session): This bill lowered the school tax rate by 10.7 cents; increased the school residential homestead exemption from \$40,000 to \$100,000 for homeowners under the age of 65 and \$110,000 for homeowners over 65 or disabled; created a three year "circuit breaker" pilot program that places a 20% cap on appraised value increases for non-homestead real property under \$5 million; and increased the membership on the board of directors for appraisal districts in counties with populations of 75,000 or more from five members to nine members by adding three directors elected by majority vote at the general election for state and county officers by the voters of the county in which the district is established and by designating the county assessor-collector as an ex officio director. *Various Effective Dates.*

House Joint Resolution 2 (88th 2nd Special Session): The constitutional amendment that would enable the enactment of SB 2. *Approved during the November 7, 2023 Constitutional Amendment Election.*

Senate Bill 3 (88th 2nd Special Session): The bill increased the amount of the total revenue exemption for the franchise tax for businesses from \$1 million to \$2.47 million. The bill also eliminated the requirement for a taxable entity that does not owe any franchise tax to file a No-Tax-Due franchise tax return. *Effective 1/1/24.*

House Bill 796: The bill provided taxpayers with more information about appraisal protest hearings by requiring each appraisal district to create and maintain a public and searchable internet database of information regarding protest hearings conducted by the district's appraisal review board. *Effective 1/1/24.*

House Bill 1228: The bill allowed a property owner to receive a copy of the information used to appraise their property before a formal hearing is requested and allowed a taxpayer the option to receive property tax-related communication from the tax office electronically. *Effective 1/1/24.*

House Bill 1285: The bill expanded the duties of taxpayer liaison officers and provided an avenue for taxpayers to file certain complaints and seek assistance within the appraisal district. *Effective 1/1/24.*

House Bill 3273: Instead of each appraisal district annually mailing postcard notices to all property owners stating where relevant property tax information may be found online, this bill required this information be posted by the chief appraiser and the assessor for each taxing unit participating in the district prominently on their respective websites, if applicable, and published in a newspaper of general circulation. The bill also required the chief appraiser of each appraisal district that maintains a website to deliver to a property owner by email notification updates to the district's property tax database if the owner registers on the website to receive such notifications in that manner. *Effective 1/1/24.*

House Bill 4101: The bill authorized a property owner who files notice of a property tax protest to request limited binding arbitration to compel the chief appraiser or appraisal review board (ARB), as appropriate, to comply with the hearing procedures adopted by the ARB. *Effective 1/1/24.*

Senate Bill 2355: The bill allowed for a property owner to file a request for binding arbitration directly with the comptroller's office rather than the appraisal district and allowed that request and the deposit to be paid through an electronic online system. The bill made additional changes to help implement the online system and streamline the arbitration process. *Effective 1/1/24.*

Construction/Real Property

House Bill 14: The bill authorized the performance of a development document review, and the conduct of a development inspection, by a third party if a regulatory authority does not timely perform such review or conduct such inspection. *Effective 9/1/23.*

House Bill 1382: The bill authorized a county commissioners court the option to conduct a public auction of real property taken in execution of a judgment using online bidding and sale as an alternative to conducting an in-person sale. *Effective 9/1/23.*

House Bill 3485: The bill allowed a vendor, contractor, or subcontractor to not proceed with additional work if they have not received a written, fully executed change order for the additional work and the aggregate or anticipated value of the additional work plus any other outstanding additional work requests exceeds 10% of the original contract amount. The bill clarifies that the vendor, contractor, or subcontractor who elects to not proceed with additional work directed by an owner is not responsible for damages associated with the choice not to proceed. *Effective 9/1/23.*

Local Control

House Bill 2127: The bill preempts a municipality or county from adopting, enforcing or maintaining an ordinance, order, or rule regulating a conduct in a field of regulation of matters regulated by the state in the following codes: Agriculture, Business and Commerce, Finance, Insurance, Labor, Natural Resources, Occupations, and Property Code. The bill would overturn any existing local regulations that conflict with the bill preventing counties and cities from enforcing ordinances and regulations unless they are expressly authorized by the state. The bill

grants standing to any person, or trade association representing a person, who sustained an injury from a municipal or county ordinance, order, or rule, adopted or enforced by a municipality or county in violation of the bill. *Effective 9/1/23.*

Business Regulations

House Bill 19: The bill created specialty business trial courts to hear complex business disputes. These courts would help ensure business disputes are reviewed by judges with expertise with complex business matters. *Effective 9/1/23.*

House Bill 915: The bill required each employer to post a notice to employees of the contact information for reporting instances of workplace violence or suspicious activity to the Department of Public Safety. *Effective 9/1/23.*

House Bill 3536: The bill allowed commercial landlords to evict tenants operating illegal massage establishments. *Effective 9/1/23.*

COVID – Employer Legislation

House Bill 609: This bill would limit liability for business owners who do not require their employees or contractors to be vaccinated against a pandemic disease. *Effective 9/1/23.*

Senate Bill 7 (88th 3rd Special Session): The bill prohibited an employer, other than a governmental entity, from adopting or enforcing certain COVID-19 vaccine mandates. The bill would prohibit such an employer from taking an adverse action against an employee, contractor, applicant for employment, or applicant for a contract position for a refusal to be vaccinated against COVID-19 but would create an adverse action exception for certain health care facilities, health care providers, and physicians. *Effective 2/6/24.*