

OFFICE OF GOVERNMENTAL RELATIONS
SPECIAL SESSION UPDATE
88th LEGISLATIVE SESSION/1ST & 2ND CALLED SESSIONS

Updated: 14 JULY 2023

88th Texas Legislature – 2nd Special Session Is OVER... The legislature adjourned its 1st Called (Special) session in late June without passing any sort of property tax relief (the reason they were called back to the Capitol) – largely because the House adjourned early; Gov. Abbott wasted no time in calling a 2nd Special Session beginning on 27 June. This 2nd Special concluded on the evening of 13 July with both chambers adjourning after passing bills placed on the Call by the Governor.

Property Tax Relief was again the subject of the call, and after a week or so of negotiating, Lt. Governor Patrick and Speaker Phelan came to an agreement on a package that includes a multi-billion-dollar property tax break and a separate bill to reduce Franchise taxes and reporting requirements for small businesses.

The Senate passed the legislation on Wednesday 12 July and the House passed it the following day. Highlights of the legislation is as follows and would:

- ✓ Reduce the maximum compressed tax rate for all school districts;
- ✓ Increase the amount of the general school district residence homestead exemption to \$100,000;
- ✓ Impose a limitation of 20% on the annual appraised value increase for non-homestead real property valued at not more than \$5 million; and
- ✓ For counties with a population of 75,000 or more:
 - Increase the membership of the appraisal district's board of directors by three members, to be elected in non-partisan elections; and
 - Provide for the appointment of members of the appraisal review board by the appraisal district's board of directors.

A faction of House Democrats in their opposition had proposed to include teacher pay raises and rebates for renters, but those efforts failed.

It was [SB 2](#) (prop. tax cuts), [SB 3](#) (franchise tax relief), and [HJR 2](#) (constitutional amendment) that passed at the end of the day. The relief amounts to **\$18 billion** but will be contingent on voter approval of the constitutional amendment this November.

Governor Abbott has indicated he will call a series of special sessions on a number of subjects, the next is likely to include K-12 school funding, teacher pay raises, and school vouchers. We expect a September start of the 3rd Called Session.