

TEXAS TAXPAYERS
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Tax, School Finance, and Public Education Bills that Passed and Failed in the Regular Session of the 89th Texas Legislature

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The 89th Texas Legislature was greeted in January 2025 with an estimate by the Texas Comptroller of Public Accounts that the state would end the current biennium with \$24 billion in surplus revenue. The Governor's priorities for the legislative session included spending \$10 billion of that surplus on new property tax relief, funding a teacher pay raise, and enacting school choice in the form of education savings accounts. These three issues remained at the top of the Legislature's agenda throughout the regular session, and in the end, all three goals were achieved.

As in 2023, the House and the Senate in 2025 settled on a property tax relief package that combined additional compression of school maintenance and operations (M&O) tax rates and an increase in the homestead exemption for school property tax, with the addition of a relatively modest exemption for business personal property (BPP). While the Legislature was keen to return surplus revenue to taxpayers in the form of property tax relief, legislators frequently voiced concern that the state may not be able to maintain the current level of state spending for property tax relief in future years, which totals \$51 billion in the FY26-27 budget. It is expected that the \$24 billion surplus that was available to the Legislature this session will be the last in a series of repeat surpluses Texas has realized in recent years.

With substantial spending on property tax relief in the FY26-27 budget and ongoing concern about its sustainability, the 89th Legislature was conservative with tax reduction in areas other than property tax. The extension of the franchise tax credit for new research and development (SB 2206) was the most significant state tax measure to become law this session. While several smaller, industry-focused bills also passed (such as incentives for restaurants serving Texas oysters), the remainder of tax bills that became law were various tax reform, rather than tax relief, measures. Among the reform bills passed by the Legislature, the vast majority were focused on local property tax reform and transparency, with only one successful bill (SB 266) enacting reforms for state tax administration.

In this report, TTARA summarizes the most significant tax, school finance and public education legislation passed by the 89th Legislature in regular session. The report also reviews what could have been, giving honorable mention to some important measures that failed passage.



Property Tax Relief

SB 1 by Huffman (R-Houston) – General Appropriations Act

SB 1, the General Appropriations Act, funds \$51 billion of school property tax relief in the 2026-2027 biennium, which includes \$10 billion of new property tax relief in FY26-27. The \$51 billion in property tax relief is composed of:

- \$6.1 billion to maintain property tax relief passed by the 88th Legislature and to compress school district M&O tax rates by an additional \$0.06;
- \$3.7 billion to increase the school district homestead exemption to \$200,000 (from \$150,000) for over-65 or disabled homeowners and to \$140,000 (from \$100,000) for all other homeowners;
- \$193.5 million to increase the exemption for business personal property to \$125,000 (from \$2,500); and
- Approximately \$41 billion to maintain property tax relief enacted by the 86th Legislature.

The state cost of the various property tax relief measures can be found in Article III, Rider 76 of SB 1 and in the fiscal notes to HB 9, SB 4 and SB 23.

SB 4/SJR 2 by Bettencourt (R-Houston) – School District General Homestead Exemption

SJR 2 will increase the school district homestead exemption to \$140,000 (from \$100,000) if approved by voters in the statewide general election to be held November 4, 2025. Under SB 4, the tax assessor for a school district will compute provisional tax bills for 2025 as if the constitutional amendment proposed by SJR 2 had passed and will send those bills to taxpayers. If the constitutional amendment fails to pass, the tax assessor will calculate and send a supplemental tax bill by December 1, 2025, notifying taxpayers of the difference in tax due. Payment of supplemental taxes will be considered delinquent if not paid by March 1, 2026. The increase in the homestead exemption is effective beginning in the 2025 tax year if approved by voters.

SB 23/SJR 85 by Bettencourt (R-Houston) – School District Over 65/Disabled Homestead Exemption

SB 23 will increase the additional school district homestead exemption for over-65 and disabled homeowners to \$60,000 (from \$10,000) if the constitutional amendment proposed by SJR 85 is approved by the voters in the statewide general election to be held November 4, 2025. Under SB 23, the tax assessor for a school district will compute provisional tax bills for 2025 as if the constitutional amendment proposed by SJR 85 had passed and will send those bills to taxpayers. If the constitutional amendment fails to pass, the tax assessor will calculate and send a supplemental tax bill by December 1, 2025, notifying taxpayers of the difference in tax due. Payment of supplemental taxes will be considered delinquent if not paid by March 1, 2026. The increase in the homestead exemption for over-65 and disabled homeowners is effective beginning in the 2025 tax year if approved voters.



HB 9/HJR 1 by Meyer (R-University Park) – Exemption for BPP

HB 9 will increase the exemption for BPP to \$125,000 (from \$2,500) if the constitutional amendment proposed by HJR 1 is approved by voters at the statewide general election to be held November 4, 2025. HB 9 exempts \$125,000 of BPP at each business location within a taxing unit, except that lessors of BPP are entitled to only one exemption of \$125,000 within a taxing unit. If BPP is located on real property that is not owned or leased by the owner of the BPP, then the owner of the BPP is entitled to only one exemption of \$125,000 within a taxing unit. A rendition of BPP is not required if, in the opinion of the owner, the value of all BPP at a single location and within each taxing unit of a county is less than \$125,000. The value of all BPP owned by “related business entities” at a single location is aggregated for purposes of the \$125,000 threshold. HB 9 does not define a “location.” The increase in the BPP exemption is effective beginning in the 2026 tax year if approved by voters.

Property Tax Relief Package, 89th legislature

Bill Number	Summary	Biennial Cost (millions)	Status
SB 1 by Huffman	General Appropriations Bill. Appropriates funds to maintain property tax relief passed by the 88th Legislature.	\$3,500.0	Sent to the Governor
SB 1 by Huffman	General Appropriations Bill. Appropriates funds for 6.0 pennies of additional and "settle-up" school district M&O tax rate compression under current law mechanism. TY25: \$0.0533 (\$0.0202+\$0.0331) TY26: \$0.0068	\$2,607.1	Sent to the Governor
HB 9/HJR 1 by Meyer	Increases the business personal property tax exemption to \$125,000 (from \$2,500).	\$193.5	Will be on the ballot on November 4, 2025
SB 4/SJR 2 by Bettencourt	Increases the mandated school district general homestead exemption to \$140,000 (from \$100,000).	\$2,599.5	Will be on the ballot on November 4, 2025
SB 23/SJR 85 by Bettencourt	Increases the mandated school district homestead exemption for 65+ or disabled to \$60,000 (from \$10,000). Coupled with increase in general homestead exemption provides a \$200,000 total homestead exemption.	\$1,107.0	Will be on the ballot on November 4, 2025
		\$10,007.1	

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Cost numbers are from Article III, Rider #76 in the CCR on SB 1.

Calculated pennies of M&O tax rate compression are based on 5.60% and 3.60% value growth in Article III, Rider 3 in the CCR on SB1.



Property Tax Bills that Passed

Truth in Taxation

HB 30 by Troxclair (R-Lakeway) – Disaster Debris Rate

Repeals the current law allowing a taxing unit that has experienced a disaster to calculate a voter-approval tax rate (VATR) that exceeds its no-new-revenue tax rate (NNRTR) by 8%. In place of the repealed provision, HB 30 adds a new “disaster debris rate” to the VATR calculation for a taxing unit that has experienced a disaster declared by the president of the United States or the governor of Texas during the tax year. The calculation of the disaster debris rate includes the cost of removing debris or wreckage and the cost of essential assistance such as emergency shelter, search and rescue, and overtime pay for first responders. Effective January 1, 2026.

HB 3093 by Villalobos (R-Corpus Christi) – Anticipated Substantial Valuation Litigation Adjustment

Allows a tax rate adjustment to account for “anticipated substantial litigation” by excluding the contested property value from “current total value” for purposes of calculating tax rates under Chapter 26 of the Tax Code. “Anticipated substantial litigation” is defined as litigation under Chapter 42 relating to a property that was among the 20 highest-value properties in the preceding year within the appraisal district and has a current-year value that exceeds 125% of the uncontested value. A taxing unit must notify each affected property owner that the owner may have to comply with certain requirements. If a property owner intends to file an appeal that is anticipated substantial litigation, then the owner must report to the taxing unit the uncontested taxable value and that they will pay tax on the uncontested value. Applies only to Gulf Coast counties with a population of less than 500,000 people. Effective immediately.

SB 1023 by Bettencourt (R-Houston) – TNT Source Data Hyperlinks

Requires tax rate calculation forms promulgated by the Comptroller to enable a taxing unit to include hyperlinks to the source data used by the taxing unit in its tax rate calculations. Effective January 1, 2026.

SB 1453 by Bettencourt (R-Houston) – Minimum Debt Service

Requires tax rates levied for debt repayment to be calculated using the annual minimum debt service, which effectively prohibits early repayment of debt. Effective January 1, 2026.

Appraisal District Board of Directors

HB 148 by Turner (D-Grand Prairie) – BOD Training and Acknowledgement of Duties

Requires training for members of the board of directors (BOD) of an appraisal district. Training must include information regarding the role and functions of the chief appraiser, BOD, appraisal review board (ARB), taxpayer liaison officer, and the Comptroller; the importance of maintaining independence from political pressure and proper treatment of the public; the finance and budgeting requirements of the appraisal district; procurement and contracting, including conflicts of interest; Government Code requirements applicable to elected officials; and ethical and professional standards that align with the Uniform Standards of Professional Appraisal Practices and the Occupations Code. Requires an acknowledgement of duties that includes twenty-four key functions and statutory responsibilities of a BOD member. A person may not be appointed to the BOD or run for an elected position on the BOD before signing the acknowledgement. Applies only to counties of 75,000 or more. Effective September 1, 2025.

SB 973 by Eckhardt (D-Austin) – Reappraisal Plan Reforms

Allows more aerial photographs and sketches of residential property to be posted on an appraisal district website. Prohibits a reappraisal plan from including a standard or timeline that prevents the chief appraiser from appraising property annually as required by Tax Code § 23.01(a). Effective September 1, 2025.

Property Value Study

HB 4236 by Martinez Fischer (D-San Antonio) – Property Value Study Study Group

Creates a study group to examine the use and effect of the Property Value Study (PVS) in state funding of public school and to develop recommendations on alternative methods for verifying complex property valuations. The study group will consist of three members of the Senate and three members of the House, including one vice-chair of a standing substantive committee in each chamber. The study group will hold a single hearing and submit a report to the Governor, Lt Governor, Speaker of the House, and other members of the Legislature by December 1, 2026. Effective September 1, 2025.

Other Transparency Measures

HB 103 by Troxclair (R-Lakeway) – Comptroller Bond Database

Requires the Comptroller to develop and maintain a database that includes details of bonds proposed or issued, ballot propositions and, for school districts, M&O taxes levied or proposed. Effective September 1, 2025.

HB 3526 by Capriglione (R-Southlake) – Bond Review Board Bond Database

Requires the Bond Review Board (BRB) to develop and maintain a database that will include details of proposed and issued bonds. Requires local governments to report details of local bond elections to the BRB both 20 days before and 20 days after the election. Requires local governments to report details of voter-approved, but unissued, bonds to the BRB annually. Requires the BRB to submit biennial reports to the Legislature. Effective September 1, 2025.

SB 843 by Kolkhorst (R-Brenham) – Texas Education Agency Bond Database

Requires the Texas Education Agency (TEA) to develop and maintain a database that will include details of each bond planned, proposed, or issued by a school district; each bond issued for an open-enrollment charter school; maintenance taxes levied or proposed by a school district; and the results of a tax rate election of a school district. Effective September 1, 2025.

SB 1025 by Bettencourt (R-Houston) – “THIS IS A TAX INCREASE”

Requires a ballot proposition that seeks voter approval to impose or increase a tax to include the statement “THIS IS A TAX INCREASE.” Effective immediately.

Other Property Tax Bills that Passed

HB 22 by Noble (R-Lucas) – Exempting Taxation of Intangible Property

Exempts all intangible property from ad valorem taxation. Effective January 1, 2026.

HB 1533 by Button (R-Garland) – Property Appraisal System Reforms

Makes numerous reforms to the property tax appraisal system. Key changes include requiring notices under Tax Code § 25.23(c) to be sent by certified mail; repealing the requirement that a designation of agent include the IP address of the requestor; requiring at least one ARB trainer to be a taxpayer representative; requiring an appraisal district in a county with a population of 120,000 or more to maintain an internet website and post appraisal records on the website; changes the deadline for taxpayers to notify an ARB of their intention to appear via phone or video to 5 days (currently 10 days) before the hearing; requires an ARB that dismisses a protest on jurisdictional grounds to issue a written order; and requires an ARB to deliver a subpoena to appear at a good cause hearing at least 15 days (currently 5 days) before the hearing. Outlines the rights of appeals of a person leasing property. Limits a court from ordering discovery not requested by parties. Effective September 1, 2025.

SB 1951 by Paxton (R-McKinney) – Late Rendition Penalty

Requires a chief appraiser to deliver notice of a late rendition penalty by first-class mail or, if property was not on the appraisal roll in the preceding year, by certified mail. Requires a tax bill to state the amount of tax due and any penalty due as separate line items. Effective January 1, 2026.

Property Tax Bills that did not Pass

HB 19 by Meyer (R-University Park) – Debt Reform

Would have made various reforms regarding the issuance and repayment of debt by local governments, including requiring debt propositions to be voted on the November uniform election date, placing a maximum limitation on local government debt of 20% of the average M&O levy collections for the last 3 years, allocating of proceeds of general obligation bonds according to the bond proposition, restricting anticipation notes and certificates of obligations, requiring approval of debt by a super-majority vote of a taxing unit's governing body, and prohibiting the use of M&O tax revenue after a tax rate election for debt repayment.

HB 2786 by Turner (D-Grand Prairie) – Reappraisal Plan Reform

Would have required the reappraisal plan approved by the BOD of an appraisal district in a populous county to provide for annual appraisal of all property.

SB 974 by Eckhardt (D-Austin) – Teachers serving on the ARB

Would have allowed teachers to serve on the ARB and would have made a school district communication with a teacher on the ARB with the intent to influence valuation decisions a criminal offense. This bill was passed by the Legislature but vetoed by the Governor.

SB 2063 by Parker (R-Flower Mound) – TDS Landfill Supreme Court Decision Reform

Would have prohibited market value evidence from being considered in an equal and uniform appeal.

SB 2541 by Bettencourt (R-Houston) – Unused Increment Rate

Would have repealed the unused increment tax rate calculation that allows taxing units to “bank” taxing capacity under the VATR tax rate threshold that could have been, but was not, adopted.

SB 2452 by Hancock (R-North Richland Hills) – Chief Appraiser Compensation

Would have limited chief appraisers' compensation from being linked to valuation expectations, including increases as a result of passing the property value study.

Appraisal Cap Bills. Forty-five bills were filed that would have created, expanded or extended appraisal caps in Texas, but none passed. Most notably, the 20% appraisal cap (“circuit breaker”) pilot project enacted in 2023 was not extended or expanded this session and will expire on December 31, 2026, as originally scheduled.



Franchise Tax Bills that Passed

SB 263 by Perry (R-Lubbock) – Radio and Television Broadcasters

Adds television and radio broadcasters to the existing computation of cost of goods sold for taxable entities whose principal business activity is film or television production, broadcasting, or distribution. Defines “television or radio broadcasting” as broadcasting under an FCC license. States that the amendment is a clarification of existing law. Effective immediately.

SB 1058 by Parker (R-Flower Mound) – Stock Exchange Transactions

Excludes rebate payments on certain security transaction payments from total revenue for purposes of the franchise tax. Effective for reports due on or after January 1, 2026.

SB 2018 by Paxton (R-McKinney) – Credit for Specific Charitable Contributions

Provides a franchise tax credit for taxable entities that make designated contributions to certified eligible organizations that support at-risk families. Effective June 1, 2026.

SB 2774 by A. Hinojosa (R-Corpus Christi) – Uniforms, Garments, and Linen Supplies

Amends the definition of “retail trade” in Tax Code sec. 171.0001(12) to include the rental of industrial uniforms, garments, and linen supplies. Effective for reports due on or after January 1, 2027.

Franchise Tax Bills that did not Pass

Other franchise tax bills that did not pass included provisions to:

- Extend the franchise tax exemption for new veteran owned businesses that will expire January 1, 2026 (SB 524 by Campbell (R-New Braunfels))
- Repeal the franchise tax (HB 1508 by Metcalf (R-Conroe))
- Raise the no tax-due threshold to \$3 million (HB 5181 by Dean (R-Longview))
- Give credits for entities that contribute to child-care (E.g., HB 3191 by Button (R-Garland)), parental leave (HB 2740 by Martinez Fischer (D-San Antonio)), healthcare (SB 1949 by Kolkhorst (R-Brenham)), and organ donation (HB 5618 by J. Garcia (D-San Antonio))
- Give credits to spaceports (HB 3045 by Gerdes (R-Smithville)), space related technology R&D (SB 1715 by Middleton (R-Galveston)), and nuclear projects (HB 5120 by Harris (R-Palestine)).



Sales Tax Bills that Passed

HB 135 by Button (R-Garland) – Exotic and Game Animals

Exempts game animals and exotic animals from sales tax. Effective immediately.

HB 3486 by Hunter (R-Corpus Christi) – Taxable Sales Discount- Oysters

Allows a \$5 deduction from taxable sales of a food service establishment for every 100 Texas farm-raised oysters prepared and served at a restaurant. Effective October 1, 2025.

HB 3487 by Hunter (R-Corpus Christi) – Taxable Sales Discount- Oysters

Allows a \$2 deduction from taxable sales of a food service establishment for every 50 pounds of oyster shells collected for recycling. Effective October 1, 2025.

SB 1405 by Nichols (R-Jacksonville) – Internet Access

Removes Internet access service from the list of taxable services (and supports expansion of Internet access in Texas). Effective July 1, 2025.

SB 1415 by Hughes (R-Mineola) – School Sales Tax Holiday

Moves the existing sales tax holiday for clothing and footwear with a sales price <\$100 to the weekend beginning on the first Friday in August. Effective September 1, 2025.

Sales Tax Bills that did not Pass

HB 134 by Meyer (R-University Park) – Local Sales Tax Sourcing

Would have changed where sales are consummated for the purposes of local sales tax sourcing, including different sourcing regimes for small businesses and large businesses and the grandfathering of sourcing for some businesses with existing economic development agreements.

HB 1681 by Button (R-Garland) / SB 265 by Perry (R-Lubbock) – Data Processing/Marketplace Providers

Would have excluded the processing of a sale or payment by a marketplace provider from the definition of “data processing service” in Tax Code § 151.0035(b) and would have deleted the exclusion of charges by a marketplace provider from the definition of “settling of an electronic payment transaction” in Tax Code § 151.0035(c).

HB 3646 by Capriglione (R-Southlake) / SB 2317 by Parker (R-Flower Mound) – Data Processing/HOA Documents

Would have excluded the provision of documents by a homeowner’s association from the definition of taxable services.

Other sales tax bills that did not pass included provisions to:

- Allow taxpayers to deduct and withhold a portion of credit card sales (SB 831 by Parker (R-Flower Mound))
- Lower the state sales tax (HB 3437 by Martinez Fischer (D-San Antonio))
- Reduce the sales tax rate on blockchain transactions (HB 2137 by Bhojani (D-Euless))
- Remove real property repair and remodeling from the list of taxable services (SB 2020 by Campbell (R-New Braunfels))
- Remove state and local tax and gratuities from the calculation of swipe fees (SB 2026 by Campbell (R-New Braunfels)).

Economic Development Bills that Passed

HB 346 by Harris Davila (R-Round Rock) – New Business

Directs the secretary of state to work to eliminate all licensing and registration fees during a business entity's first year. Directs the Texas Economic Development and Tourism Office to encourage state entities to allocate 5% of economic development funding to businesses established in the state within the last five years. Directs the Comptroller and the Texas Workforce Commission to make reasonable efforts to award at least 5% of state contracts to new businesses each fiscal year. Requires the Comptroller to submit a report on the number, value, etc. of state contracts to the Legislature each year. Requires the Texas Workforce Commission to submit a report on economic development and workforce development to the Legislature each year. Allows the secretary of state to prescribe fee amounts based on business organization type under Government Code § 405.032. Effective September 1, 2025.

SB 22 by Huffman (R-Houston) – Film Incentives

Establishes the Texas moving image industry incentive fund. Effective September 1, 2025.

Economic Development Bills that did not Pass

HB 105 by Guillen (R-Rio Grande City) – JETI Act Reforms

Would have made key reforms to the Jobs, Energy, Technology, and Investments (JETI) Act, including exempting dispatchable electric generation from the compelling factor test, applying wage requirements only to required jobs, calculating wages at 110% of the county average manufacturing wage, and creating priority projects of \$750 million or more and exempting them from the jobs requirement.

HB 5169 by Shaheen (R-Plano) / SB 2747 by Paxton (R-McKinney) – Prohibiting Economic Development Poaching

Would have prohibited a municipality from entering into an agreement with a retailer that requires the retailer to relocate from another Texas municipality unless the agreement changes the economic position of the retailer or has a substantial purpose other than a tax benefit.

SB 878 by Birdwell (R-Grandbury) – Chapter 380/381 and Chapter 312 Agreements

Would have amended Chapter 312 of the Tax Code to limit agreements under that chapter to the abatement of property taxes and to prohibit loans or grants from other public funds. Would have prohibited property tax abatement under Chapter 380 or Chapter 381.



Tax Administration and Miscellaneous State Tax Bills that Passed

HB 1109 by VanDeaver (R-New Boston) - Motor Fuel Tax

Exempts gasoline and diesel sold to a county for the county's use. Effective July 1, 2025.

HB 2517 by Barry (R-Pearland) – Insurance Tax

Exempts the Texas Windstorm Insurance Association and the Texas FAIR Plan Association from property and casualty insurance premium tax. Effective September 1, 2025.

HB 3159 by Darby (R-San Angelo) – Severance Tax

Provides an exemption from oil severance tax for oil and gas from restimulation wells. Effective January 1, 2026.

HB 4226 by Morales Shaw (D-Houston) - Motor Vehicle Sales Tax

Removes the sale, use, or rental of a motor vehicle by a foodbank or provider of housing services from sales and use taxes. Effective September 1, 2025.

SB 266 by Perry (R-Lubbock) – Tax Administration

Changes the requirement for taxpayer records in administrative and judicial proceedings from the current “contemporaneous” records to “sufficient” records. Abates the penalty imposed under Tax Code § 111.0081(c) on amounts in dispute in a timely-filed lawsuit. Imposes a 10% penalty if the amount due is not paid within 20 days after final judgment. Creates a process to bypass the redetermination process after a managed audit and to file a lawsuit in district court under Chapter 112 of the Tax Code. Effective immediately.

SB 771 by J. Hinojosa (D-McAllen) - Motor Fuel Tax

Allows a credit or refund for tax paid on diesel used by auxiliary power units or power take-off equipment in the state. Effective September 1, 2025.

SB 1371 by J. Hinojosa (D-McAllen) - Motor Fuel Tax

Allows the exemption in Tax Code § 162.356(a)(11) for compressed or liquified natural gas obtained from certain refueling facilities by transit authorities in municipalities with populations under 320,000 during emergencies. Effective immediately.



School Finance and Public Education Bills that Passed

HB 2 by Buckley (R-Salado) - \$8.5 Billion Omnibus School Finance Bill

Increases the basic allotment (the starting point for funding calculations) for the 2025-26 and 2026-27 school by \$55 to \$6,215 (from \$6,160) and links future increases in the allotment to the value growth of the school district at the 96th percentile of wealth. The bill creates a new “Allotment for Basic Costs (ABC)” equal to \$106 per enrolled student to be used for expenses such as transportation, property casualty insurance premiums, utilities, and contributions to the Teacher Retirement System when hiring retired teachers (\$1.3 billion). It also creates a new allotment of \$45 per ADA for school district support staff salary increases (\$500 million). In addition, HB 2 increases funding for special education (\$850 million), small and mid-size districts (\$300 million), school safety (\$430 million), early learning programs (\$677 million), career and technology programs (\$153 million), charter school facilities (\$200 million), and teacher preparation and certification (\$135 million). It repeals the requirement that school districts use 30% of any increase in the basic allotment to increase employee compensation and awards school districts “teacher retention allotments” to increase the salaries of teachers with at least 3 and 5 years of experience by \$4,000 and \$8,000, respectively, if the district has 5,000 or fewer students, and \$2,500 and \$5,000, respectively, if the district has more than 5,000 students (\$3.7 billion). To further provide salary increases to teachers, the bill increases bonuses under the Teacher Incentive Allotment, a merit pay program that can be developed by school districts, to up to \$36,000 for a teacher with a master certification. In an effort to recruit more certified teachers, the bill institutes a program to form partnerships between school districts and charter schools and qualified institutions of higher learning (Educator Preparation Programs) to establish teacher staffing pipelines and provides an allotment of \$8,000-\$24,000 per qualified participant (\$49 million). The bill prohibits a school district from hiring an uncertified teacher to teach a course in the foundation curriculum in the 2029-30 school year. The average increase in revenue sent to school districts in the 2025-26 school year is estimated to be \$1,367 per student, with 67% of school districts receiving at least an additional \$1,000 per student. Applies beginning in the 2025-26 school year.

SB 2 by Creighton (R-Conroe) - Education Savings Accounts

Requires the Comptroller to establish a fund of \$1 billion to be disbursed through education savings accounts (ESAs) that can be used by families to pay for private school tuition and expenses or for expenses associated with home schooling. The cost of the program cannot exceed \$1 billion for the 2025-26 biennium. Parents will apply for an account and can use funds to pay tuition and approved expenses at an accredited private school or for expenses of students who are home schooled. A selected private school must be accredited and must have continuously operated a campus for at least two school years prior to participation in the program. Parents of home-schooled students will receive \$2,000, while parents applying for an account to be used for tuition and expenses at a private school will receive 85% of the estimated statewide average amount of state and local funding per student in average daily attendance for the applicable school year at a public school. That amount is currently estimated to be \$10,300. If the child is disabled, the parent will receive the amount spent on the child by the public school, up to \$30,000. To be eligible for the program, a child must be (a) a citizen or national of the United States or lawfully admitted into the United States and (b) eligible to attend a public school or to enroll in a public school pre-k program. If the program becomes over-subscribed, recipients will be chosen by lottery using the following criteria: (1) siblings of participating children, (2) children who have never participated in the program, and (3) children who left the program to attend a public or charter school. Within each of the groups, priority will be given to (1) children with a disability who are members of a household with a total annual income at or below 500% of the federal poverty guidelines (\$160,000 for a family of 4), (2) children who are members of a household with a total annual income at or below 200% of the federal poverty guidelines (\$62,400 for a family of 4), (3) children who are members of a household with a total annual income between 200% and 500% of the federal poverty guidelines, and (4) children who are members of a household with a total annual income above 500% of the federal poverty guidelines. The amount awarded to the final group cannot exceed 20% of funds. The ESA program will begin in the 2026-27 school year.

HB 6 by Leach (R-Allen) - Student Discipline

Authorizes a teacher to remove from class to in-school or out-of-school suspension a student who repeatedly (a) interferes with the teacher's ability to communicate effectively with the class or the ability of the student's classmates to learn, (b) is unruly, disruptive or abusive toward the teacher, another adult or another student, or (c) engages in bullying. Prohibits a principal from returning the student to the same class without the teacher's written consent. Requires that a single person at each campus be designated to serve as the campus behavior coordinator. The behavior coordinator will monitor disciplinary referrals and report to the campus threat assessment team terroristic threats, unlawful carrying weapons, offenses relating to prohibited weapons, and offenses of exhibiting, using, or threatening to exhibit or use a firearm. Authorizes a school board to allow parental involvement in school disciplinary placements. Applies beginning with the 2025-26 school year.

HB 20 by Gates (R-Richmond) - Career and Technology

Directs the Commissioner of Education to establish and administer an Applied Sciences Pathway program to provide opportunities for students to concurrently earn a high school diploma and a certificate in one of the following 20 vocations from an institution of higher education:

plumbing and pipe fitting, electrical, welding, sheet metal, carpentry, masonry, diesel and heavy equipment, aviation maintenance, heating, ventilation, and air conditioning, mechanical and aerospace engineering, industrial maintenance and processes, robotics and automation, information technology and cybersecurity, oil and gas exploration and production, refining and chemical processes, transportation distribution and logistics, manufacturing and industrial technology, electronics technology, construction management and inspection, or automotive technology. Applies beginning with the 2025-26 school year.

HB 1481 by Fairly (R-Amarillo) - Cell Phone Usage on Campus

Requires a school district or charter school to adopt a policy that either prohibits a student from bringing a personal communication device to school or establishes a method to store the device while the student is on school property. Exceptions are made if the device is necessary to implement an individualized education program, the student has a documented need based on a directive from a physician, or if the device is necessary to comply with a health or safety requirement. Applies beginning with the 2025-26 school year.

HB 2674 by Cook (R-Mansfield) – Regulation of Home Schools

Prohibits the regulation of home schools by the TEA, the State Board of Education, or any other educational institution. Applies beginning with the 2025-26 school year.

SB 10 by King (R-Weatherford) - Ten Commandments

Requires every classroom to display a poster or framed copy of the Ten Commandments in a conspicuous place in the classroom. The display must be at least 16 x 20 inches in size. Applies beginning with the 2025-26 school year.

SB 11 by Middleton (R-Galveston) – Prayer in School

Authorizes a school board to adopt a resolution that requires every campus to provide students and employees with an opportunity to participate in a period of prayer and reading of the Bible or other religious text on each school day. Applies beginning with the 2025-26 school year.

SB 12 by Creighton (R-Conroe) - Parental Bill of Rights

Requires school districts and charter schools to provide information about parental rights to parents each school year. Authorizes a parent to review instructional materials and curricula used to educate students. Requires a school district or charter school to notify parents of any change in mental, emotional, or physical health of their child, and to obtain a parent's written consent before providing medical care to the student. School districts and charter schools must provide an internet portal through which parents can submit comments to employees or school board members; review all grievances received about a campus, the district, or an employee of the district; and obtain the written consent of a parent before providing human sexuality instruction. Prohibits a school district or charter school from assigning diversity, equity, and inclusion duties to an employee of the district, providing instruction or guidance regarding sexual orientation or gender identity, assisting a student with social transitioning, or authorizing or sponsoring a club based on sexual orientation or gender identity. Applies beginning with the 2025-26 school year.

SB 13 by Paxton (R-McKinney) – Library Books

Requires school districts and charter schools to provide parents with a list of books checked out of the library by their child. Authorizes parents to provide a list of books that their child is not authorized to check out of the library. Requires a school district to establish a school library advisory council upon petition by parents to recommend the addition or removal of books from the library. Applies beginning with the 2025-26 school year.

SB 24 by Campbell (R-New Braunfels) – Communism in TEKS

Requires the State Board of Education to adopt essential knowledge and skills that develop each student's understanding of communist regimes and ideologies when adopting the social studies curriculum for each grade level from grade 4 through grade 12. Applies beginning with the 2026-27 school year.

SB 568 by Bettencourt (R-Houston) – Special Education

Requires the TEA to develop, and revise as necessary, a comprehensive system to ensure statewide and local compliance with federal and state law related to special education. Applies beginning with the 2025-26 school year.

SB 569 by Bettencourt (R-Houston) - Virtual Schools

Repeals the existing State Virtual Network and permits school districts and charter schools to create virtual and hybrid campuses and education programs and to offer virtual courses to students within and outside of the school district. The Commissioner of Education will develop requirements governing the program and must publish a list of available virtual courses. Applies beginning with the 2025-26 school year.

Public Education Bill that did not Pass

HB 4 by Buckley (R-Salado) – Accountability

Would have repealed the current STAAR tests after 3 years and replaced them with shorter nationally norm-referenced tests that measure student achievement and learning progress in reading, language arts, mathematics, and science. Those tests would have been administered at the beginning, middle, and end of the school year with results available within 24 hours.



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