



# TEXAS HOMESTEAD EXEMPTION TEXANS VOTE FOR CHANGES EFFECTIVE 2023

*Propositions 1 + 2 Bring Property Tax Relief to Homeowners*

**EFFECTIVE 2023**

## PROPOSITION 2: HOMESTEAD INCREASE

Voters bought some relief with the passage of Texas Proposition 1 and Texas Proposition 2 in early May of 2022.

Proposition 2 provides Texans a more significant break on their property tax bills by moving the homestead exemption **from \$25,000 to \$40,000**. This means that the first \$40,000 of a home's assessed value is exempt from school district taxations.

State Senator Paul Bettencourt, a Republican from Houston, **said the bill could save \$175** on property taxes for a house that is worth \$300,000.

## WHAT DOES THIS MEAN FOR YOUR HOME?

Let's say your home is valued at \$100,000. With a \$25,000 exemption, your property tax bill is calculated on only \$75,000 of value instead of \$100,000. With the exemption increased to \$40,000, you would only pay taxes on \$60,000 of value.

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**PROPOSITION 1:  
SCHOOL DISTRICT TAX CUTS**

Meanwhile, Proposition 1 cuts school district taxes for anyone over 65 or for disabled property tax owners.

Proposition 1 allows homeowners who are at least 65 years old and those who are disabled to get relief from new measures the legislature has taken to push down property taxes. In Texas, at age 65, property taxes are capped, meaning they won't rise or fall. With the new bill, anyone over 65 or anyone that is disabled might also see [their property taxes decrease](#).

According to the Tax Foundation, [property taxes in some Texas counties are among the highest](#) in the country.

Texans paid around 1.6% of their [home value in property taxes in 2019](#).

That ranked as the sixth highest in the country. By multiple measures-effective tax rates, taxation by county-Texas ranks inside the top 10. Texas ranks [13th in states for property tax collection](#).

The single biggest driver of the elevated property tax rates is the absence of a state income tax. Texas gives local municipalities significant leeway to collect taxes, and often the burden falls on homeowners. In some states, an increase in school funding for a district requires a referendum vote.

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To read more about Propositions 1 and 2, review the blog post at [PattenTitle.com](http://PattenTitle.com).

Homestead updates are being changed throughout the state and in various counties. Be sure to check your districts latest law updates to keep up to date on specific county changes to Homestead laws.