

OFFICE OF THE ATTORNEY GENERAL OF TEXAS

Untitled Texas Attorney General Opinion: KP-0507

Tex. Att'y Gen. Op. No. KP-0507 (2026) · No. KP-0507; RQ-0594-KP · Decided January 24, 2026

SUMMARY

The Texas Attorney General concludes that Tax Code subsection 11.13(n-1) prohibits the Village of Salado from reducing or repealing its local option homestead exemption through the 2027 tax year. The prohibition applies even if voters approve a reduction in the Village's ad valorem tax rate. Accordingly, the Village may not reduce the exemption for fiscal year 2025–2026 below the amount adopted for the 2022 tax year.

CASE DETAILS

COURT	Office of the Attorney General of Texas
DECIDED	January 24, 2026
DOCKET	KP-0507; RQ-0594-KP
DISPOSITION	other
PROCEDURAL POSTURE	The Texas Attorney General issued an opinion in response to a request from the chair of the Texas House Committee on Public Education concerning whether the Village of Salado could reduce its local option homestead exemption for fiscal year 2025–2026.
STANDARD OF REVIEW	Statutory interpretation based on the plain text of the statute and the Legislature's expressed intent.
PRECEDENTIAL VALUE	Published Texas Attorney General opinion; persuasive authority rather than a judicial precedent.

TOPICS

property tax state and local tax tax municipal law statutory interpretation

PRACTICE AREAS

property taxation municipal law statutory interpretation constitutional law

QUESTIONS PRESENTED

- Whether Texas Tax Code section 11.13(n-1) permits a municipality to reduce or repeal a local option homestead exemption adopted for the 2022 tax year during the period covered by the statute.

2. Whether voter approval of a reduction in the municipality's ad valorem tax rate creates an exception to section 11.13(n-1)'s prohibition on reducing the exemption.

HOLDINGS

1. Texas Tax Code section 11.13(n-1) prohibits the governing body of a municipality, school district, or county from reducing or repealing a local option homestead exemption from the amount adopted for the 2022 tax year through the 2027 tax year.
2. Voter approval of a reduction in the Village's ad valorem tax rate does not permit the Village's governing body to reduce the local option homestead exemption protected by section 11.13(n-1).

KEY QUOTATIONS

“This means the Village’s governing body may not reduce the rate of the exemption for fiscal year 2025–2026 from that adopted for the 2022 tax year—even when the voters approve a reduction in the Village’s ad valorem tax rate.” (p. 2)

“Subsection 11.13(n-1) of the Tax Code prohibits the governing body of a school district, municipality, or county from repealing or reducing the local option homestead exemption from the amount that was adopted for the 2022 tax year through the 2027 tax year.” (Summary, p. 4)

FACTUAL BACKGROUND

The Village of Salado adopted a local option homestead exemption that was in place for the 2022 tax year. Village officials were concerned that the exemption, combined with a reduction in the ad valorem tax rate, could impair the Village's ability to fund essential municipal services. The request asked whether the Village could reduce the exemption for fiscal year 2025–2026, including if voters approved a tax-rate reduction.

PROCEDURAL HISTORY

The Village of Salado requested review of the legality of reducing its local option homestead exemption after an ad valorem tax-rate reduction. The Attorney General construed Texas Tax Code section 11.13(n-1) and issued an advisory opinion concluding that the exemption could not lawfully be reduced.

DISPOSITION

other

CASES CITED

- White Deer Indep. Sch. Dist. v. Martin, 596 S.W.3d 855 (Tex. App.—Amarillo 2019, pet. denied)
- City of Round Rock v. Rodriguez, 399 S.W.3d 130 (Tex. 2013)
- Molinet v. Kimbrell, 356 S.W.3d 407 (Tex. 2011)
- Entergy Gulf States, Inc. v. Summers, 282 S.W.3d 433 (Tex. 2009)
- Kilgore Indep. Sch. Dist. v. Anderson, No. 12-20-00133-CV, 2020 WL 7635966 (Tex. App.—Tyler Dec. 22, 2020, no pet.) (mem. op.)

OPINION

PER CURIAM.

January 23, 2026 The Honorable Brad Buckley, DVM Chair, House Committee on Public Education Texas House of Representatives Post Office Box 2910 Austin, Texas 78768-2910 Opinion No. KP-0507 Re: Village authority to reduce a Local Option Homestead Exemption (RQ-0594-KP) Dear Representative Buckley: On behalf of the Village of Salado, you ask about reducing a local option homestead exemption.

1 The Village adopted a local option homestead exemption that “was in place in 2022.” Attachment at 1. As we understand it, Village officials are concerned that the exemption combined with an ad valorem tax rate reduction 2 could leave the Village unable to “fund essential municipal services including the provision of police protection.” *Id.* You thus ask that we review the relevant statute and consider “whether it would be lawful for” the Village to reduce the local option homestead exemption “for Fiscal Year 2025-[20]26.” Request Letter at 1; Attachment at 1.

The Texas Constitution authorizes a municipality to exempt from taxation a percentage of the market value of a residence homestead for homeowners in the municipality. See TEX. CONST. art. VIII, § 1-b(e); Tex. Att’y Gen. Op. No. KP-0215 (2018) at 1. This is commonly referred to as the “local option homestead exemption.” E.g., *White Deer Indep. Sch. Dist. v. Martin*, 596 S.W.3d 855, 858, 863 (Tex.

App.—Amarillo 2019, pet. denied). “The percentage may not exceed twenty percent,” while the amount of the exemption “may not be less than \$5,000.” TEX. CONST. art. VIII, § 1-b(e). The same provision authorizes the Legislature “by general law” to “prohibit the governing body of a political subdivision that adopts” such an exemption “from reducing the amount of or repealing the exemption.” *Id.* Consistent with the Texas Constitution, the Legislature enacted Tax Code subsection 11.13(n), which allows a taxing unit to adopt the local option homestead exemption.

TEX. TAX See Letter and Attachment from Hon. Brad Buckley, DVM, Chair, H. Comm. on Pub. Educ., to Off. of Tex. 1 Att’y Gen. at 1 (Apr. 14, 2025), <https://www.texasattorneygeneral.gov/sites/default/files/request-files/request/2025/RQ0594KP.pdf> (“Request Letter” and “Attachment,” respectively). 2 Voters in a municipality with a population of less than 30,000, may, under certain circumstances, petition to “require that an election be held to determine whether to reduce the tax rate adopted by the governing body.” TEX. TAX CODE § 26.075(a)(3), (c); see also Attachment at 1 (referencing same).

The Honorable Brad Buckley, DVM - Page 2 CODE § 11.13(n); see also *id.* § 1.04(12) (providing that a “taxing unit” includes an “incorporated city or town”). In 2023, the Legislature added Tax Code subsection 11.13(n-1) to provide that “[t]he governing body of a school district,

municipality, or county that adopted” the local option homestead exemption “for the 2022 tax year may not reduce the amount of or repeal the exemption.” Id. § 11.13(n-1).

This provision applies “only to an ad valorem tax year that begins on or after January 1, 2023.” Act of July 13, 2023, 88th Leg., 2d C.S., ch. 1, § 3.16, 2023 Tex. Gen. Laws 4700, 4706. It expires on December 31, 2027. Id. § 3.01 at 4701; TEX. TAX CODE § 11.13(n-1). “Our ultimate purpose when construing a statute is to discover the Legislature’s intent.” *City of Round Rock v. Rodriguez*, 399 S.W.3d 130, 133 (Tex.

2013). Because “the Legislature expresses its intent by the words it enacts and declares to be the law,” *Molinet v. Kimbrell*, 356 S.W.3d 407, 414 (Tex. 2011), “[w]here text is clear, text is determinative of that intent.” *Entergy Gulf States, Inc. v. Summers*, 282 S.W.3d 433, 437 (Tex. 2009).

Here, of course, subsection 11.13(n-1) plainly demonstrates that a local option homestead exemption adopted by a municipality for the 2022 tax year must stay at (or above) that level until the end of the 2027 tax year. TEX. TAX CODE § 11.13(n-1). Unfortunately, the statute provides no exception when voters approve a reduction in the ad valorem tax rate. Id. This means the Village’s governing body may not reduce the rate of the exemption for fiscal year 2025–2026 from that adopted for the 2022 tax year—even when the voters approve a reduction in the Village’s ad valorem tax rate.

Precedent likewise confirms this conclusion. In *Kilgore Independent School District v. Anderson*, for example, the court construed a prior version of subsection 11.13(n-1) after an independent school district’s board of trustees voted to repeal its local option homestead exemption. No. 12-20-00133-CV, 2020 WL 7635966, at *1, 3–4 (Tex. App.—Tyler Dec. 22, 2020, no pet.) (mem. op.).

At the time, the statute provided “[t]he governing body of a school district, [municipality, or county] that adopted an exemption under Subsection (n) for the 2014 tax year may not reduce the amount or repeal the exemption. This subsection expires December 31, 2019.” Id. at *4 (citing Act of May 29, 2015, 84th Leg., R.S., ch. 465, § 1, 2015 Tex. Gen. Laws 1779, 1779 (expired Dec.

31, 2019)). The court held that “[t]he plain language of the Act evidences the Legislative intent to set a floor for the local option exemption rates at the level they were in 2014 until the end of the 2019 tax year.” Id. at *5; see also Tex. Att’y Gen. Op. No. KP-0072 (2016) at 2 (concluding the same). *White Deer Independent School District v. Martin* also spoke to the predecessor of subsection 11.13(n-1) when a school district voted to reduce the district’s local option homestead exemption.

596 S.W.3d at 859. That court construed “the language of the statute [to] indicate[] that the Legislature intended for any [local option homestead exemption] adopted by a school district, municipality, or county for the 2014 tax year to stay at (or above) that level until the end of the

2019 tax year,” *id.* at 865, and any reduction of the exemption by the governing body was “expressly prohibited” by the statute, *id.* at 869.

At bottom, the language construed in both cases was nearly identical to the current statutory language and differed only as to the relevant dates. Compare Act of May 29, 2015, 84th Leg., R.S., ch. 465, § 1, 2015 Tex. Gen. Laws 1779, 1779 (expired Dec. 31, 2019), with TEX. TAX CODE § 11.13(n-1).

We therefore confront no basis on which to distinguish the situation presented by The Honorable Brad Buckley, DVM - Page 3 your request. Again, the plain text of Tax Code subsection 11.13(n-1) prevents the Village’s governing body from lawfully reducing the rate of its local option homestead exemption for fiscal year 2025–2026—even where voters approve a reduction in the Village’s ad valorem tax rate— from that adopted for the 2022 tax year.

The Honorable Brad Buckley, DVM - Page 4 S U M M A R Y Subsection 11.13(n-1) of the Tax Code prohibits the governing body of a school district, municipality, or county from repealing or reducing the local option homestead exemption from the amount that was adopted for the 2022 tax year through the 2027 tax year.

Thus, the Village of Salado’s governing body may not reduce the rate of its local option homestead exemption for fiscal year 2025–2026 from that adopted for the 2022 tax year. Very truly yours,
KEN PAXTON Attorney General of Texas BRENT WEBSTER First Assistant Attorney General
LESLEY FRENCH Chief of Staff D. FORREST BRUMBAUGH Deputy Attorney General for
Legal Counsel JOSHUA C. FIVESON Chair, Opinion Committee CHRISTY DRAKE-ADAMS
Assistant Attorney General, Opinion Committee