



Collin Central Appraisal District

Circuit Breaker Limitation on Non-Resident Homestead Property Value Increases

Effective January 1st, 2024, Tax Code Section 23.231 sets a limit on the amount of annual increase to the appraised value of real property other than a residence homestead to not exceed the lesser of:

- the property's market value; or
- the sum of:
 - 20 percent of the property's appraised value for the preceding year;
 - the property's appraised value for the preceding year; and
 - the market value of all new improvements to the property.

The circuit breaker limitation applies only to real property that is not a residence homestead and is:

- valued at \$5 million or less; and
- not real property that qualifies for special appraisal as:
 - agricultural land;
 - timberland;
 - recreational, park and scenic land;
 - public access airport property; or
 - restricted-use timberland.

A new improvement is an improvement to real property made after the most recent appraisal that increases the property's market value and was not included in its appraised value in the preceding tax year. It does not include repairs to or ordinary maintenance of an existing structure, the grounds, or another property feature.

A replacement structure for one rendered uninhabitable or unusable by a casualty, wind or water damage does not qualify as a new improvement under certain circumstances.

The circuit breaker limitation takes effect on Jan. 1 of the tax year following the first year the owner owns the property on Jan. 1. It expires on Jan. 1 following the year the property owner no longer owns the property.

The Texas Legislature has currently only authorized the circuit breaker limitation for the 2024, 2025, and 2026 tax years.

An application is not required to receive a circuit breaker limitation. The appraisal district will automatically apply and calculate the limitation each year.