

SUPPLEMENT
Dated: July 19, 2023

to

TO OFFICIAL STATEMENT
Dated: June 29, 2023

RELATING TO

\$95,480,000

COMAL INDEPENDENT SCHOOL DISTRICT

**(A political subdivision of the State of Texas located in Comal, Bexar, Guadalupe, Hays
and Kendall Counties, Texas)**

UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2023

On July 13, 2023, the 2nd Special Session of the 88th Texas Legislature adopted Senate Bill 2. Accordingly, the Official Statement is hereby supplemented and modified by replacing the second paragraph under the caption "CURRENT PUBLIC SCHOOL FINANCE SYSTEM – 2023 Legislative Session" in its entirety with the following:

On January 10, 2023, the 88th Texas Legislature convened in general session that adjourned on May 29, 2023. Immediately after the conclusion of the regular session, the Texas Governor called a first special session to address property tax relief from school district taxation and border security; the first special session began on May 29, 2023 and ended on June 27, 2023. At the conclusion of the first special session, the Governor called a second special session that began on June 27, 2023 and adjourned on July 13, 2023.

The charge for the second special session included the following: (i) "Legislation to cut property-tax rates solely by reducing the school district maximum compressed tax rate in order to provide lasting property-tax relief for Texas taxpayers;" (ii) "Legislation to put Texas on a pathway to eliminate school district maintenance and operations property taxes;" (iii) "Legislation relating to providing property tax relief through the public school finance system, exemptions, limitations on appraisals and taxes and property tax administration;" and (iv) "Legislation relating to the amount of the total revenue exemption from the franchise tax and the exclusion of certain taxable entities from the requirement to file a franchise tax report."

During the second special session, the Legislature passed Senate Bill 2 ("SB 2"), which includes provisions that reduce the maximum M&O tax compression rate by \$0.107 cents, increase the school district mandatory homestead exemption from \$40,000 to \$100,000, and places further limitations on increases in appraised values on certain classes of properties. As of the posting of this Supplement on July 19, 2023, SB 2 has not yet been signed into law by the Governor. If signed into law by the Governor, the provision increasing the residential homestead exemption to \$100,000 will be submitted to voters of the State on November 7, 2023. SB 2 also makes provision for State aid funding to pay for the loss in school district I&S tax revenue (*i.e.* "hold harmless") for debt that (i) is issued prior to September 1, 2023, or (ii) is approved by voters but not yet issued as of September 1, 2023.

The District can make no representations or predictions regarding any actions the Legislature has taken or may take concerning the substance or the effect of any legislation passed in a previous session or a future session of the Legislature.

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