

1-1 By: Bettencourt, Kolkhorst S.B. No. 12
 1-2 (In the Senate - Filed July 8, 2021; July 8, 2021, read
 1-3 first time and referred to Committee on Local Government;
 1-4 July 12, 2021, reported favorably by the following vote: Yeas 8,
 1-5 Nays 0; July 12, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14			X	
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the reduction of the amount of a limitation on the total
 1-20 amount of ad valorem taxes that may be imposed by a school district
 1-21 on the residence homestead of an individual who is elderly or
 1-22 disabled to reflect any reduction from the preceding tax year in the
 1-23 district's maximum compressed rate.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 11.26, Tax Code, is amended by adding
 1-26 Subsections (a-4), (a-5), (a-6), (a-7), (a-8), and (a-9) to read as
 1-27 follows:

1-28 (a-4) In this section, "maximum compressed rate" means the
 1-29 maximum compressed rate of a school district as calculated under
 1-30 Section 48.2551, Education Code.

1-31 (a-5) Notwithstanding the other provisions of this section,
 1-32 if in the 2022 tax year an individual qualifies for a limitation on
 1-33 tax increases provided by this section on the individual's
 1-34 residence homestead and the first tax year the individual or the
 1-35 individual's spouse qualified for an exemption under Section
 1-36 11.13(c) for the same homestead was a tax year before the 2019 tax
 1-37 year, the amount of the limitation provided by this section on the
 1-38 homestead in the 2022 tax year is equal to the amount computed by:

1-39 (1) multiplying the taxable value of the homestead in
 1-40 the 2018 tax year by a tax rate equal to the difference between the
 1-41 school district's tier one maintenance and operations rate for the
 1-42 2018 tax year and the district's maximum compressed rate for the
 1-43 2019 tax year;

1-44 (2) subtracting the greater of zero or the amount
 1-45 computed under Subdivision (1) from the amount of tax the district
 1-46 imposed on the homestead in the 2018 tax year;

1-47 (3) adding any tax imposed in the 2019 tax year
 1-48 attributable to improvements made in the 2018 tax year as provided
 1-49 by Subsection (b) to the amount computed under Subdivision (2);

1-50 (4) multiplying the taxable value of the homestead in
 1-51 the 2019 tax year by a tax rate equal to the difference between the
 1-52 district's maximum compressed rate for the 2019 tax year and the
 1-53 district's maximum compressed rate for the 2020 tax year;

1-54 (5) subtracting the amount computed under Subdivision
 1-55 (4) from the amount computed under Subdivision (3);

1-56 (6) adding any tax imposed in the 2020 tax year
 1-57 attributable to improvements made in the 2019 tax year as provided
 1-58 by Subsection (b) to the amount computed under Subdivision (5);

1-59 (7) multiplying the taxable value of the homestead in
 1-60 the 2020 tax year by a tax rate equal to the difference between the
 1-61 district's maximum compressed rate for the 2020 tax year and the

2-1 district's maximum compressed rate for the 2021 tax year;
 2-2 (8) subtracting the amount computed under Subdivision
 2-3 (7) from the amount computed under Subdivision (6);
 2-4 (9) adding any tax imposed in the 2021 tax year
 2-5 attributable to improvements made in the 2020 tax year as provided
 2-6 by Subsection (b) to the amount computed under Subdivision (8);
 2-7 (10) multiplying the taxable value of the homestead in
 2-8 the 2021 tax year by a tax rate equal to the difference between the
 2-9 district's maximum compressed rate for the 2021 tax year and the
 2-10 district's maximum compressed rate for the 2022 tax year;
 2-11 (11) subtracting the amount computed under
 2-12 Subdivision (10) from the amount computed under Subdivision (9);
 2-13 and
 2-14 (12) adding any tax imposed in the 2022 tax year
 2-15 attributable to improvements made in the 2021 tax year as provided
 2-16 by Subsection (b) to the amount computed under Subdivision (11).
 2-17 (a-6) Notwithstanding the other provisions of this section,
 2-18 if in the 2022 tax year an individual qualifies for a limitation on
 2-19 tax increases provided by this section on the individual's
 2-20 residence homestead and the first tax year the individual or the
 2-21 individual's spouse qualified for an exemption under Section
 2-22 11.13(c) for the same homestead was the 2019 tax year, the amount of
 2-23 the limitation provided by this section on the homestead in the 2022
 2-24 tax year is equal to the amount computed by:
 2-25 (1) multiplying the taxable value of the homestead in
 2-26 the 2019 tax year by a tax rate equal to the difference between the
 2-27 school district's maximum compressed rate for the 2019 tax year and
 2-28 the district's maximum compressed rate for the 2020 tax year;
 2-29 (2) subtracting the amount computed under Subdivision
 2-30 (1) from the amount of tax the district imposed on the homestead in
 2-31 the 2019 tax year;
 2-32 (3) adding any tax imposed in the 2020 tax year
 2-33 attributable to improvements made in the 2019 tax year as provided
 2-34 by Subsection (b) to the amount computed under Subdivision (2);
 2-35 (4) multiplying the taxable value of the homestead in
 2-36 the 2020 tax year by a tax rate equal to the difference between the
 2-37 district's maximum compressed rate for the 2020 tax year and the
 2-38 district's maximum compressed rate for the 2021 tax year;
 2-39 (5) subtracting the amount computed under Subdivision
 2-40 (4) from the amount computed under Subdivision (3);
 2-41 (6) adding any tax imposed in the 2021 tax year
 2-42 attributable to improvements made in the 2020 tax year as provided
 2-43 by Subsection (b) to the amount computed under Subdivision (5);
 2-44 (7) multiplying the taxable value of the homestead in
 2-45 the 2021 tax year by a tax rate equal to the difference between the
 2-46 district's maximum compressed rate for the 2021 tax year and the
 2-47 district's maximum compressed rate for the 2022 tax year;
 2-48 (8) subtracting the amount computed under Subdivision
 2-49 (7) from the amount computed under Subdivision (6); and
 2-50 (9) adding any tax imposed in the 2022 tax year
 2-51 attributable to improvements made in the 2021 tax year as provided
 2-52 by Subsection (b) to the amount computed under Subdivision (8).
 2-53 (a-7) Notwithstanding the other provisions of this section,
 2-54 if in the 2022 tax year an individual qualifies for a limitation on
 2-55 tax increases provided by this section on the individual's
 2-56 residence homestead and the first tax year the individual or the
 2-57 individual's spouse qualified for an exemption under Section
 2-58 11.13(c) for the same homestead was the 2020 tax year, the amount of
 2-59 the limitation provided by this section on the homestead in the 2022
 2-60 tax year is equal to the amount computed by:
 2-61 (1) multiplying the taxable value of the homestead in
 2-62 the 2020 tax year by a tax rate equal to the difference between the
 2-63 school district's maximum compressed rate for the 2020 tax year and
 2-64 the district's maximum compressed rate for the 2021 tax year;
 2-65 (2) subtracting the amount computed under Subdivision
 2-66 (1) from the amount of tax the district imposed on the homestead in
 2-67 the 2020 tax year;
 2-68 (3) adding any tax imposed in the 2021 tax year
 2-69 attributable to improvements made in the 2020 tax year as provided

3-1 by Subsection (b) to the amount computed under Subdivision (2);
 3-2 (4) multiplying the taxable value of the homestead in
 3-3 the 2021 tax year by a tax rate equal to the difference between the
 3-4 district's maximum compressed rate for the 2021 tax year and the
 3-5 district's maximum compressed rate for the 2022 tax year;
 3-6 (5) subtracting the amount computed under Subdivision
 3-7 (4) from the amount computed under Subdivision (3); and
 3-8 (6) adding any tax imposed in the 2022 tax year
 3-9 attributable to improvements made in the 2021 tax year as provided
 3-10 by Subsection (b) to the amount computed under Subdivision (5).

3-11 (a-8) Notwithstanding the other provisions of this section,
 3-12 if in the 2022 tax year an individual qualifies for a limitation on
 3-13 tax increases provided by this section on the individual's
 3-14 residence homestead and the first tax year the individual or the
 3-15 individual's spouse qualified for an exemption under Section
 3-16 11.13(c) for the same homestead was the 2021 tax year, the amount of
 3-17 the limitation provided by this section on the homestead in the 2022
 3-18 tax year is equal to the amount computed by:

3-19 (1) multiplying the taxable value of the homestead in
 3-20 the 2021 tax year by a tax rate equal to the difference between the
 3-21 school district's maximum compressed rate for the 2021 tax year and
 3-22 the district's maximum compressed rate for the 2022 tax year;

3-23 (2) subtracting the amount computed under Subdivision
 3-24 (1) from the amount of tax the district imposed on the homestead in
 3-25 the 2021 tax year; and

3-26 (3) adding any tax imposed in the 2022 tax year
 3-27 attributable to improvements made in the 2021 tax year as provided
 3-28 by Subsection (b) to the amount computed under Subdivision (2).

3-29 (a-9) Notwithstanding the other provisions of this section,
 3-30 if in the 2023 or a subsequent tax year an individual qualifies for
 3-31 a limitation on tax increases provided by this section on the
 3-32 individual's residence homestead, the amount of the limitation
 3-33 provided by this section on the homestead is equal to the amount
 3-34 computed by:

3-35 (1) multiplying the taxable value of the homestead in
 3-36 the preceding tax year by a tax rate equal to the difference between
 3-37 the school district's maximum compressed rate for the preceding tax
 3-38 year and the district's maximum compressed rate for the current tax
 3-39 year;

3-40 (2) subtracting the amount computed under Subdivision
 3-41 (1) from the amount of tax the district imposed on the homestead in
 3-42 the preceding tax year; and

3-43 (3) adding any tax imposed in the current tax year
 3-44 attributable to improvements made in the preceding tax year as
 3-45 provided by Subsection (b) to the amount computed under Subdivision
 3-46 (2).

3-47 SECTION 2. This Act applies only to ad valorem taxes imposed
 3-48 for a tax year beginning on or after the effective date of this Act.

3-49 SECTION 3. This Act takes effect January 1, 2022, but only
 3-50 if the constitutional amendment proposed by the 87th Legislature,
 3-51 1st Called Session, 2021, authorizing the legislature to provide
 3-52 for the reduction of the amount of a limitation on the total amount
 3-53 of ad valorem taxes that may be imposed for general elementary and
 3-54 secondary public school purposes on the residence homestead of a
 3-55 person who is elderly or disabled to reflect any statutory
 3-56 reduction from the preceding tax year in the maximum compressed
 3-57 rate of the maintenance and operations taxes imposed for those
 3-58 purposes on the homestead is approved by the voters. If that
 3-59 amendment is not approved by the voters, this Act has no effect.

3-60 * * * * *