

By: Middleton

H.B. No. 113

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a temporary reduction in the maximum compressed tax
3 rate of a school district and the form of the ballot proposition to
4 be used in an election to approve a tax rate adopted by a school
5 district that exceeds the district's voter-approval tax rate;
6 making appropriations.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

8 SECTION 1. Subchapter F, Chapter 48, Education Code, is
9 amended by adding Section 48.2555 to read as follows:

10 Sec. 48.2555. MAXIMUM COMPRESSED TAX RATE FOR 2022-2023
11 SCHOOL YEAR. (a) Notwithstanding any other provision of this title
12 or Chapter 26, Tax Code, for the 2022-2023 school year, the
13 commissioner shall calculate the value of a school district's
14 maximum compressed tax rate by determining the district's maximum
15 compressed rate under Section 48.2551 or 48.2552(b), if applicable,
16 and reducing the tax rate determined under the applicable section
17 by the amount by which the commissioner may reduce each district's
18 maximum compressed tax rate by an equal amount using funds
19 appropriated for the purpose of reducing each district's maximum
20 compressed tax rate under this section.

21 (b) If a school district's maximum compressed tax rate as
22 calculated under Subsection (a) would be less than 90 percent of
23 another school district's maximum compressed tax rate under
24 Subsection (a), the district's maximum compressed tax rate is the

1 value at which the district's maximum compressed tax rate would be
2 equal to 90 percent of the other district's maximum compressed tax
3 rate.

4 (c) Notwithstanding any other provision of this title or
5 Chapter 26, Tax Code, for purposes of determining funding for
6 school districts for the 2022-2023 school year, a reference in any
7 of the following provisions of law to a school district's maximum
8 compressed tax rate or maximum compressed rate as determined under
9 Section 48.2551 means the maximum compressed tax rate determined
10 for the district under this section:

- 11 (1) Sections 13.054(f) and (f-1);
- 12 (2) Section 45.003(d);
- 13 (3) Section 45.0032(a);
- 14 (4) Section 48.051(a);
- 15 (5) Sections 48.2553(a) and (e); and
- 16 (6) Section 26.08(n), Tax Code.

17 (d) For purposes of Section 30.003(f-1), a reference in that
18 section to Section 48.2551 includes this section.

19 (e) Notwithstanding any other provision of this title, for
20 purposes of determining a school district's maximum compressed tax
21 rate under Section 48.2551 for the 2023-2024 school year, the
22 commissioner shall exclude the reduction in the district's maximum
23 compressed tax rate under this section for the preceding school
24 year from the value of the district's "PYMCR."

25 (f) This section expires September 1, 2024.

26 SECTION 2. Section 26.08(b), Tax Code, is amended to read as
27 follows:

1 (b) The governing body shall order that the election be held
2 in the school district on the next uniform election date prescribed
3 by Section 41.001, Election Code, that occurs after the date of the
4 election order and that allows sufficient time to comply with the
5 requirements of other law. At the election, the ballots shall be
6 prepared to permit voting for or against the proposition:
7 "Ratifying the ad valorem tax rate of ____ (insert adopted tax rate)
8 in (name of school district) for the current year, a rate that will
9 result in an increase of _____ (insert percentage increase in
10 maintenance and operations tax revenue under the adopted tax rate
11 as compared to maintenance and operations tax revenue in the
12 preceding tax year) percent in maintenance and operations tax
13 revenue for the district for the current year as compared to the
14 preceding year, which is an additional \$_____ (insert dollar amount
15 of increase in maintenance and operations tax revenue under the
16 adopted tax rate as compared to maintenance and operations tax
17 revenue in the preceding tax year). If the adopted tax rate is not
18 ratified, the (name of school district) may not adopt a tax rate
19 that exceeds _____ (insert the school district's voter-approval
20 tax rate)."

21 SECTION 3. In addition to other amounts appropriated to the
22 Texas Education Agency for the state fiscal year ending August 31,
23 2023, the amount of \$5 billion is appropriated from federal funds
24 received by the state under the American Rescue Plan Act of 2021
25 (Pub. L. No. 117-2) to the agency for the state fiscal year ending
26 August 31, 2023, for use in providing school district property tax
27 relief by reducing each school district's maximum compressed tax

1 rate under Section 48.2555, Education Code, as added by this Act.

2 SECTION 4. (a) Not later than June 1, 2022, the comptroller
3 of public accounts shall prepare and provide to the legislature an
4 update of the biennial revenue estimate prepared in accordance with
5 Section 49a, Article III, Texas Constitution, and provided to the
6 legislature in January 2021. The update must include the difference
7 between the estimated balance of general revenue-related funds
8 available for certification at the end of the state fiscal year
9 ending August 31, 2023, as determined under:

10 (1) the update required under this subsection; and

11 (2) the comptroller's biennial revenue estimate update
12 provided to the legislature in August 2021.

13 (b) In addition to other amounts appropriated to the Texas
14 Education Agency for the state fiscal year ending August 31, 2023,
15 an amount equal to the lesser of \$4 billion or the sum of \$2 billion
16 and 50 percent of the amount, if any, by which the difference
17 determined under Subsection (a) of this section exceeds \$500
18 million is appropriated from the general revenue fund to the agency
19 for the state fiscal year ending August 31, 2023, for use in
20 providing school district property tax relief by reducing each
21 school district's maximum compressed tax rate under Section
22 48.2555, Education Code, as added by this Act.

23 SECTION 5. If any provision of this Act or its application
24 to any person or circumstance is held invalid, the invalidity does
25 not affect other provisions or applications of this Act that can be
26 given effect without the invalid provision or application, and to
27 this end the provisions of this Act are declared to be severable.

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1 SECTION 6. This Act takes effect on the 91st day after the
2 last day of the legislative session.