

Suspending limitations on conference committee
jurisdiction, S.B No. 1 (Bettencourt/Meyer)

By: Bettencourt

S.R. No. 97

SENATE RESOLUTION

BE IT RESOLVED by the Senate of the State of Texas, 87th Legislature, 3rd Called Session, 2021, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 1 (an increase in the amount of the exemption of residence homesteads from ad valorem taxation by a school district and the protection of school districts against the resulting loss in local revenue) to consider and take action on the following matter:

Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding the following new SECTIONS to the bill:

SECTION 1. Section 11.13(b), Tax Code, is amended to read as follows:

(b) An adult is entitled to exemption from taxation by a school district of \$40,000 [~~\$25,000~~] of the appraised value of the adult's residence homestead, except that only \$5,000 of the exemption applies to an entity operating under former Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those chapters existed on May 1, 1995, as permitted by Section 11.301, Education Code.

SECTION 2. Section 46.071, Education Code, is amended by amending Subsections (a), (b), and (c) and adding Subsections (a-1), (b-1), and (c-1) to read as follows:

(a) Beginning with the 2015-2016 school year and continuing through the 2021-2022 school year, a school district is entitled to additional state aid under this subchapter to the

extent that state and local revenue used to service debt eligible under this chapter is less than the state and local revenue that would have been available to the district under this chapter as it existed on September 1, 2015, if the increase in the residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, and the additional limitation on tax increases under Section 1-b(d) of that article as proposed by S.J.R. 1, 84th Legislature, Regular Session, 2015, had not occurred.

(a-1) Beginning with the 2022-2023 school year, a school district is entitled to additional state aid under this subchapter to the extent that state and local revenue used to service debt eligible under this chapter is less than the state and local revenue that would have been available to the district under this chapter as it existed on September 1, 2021, if any increase in the residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, as proposed by the 87th Legislature, 3rd Called Session, 2021, had not occurred.

(b) Subject to Subsections (c), (d), and (e) [~~(e)-(e)~~], additional state aid under this section through the 2021-2022 school year is equal to the amount by which the loss of local interest and sinking revenue for debt service attributable to the increase in the residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, and the additional limitation on tax increases under Section 1-b(d) of that article as proposed by S.J.R. 1, 84th Legislature, Regular Session, 2015, is not offset by a gain in state aid under this chapter.

(b-1) Subject to Subsections (c-1), (d), and (e),

additional state aid under this section beginning with the 2022-2023 school year is equal to the amount by which the loss of local interest and sinking revenue for debt service attributable to any increase in the residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, as proposed by the 87th Legislature, 3rd Called Session, 2021, is not offset by a gain in state aid under this chapter.

(c) For the purpose of determining state aid under Subsections (a) and (b) [~~this section~~], local interest and sinking revenue for debt service is limited to revenue required to service debt eligible under this chapter as of September 1, 2015, including refunding of that debt, subject to Section 46.061. The limitation imposed by Section 46.034(a) does not apply for the purpose of determining state aid under this section.

(c-1) For the purpose of determining state aid under Subsections (a-1) and (b-1), local interest and sinking revenue for debt service is limited to revenue required to service debt eligible under this chapter as of September 1, 2021, including refunding of that debt, subject to Section 46.061. The limitation imposed by Section 46.034(a) does not apply for the purpose of determining state aid under this section.

SECTION 3. Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.2543 to read as follows:

Sec. 48.2543. ADDITIONAL STATE AID FOR HOMESTEAD EXEMPTION. (a) Beginning with the 2022-2023 school year, a school district is entitled to additional state aid to the extent

that state and local revenue under this chapter and Chapter 49 is less than the state and local revenue that would have been available to the district under this chapter and Chapter 49 as those chapters existed on September 1, 2021, if any increase in the residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, as proposed by the 87th Legislature, 3rd Called Session, 2021, had not occurred.

(b) The lesser of the school district's currently adopted maintenance and operations tax rate or the adopted maintenance and operations tax rate for the 2021 tax year is used for the purpose of determining additional state aid under Subsection (a).

SECTION 4. The comptroller of public accounts may adopt rules for the purpose of implementing and administering the changes in law made by this Act, including rules relating to the form of certain information required to be provided by tax officials and the date on which the information must be provided.

SECTION 5. Section 11.13, Tax Code, as amended by this Act, applies beginning with the 2022 tax year.

Explanation: The addition is necessary to increase the amount of the exemption of residence homesteads from ad valorem taxation by a school district from \$25,000 to \$40,000, protect school districts against the resulting loss in local revenue, authorize the comptroller of public accounts to adopt rules to implement the change in law made by Senate Bill 1, and provide that the change in law made by Senate Bill 1 to Section 11.13, Tax

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Code, takes effect beginning with the 2022 tax year.

Suspending limitations on conference committee jurisdiction,

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President of the Senate

I hereby certify that the
above Resolution was adopted by
the Senate on October 18, 2021,
by the following vote: Yeas 31,
Nays 0.

Secretary of the Senate