

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

By: Bettencourt

S.R. No. 97

SENATE RESOLUTION

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

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

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

16 (b) An adult is entitled to exemption from taxation by a
17 school district of \$40,000 [~~\$25,000~~] of the appraised value of
18 the adult's residence homestead, except that only \$5,000 of the
19 exemption applies to an entity operating under former Chapter 17,
20 18, 25, 26, 27, or 28, Education Code, as those chapters existed
21 on May 1, 1995, as permitted by Section 11.301, Education Code.

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

1 (a) Beginning with the 2015-2016 school year and
2 continuing through the 2021-2022 school year, a school district
3 is entitled to additional state aid under this subchapter to the
4 extent that state and local revenue used to service debt eligible
5 under this chapter is less than the state and local revenue that
6 would have been available to the district under this chapter as
7 it existed on September 1, 2015, if the increase in the residence
8 homestead exemption under Section 1-b(c), Article VIII, Texas
9 Constitution, and the additional limitation on tax increases
10 under Section 1-b(d) of that article as proposed by S.J.R. 1,
11 84th Legislature, Regular Session, 2015, had not occurred.

12 (a-1) Beginning with the 2022-2023 school year, a school
13 district is entitled to additional state aid under this
14 subchapter to the extent that state and local revenue used to
15 service debt eligible under this chapter is less than the state
16 and local revenue that would have been available to the district
17 under this chapter as it existed on September 1, 2021, if any
18 increase in the residence homestead exemption under Section
19 1-b(c), Article VIII, Texas Constitution, as proposed by the 87th
20 Legislature, 3rd Called Session, 2021, had not occurred.

21 (b) Subject to Subsections (c), (d), and (e) [(c)-(e)],
22 additional state aid under this section through the 2021-2022
23 school year is equal to the amount by which the loss of local
24 interest and sinking revenue for debt service attributable to the
25 increase in the residence homestead exemption under Section
26 1-b(c), Article VIII, Texas Constitution, and the additional
27 limitation on tax increases under Section 1-b(d) of that article

1 as proposed by S.J.R. 1, 84th Legislature, Regular Session, 2015,
2 is not offset by a gain in state aid under this chapter.

3 (b-1) Subject to Subsections (c-1), (d), and (e),
4 additional state aid under this section beginning with the
5 2022-2023 school year is equal to the amount by which the loss of
6 local interest and sinking revenue for debt service attributable
7 to any increase in the residence homestead exemption under
8 Section 1-b(c), Article VIII, Texas Constitution, as proposed by
9 the 87th Legislature, 3rd Called Session, 2021, is not offset by
10 a gain in state aid under this chapter.

11 (c) For the purpose of determining state aid under
12 Subsections (a) and (b) [~~this section~~], local interest and
13 sinking revenue for debt service is limited to revenue required
14 to service debt eligible under this chapter as of September 1,
15 2015, including refunding of that debt, subject to Section
16 46.061. The limitation imposed by Section 46.034(a) does not
17 apply for the purpose of determining state aid under this
18 section.

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

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

1 Sec. 48.2543. ADDITIONAL STATE AID FOR HOMESTEAD
2 EXEMPTION. (a) Beginning with the 2022-2023 school year, a
3 school district is entitled to additional state aid to the extent
4 that state and local revenue under this chapter and Chapter 49 is
5 less than the state and local revenue that would have been
6 available to the district under this chapter and Chapter 49 as
7 those chapters existed on September 1, 2021, if any increase in
8 the residence homestead exemption under Section 1-b(c), Article
9 VIII, Texas Constitution, as proposed by the 87th Legislature,
10 3rd Called Session, 2021, had not occurred.

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

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

21
22 SECTION 5. Section 11.13, Tax Code, as amended by this
23 Act, applies beginning with the 2022 tax year.

24 Explanation: The addition is necessary to increase the
25 amount of the exemption of residence homesteads from ad valorem
26 taxation by a school district from \$25,000 to \$40,000, protect
27 school districts against the resulting loss in local revenue,

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1 authorize the comptroller of public accounts to adopt rules to
2 implement the change in law made by Senate Bill 1, and provide
3 that the change in law made by Senate Bill 1 to Section [11.13](#), Tax
4 Code, takes effect beginning with the 2022 tax year.

5 Suspending limitations on conference committee jurisdiction,
6 S.B. No. 1.

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