

By: Middleton

S.B. No. 1064

A BILL TO BE ENTITLED

AN ACT

relating to the school district property value study conducted by the comptroller of public accounts.

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

SECTION 1. Section 403.3011(2), Government Code, is amended to read as follows:

(2) "Eligible school district" means a school district for which the comptroller has determined the following:

(A) in the most recent study, the local value is invalid under Section 403.302(c) and does not exceed the state value for the school district determined in the study;

(B) in the two studies preceding the most recent study, the school district's local value was valid under Section 403.302(c);

(C) in the most recent study, the aggregate local value of all of the categories of property sampled by the comptroller is not less than 80 [~~90~~] percent of the lower limit of the margin of error as determined by the comptroller of the aggregate value as determined by the comptroller of all of the categories of property sampled by the comptroller; and

(D) the appraisal district that appraises property for the school district was in compliance with the scoring requirement of the comptroller's most recent review of the appraisal district conducted under Section 5.102, Tax Code.

1           SECTION 2. Sections 403.302(c) and (d), Government Code, is  
2 amended to read as follows:

3           (c) If after conducting the study the comptroller  
4 determines that the local value for a school district is valid, the  
5 local value is presumed to represent taxable value for the school  
6 district. In the absence of that presumption, taxable value for a  
7 school district is the state value for the school district  
8 determined by the comptroller under Subsections (a) and (b) unless  
9 the local value exceeds the state value, in which case the taxable  
10 value for the school district is the district's local value. In  
11 determining whether the local value for a school district is valid,  
12 the comptroller shall use a margin of error that does not exceed 10  
13 [~~five~~] percent unless the comptroller determines that the size of  
14 the sample of properties necessary to make the determination makes  
15 the use of such a margin of error not feasible, in which case the  
16 comptroller may use a larger margin of error.

17           (d) For the purposes of this section, "taxable value" means  
18 the market value of all taxable property less:

19                   (1) the total dollar amount of any residence homestead  
20 exemptions lawfully granted under Section 11.13(b) or (c), Tax  
21 Code, in the year that is the subject of the study for each school  
22 district;

23                   (2) one-half of the total dollar amount of any  
24 residence homestead exemptions granted under Section 11.13(n), Tax  
25 Code, in the year that is the subject of the study for each school  
26 district;

27                   (3) the total dollar amount of any exemptions granted

1 before May 31, 1993, within a reinvestment zone under agreements  
2 authorized by Chapter 312, Tax Code;

3 (4) subject to Subsection (e), the total dollar amount  
4 of any captured appraised value of property that:

5 (A) is within a reinvestment zone created on or  
6 before May 31, 1999, or is proposed to be included within the  
7 boundaries of a reinvestment zone as the boundaries of the zone and  
8 the proposed portion of tax increment paid into the tax increment  
9 fund by a school district are described in a written notification  
10 provided by the municipality or the board of directors of the zone  
11 to the governing bodies of the other taxing units in the manner  
12 provided by former Section 311.003(e), Tax Code, before May 31,  
13 1999, and within the boundaries of the zone as those boundaries  
14 existed on September 1, 1999, including subsequent improvements to  
15 the property regardless of when made;

16 (B) generates taxes paid into a tax increment  
17 fund created under Chapter 311, Tax Code, under a reinvestment zone  
18 financing plan approved under Section 311.011(d), Tax Code, on or  
19 before September 1, 1999; and

20 (C) is eligible for tax increment financing under  
21 Chapter 311, Tax Code;

22 (5) the total dollar amount of any captured appraised  
23 value of property that:

24 (A) is within a reinvestment zone:

25 (i) created on or before December 31, 2008,  
26 by a municipality with a population of less than 18,000; and

27 (ii) the project plan for which includes

1 the alteration, remodeling, repair, or reconstruction of a  
2 structure that is included on the National Register of Historic  
3 Places and requires that a portion of the tax increment of the zone  
4 be used for the improvement or construction of related facilities  
5 or for affordable housing;

6 (B) generates school district taxes that are paid  
7 into a tax increment fund created under Chapter 311, Tax Code; and

8 (C) is eligible for tax increment financing under  
9 Chapter 311, Tax Code;

10 (6) the total dollar amount of any exemptions granted  
11 under Section 11.251 or 11.253, Tax Code;

12 (7) the difference between the comptroller's estimate  
13 of the market value and the productivity value of land that  
14 qualifies for appraisal on the basis of its productive capacity,  
15 except that the productivity value estimated by the comptroller may  
16 not exceed the fair market value of the land;

17 (8) the portion of the appraised value of residence  
18 homesteads of individuals who receive a tax limitation under  
19 Section 11.26, Tax Code, on which school district taxes are not  
20 imposed in the year that is the subject of the study, calculated as  
21 if the residence homesteads were appraised at the full value  
22 required by law;

23 (9) a portion of the market value of property not  
24 otherwise fully taxable by the district at market value because of  
25 action required by statute, including Section 23.01(e), Tax Code,  
26 or the constitution of this state, other than Section 11.311, Tax  
27 Code, that, if the tax rate adopted by the district is applied to

1 it, produces an amount equal to the difference between the tax that  
2 the district would have imposed on the property if the property were  
3 fully taxable at market value and the tax that the district is  
4 actually authorized to impose on the property, if this subsection  
5 does not otherwise require that portion to be deducted;

6 (10) the market value of all tangible personal  
7 property, other than manufactured homes, owned by a family or  
8 individual and not held or used for the production of income;

9 (11) the appraised value of property the collection of  
10 delinquent taxes on which is deferred under Section 33.06, Tax  
11 Code;

12 (12) the portion of the appraised value of property  
13 the collection of delinquent taxes on which is deferred under  
14 Section 33.065, Tax Code;

15 (13) the amount by which the market value of a  
16 residence homestead to which Section 23.23, Tax Code, applies  
17 exceeds the appraised value of that property as calculated under  
18 that section; and

19 (14) the total dollar amount of any exemptions granted  
20 under Section 11.35, Tax Code

21 SECTION 3. The change in law made by this Act applies only  
22 to the annual study conducted under Section 403.302, Government  
23 Code, for a tax year that begins on or after January 1, 2024. The  
24 annual study for a tax year that begins before that date is covered  
25 by the law in effect immediately before the effective date of this  
26 Act, and the prior law is continued in effect for that purpose.

27 SECTION 4. This Act takes effect immediately if it receives

1 a vote of two-thirds of all the members elected to each house, as  
2 provided by Section 39, Article III, Texas Constitution. If this  
3 Act does not receive the vote necessary for immediate effect, this  
4 Act takes effect September 1, 2023.