

By: Bettencourt

S.B. No. 1999

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the calculation of the unused increment rate of a taxing
3 unit.

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

5 SECTION 1. Section 26.013(a), Tax Code, is amended by
6 adding Subdivisions (1-a) and (1-b) to read as follows:

7 (1-a) "Foregone revenue amount" means the greater of:

8 (A) zero; or

9 (B) the amount expressed in dollars calculated

10 according to the following formula:

11 FOREGONE REVENUE AMOUNT = (VOTER-APPROVAL TAX RATE - ACTUAL
12 TAX RATE) x PRECEDING TOTAL VALUE

13 (1-b) "Preceding total value" means a taxing unit's
14 current total value in the applicable preceding tax year.

15 SECTION 2. Section 26.013(b), Tax Code, is amended to read
16 as follows:

17 (b) In this chapter, "unused increment rate" means the
18 greater of:

19 (1) zero; or

20 (2) the rate expressed in dollars per \$100 of taxable
21 value calculated according to the following formula:

22 UNUSED INCREMENT RATE = (YEAR 1 FOREGONE REVENUE AMOUNT +
23 YEAR 2 FOREGONE REVENUE AMOUNT + YEAR 3 FOREGONE REVENUE AMOUNT) /
24 CURRENT TOTAL VALUE [~~VOTER-APPROVAL TAX RATE - YEAR 1 ACTUAL TAX~~

1 ~~RATE) + (YEAR 2 VOTER-APPROVAL TAX RATE - YEAR 2 ACTUAL TAX RATE) +~~
2 ~~(YEAR 3 VOTER-APPROVAL TAX RATE - YEAR 3 ACTUAL TAX RATE)]~~

3 SECTION 3. This Act takes effect January 1, 2024.