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.