

1-1 By: Bettencourt S.B. No. 1999
 1-2 (In the Senate - Filed March 8, 2023; March 21, 2023, read
 1-3 first time and referred to Committee on Local Government;
 1-4 April 19, 2023, reported favorably by the following vote: Yeas 7,
 1-5 Nays 0, one present not voting; April 19, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Springer	X			
1-9 Eckhardt				X
1-10 Gutierrez			X	
1-11 Hall	X			
1-12 Nichols	X			
1-13 Parker	X			
1-14 Paxton	X			
1-15 West	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the calculation of the unused increment rate of a taxing
 1-20 unit.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 26.013(a), Tax Code, is amended by
 1-23 adding Subdivisions (1-a) and (1-b) to read as follows:

1-24 (1-a) "Foregone revenue amount" means the greater of:

1-25 (A) zero; or

1-26 (B) the amount expressed in dollars calculated
 1-27 according to the following formula:

1-28
$$\text{FOREGONE REVENUE AMOUNT} = \frac{(\text{VOTER-APPROVAL TAX RATE} - \text{ACTUAL TAX RATE}) \times \text{PRECEDING TOTAL VALUE}}{\text{PRECEDING TOTAL VALUE}}$$

1-29 (1-b) "Preceding total value" means a taxing unit's
 1-30 current total value in the applicable preceding tax year.

1-31 SECTION 2. Section 26.013(b), Tax Code, is amended to read
 1-32 as follows:

1-33 (b) In this chapter, "unused increment rate" means the
 1-34 greater of:

1-35 (1) zero; or

1-36 (2) the rate expressed in dollars per \$100 of taxable
 1-37 value calculated according to the following formula:

1-38
$$\text{UNUSED INCREMENT RATE} = \frac{(\text{YEAR 1 FOREGONE REVENUE AMOUNT} + \text{YEAR 2 FOREGONE REVENUE AMOUNT} + \text{YEAR 3 FOREGONE REVENUE AMOUNT})}{\text{CURRENT TOTAL VALUE} [\text{VOTER-APPROVAL TAX RATE} - \text{YEAR 1 ACTUAL TAX RATE}] + (\text{YEAR 2 VOTER-APPROVAL TAX RATE} - \text{YEAR 2 ACTUAL TAX RATE}) + (\text{YEAR 3 VOTER-APPROVAL TAX RATE} - \text{YEAR 3 ACTUAL TAX RATE})}$$

1-40 SECTION 3. This Act takes effect January 1, 2024.

1-41 * * * * *