

By: Merritt

H.B. No. 53

A BILL TO BE ENTITLED

AN ACT

relating to property tax relief, health insurance for public school teachers, and public school textbooks.

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

ARTICLE 1. PROPERTY TAX RELIEF

SECTION 1.01. Section 11.13(b), Tax Code, is amended to read as follows:

(b) An adult is entitled to exemption from taxation by a school district of \$22,500 [~~\$15,000~~] of the appraised value of the adult's residence homestead, except that \$17,500 [~~\$10,000~~] of the exemption does not apply to an entity operating under former Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those chapters existed on May 1, 1995, as permitted by Section 11.301, Education Code.

SECTION 1.02. Section 11.26(a), Tax Code, is amended to read as follows:

(a) The tax officials shall appraise the property to which this section applies and calculate taxes as on other property, but if the tax so calculated exceeds the limitation imposed by this section, the tax imposed is the amount of the tax as limited by this section, except as otherwise provided by this section. A school district may not increase the total annual amount of ad valorem tax it imposes on the residence homestead of an individual 65 years of age or older or on the residence homestead of an individual who is

disabled, as defined by Section 11.13, above the amount of the tax it imposed in the first tax year in which the individual qualified that residence homestead for the applicable exemption provided by Section 11.13(c) for an individual who is 65 years of age or older or is disabled. If the individual qualified that residence homestead for the exemption after the beginning of that first year and the residence homestead remains eligible for the same exemption for the next year, and if the school district taxes imposed on the residence homestead in the next year are less than the amount of taxes imposed in that first year, a school district may not subsequently increase the total annual amount of ad valorem taxes it imposes on the residence homestead above the amount it imposed in the year immediately following the first year for which the individual qualified that residence homestead for the same exemption, except as provided by Subsection (b). If the first tax year the individual qualified the residence homestead for the exemption provided by Section 11.13(c) for individuals 65 years of age or older or disabled was a tax year before the 2006 [~~1997~~] tax year, the amount of the limitation provided by this section is the amount of tax the school district imposed for the 2005 [~~1996~~] tax year less an amount equal to the amount determined by multiplying \$17,500 [~~\$10,000~~] times the tax rate of the school district for the 2006 [~~1997~~] tax year, plus any 2006 [~~1997~~] tax attributable to improvements made in 2005 [~~1996~~], other than improvements made to comply with governmental regulations or repairs.

SECTION 1.03. Section 42.2511(a), Education Code, is amended to read as follows:

(a) Notwithstanding any other provision of this chapter, a school district is entitled to additional state aid to the extent that state aid under this chapter based on the determination of the school district's taxable value of property as provided under Subchapter M, Chapter 403, Government Code, does not fully compensate the district for ad valorem tax revenue lost due to:

(1) the increase in the homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, as proposed by H.J.R. No. 4, 75th Legislature, Regular Session, 1997, or as proposed by the joint resolution to amend that section adopted by the 79th Legislature, 2nd Called Session, 2005; and

(2) the additional limitation on tax increases under Section 1-b(d), Article VIII, Texas Constitution, as proposed by H.J.R. No. 4, 75th Legislature, Regular Session, 1997, or as proposed by the joint resolution to amend that section adopted by the 79th Legislature, 2nd Called Session, 2005.

SECTION 1.04. Section 403.302(j), Government Code, is amended to read as follows:

(j) For purposes of Section 42.2511, Education Code, the comptroller shall certify to the commissioner of education:

(1) a final value for each school district computed on a residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, of \$5,000; ~~and~~

(2) a final value for each school district computed on:

(A) a residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, of \$15,000; and

1 (B) the effect of the additional limitation on
2 tax increases under Section 1-b(d), Article VIII, Texas
3 Constitution, as proposed by H.J.R. No. 4, 75th Legislature,
4 Regular Session, 1997; and

5 (3) a final value for each school district computed
6 on:

7 (A) a residence homestead exemption under
8 Section 1-b(c), Article VIII, Texas Constitution, of \$22,500; and

9 (B) the effect of the additional limitation on
10 tax increases under Section 1-b(d), Article VIII, Texas
11 Constitution, as proposed by the joint resolution to amend that
12 section adopted by the 79th Legislature, 2nd Called Session, 2005.

13 SECTION 1.05. This article takes effect January 1, 2006,
14 but only if the constitutional amendment proposed by the 79th
15 Legislature, 2nd Called Session, 2005, increasing the amount of the
16 school district residence homestead property tax exemption to
17 \$22,500 and providing for a corresponding adjustment of the
18 limitation on school taxes on residence homesteads of elderly and
19 disabled persons is approved by the voters. If that amendment is
20 not approved by the voters, this article has no effect.

21 ARTICLE 2. HEALTH INSURANCE FOR

22 PUBLIC SCHOOL EMPLOYEES

23 SECTION 2.01. Section 22.104, Education Code, as added by
24 S.B. 1863, Acts of the 79th Legislature, Regular Session, 2005, is
25 amended to read as follows:

26 Sec. 22.104. DISTRIBUTION BY AGENCY. Subject to the
27 availability of funds, each month the agency shall deliver to each

1 district, including a district that is ineligible for state aid
2 under Chapter 42, each other educational district that is a member
3 of the Teacher Retirement System of Texas, each participating
4 charter school, and each regional education service center state
5 funds in an amount, as determined by the agency, equal to the
6 product of the number of eligible employees employed by the
7 district, school, or service center multiplied by the amount
8 specified in the General Appropriations Act for purposes of this
9 subchapter or \$1,000, whichever is greater, and divided by 12. The
10 agency shall distribute funding to only one entity for employees
11 who are employed by more than one entity listed in this section.

12 SECTION 2.02. Section 22.103, Education Code, as added by
13 S.B. 1691, Acts of the 79th Legislature, Regular Session, 2005, is
14 repealed.

15 ARTICLE 3. PUBLIC SCHOOL TEXTBOOKS

16 SECTION 3.01. It is the intent of the legislature that
17 textbooks for the 2005-2006 school year be delivered timely to
18 classrooms for the start of school. Recognizing that many schools
19 begin classes in early or mid-August, time is of the essence in
20 ensuring teachers and students have the resources they need to
21 comply with state laws that require schools to teach the state's
22 required curriculum. Notwithstanding H.B. No. 1, Acts of the 79th
23 Legislature, 1st Called Session, 2005, or any other law, the Texas
24 Education Agency shall expedite the process for timely delivery of
25 such textbooks to classrooms upon passage of this Act, and funding
26 in that bill for textbooks is not contingent upon passage of any
27 other legislation.

1 SECTION 3.02. It is the intent of the legislature that the
2 Texas Education Agency, from amounts appropriated to the agency by
3 other law, use an amount at least equal to \$295 million for the
4 purchase of Proclamation 2002 textbooks for the 2005-2006 school
5 year.

6 ARTICLE 4. EFFECTIVE DATE

7 SECTION 4.01. Except as otherwise provided by this Act,
8 this Act takes effect immediately if it receives a vote of
9 two-thirds of all the members elected to each house, as provided by
10 Section 39, Article III, Texas Constitution. If this Act does not
11 receive the vote necessary for immediate effect, this Act takes
12 effect on the 91st day after the last day of the legislative
13 session, except as otherwise provided by this Act.