

By: Eltife S.B. No. 1746  
(In the Senate - Filed March 9, 2007; March 21, 2007, read first time and referred to Subcommittee on Base Realignment and Closure; April 16, 2007, reported adversely, with favorable Committee Substitute from Committee on Veteran Affairs and Military Installations by the following vote: Yeas 5, Nays 0; April 16, 2007, sent to printer.)

COMMITTEE SUBSTITUTE FOR S.B. No. 1746 By: Shapleigh

A BILL TO BE ENTITLED  
AN ACT

relating to the authority of certain school districts to enter into property tax abatement agreements in connection with realigned or closed military facilities.

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

SECTION 1. Section 312.002, Tax Code, is amended by amending Subsections (f) and (g) and adding Subsection (h) to read as follows:

(f) Except as provided by Subsection (h), on [On] or after September 1, 2001, a school district may not enter into a tax abatement agreement under this chapter.

(g) ~~"Taxing unit" has the meaning assigned by Section 1.04[7, except that for a tax abatement agreement executed on or after September 1, 2001, the term does not include a school district that is subject to Chapter 42, Education Code, and that is organized primarily to provide general elementary and secondary public education].~~

(h) A school district has the same authority to enter into a tax abatement agreement under this chapter as a taxing unit other than a municipality or county if the property that is the subject of the proposed agreement:

(1) was part of a military base or other military facility that was realigned or closed;

(2) was exempt from property taxation while it was owned by the person from whom the current owner acquired it; and

(3) is located in a county that has a population of less than 100,000.

SECTION 2. Subsection (d), Section 403.302, Government Code, is amended to read as follows:

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

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

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

(3) the total dollar amount of any exemption ~~[exemptions]~~ granted ~~[before May 31, 1993,]~~ within a reinvestment zone under an agreement ~~[agreements]~~ authorized by Chapter 312, Tax Code, if the exemption was granted:

(A) before May 31, 1993; or  
(B) under the authority of Section 312.002(h), Tax Code;

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

(A) is within a reinvestment zone created on or before May 31, 1999, or is proposed to be included within the boundaries of a reinvestment zone as the boundaries of the zone and the proposed portion of tax increment paid into the tax increment fund by a school district are described in a written notification provided by the municipality or the board of directors of the zone

to the governing bodies of the other taxing units in the manner provided by Section 311.003(e), Tax Code, before May 31, 1999, and within the boundaries of the zone as those boundaries existed on September 1, 1999, including subsequent improvements to the property regardless of when made;

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

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

(5) for a school district for which a deduction from taxable value is made under Subdivision (4), an amount equal to the taxable value required to generate revenue when taxed at the school district's current tax rate in an amount that, when added to the taxes of the district paid into a tax increment fund as described by Subdivision (4)(B), is equal to the total amount of taxes the district would have paid into the tax increment fund if the district levied taxes at the rate the district levied in 2005;

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

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

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

(9) a portion of the market value of property not otherwise fully taxable by the district at market value because of:

(A) action required by statute or the constitution of this state that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at market value and the tax that the district is actually authorized to impose on the property, if this subsection does not otherwise require that portion to be deducted; or

(B) action taken by the district under Subchapter B or C, Chapter 313, Tax Code;

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

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

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

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

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

\* \* \* \* \*