

By: King of Parker

H.B. No. 2332

A BILL TO BE ENTITLED

AN ACT

1
2 relating to an exemption from ad valorem taxation by a school
3 district for maintenance and operations purposes of the appraised
4 value of a residence homestead and the offsetting of the resulting
5 revenue loss to school districts with state sales and use tax
6 revenue.

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

8 ARTICLE 1. SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES

9 SECTION 1.01. Section 11.13, Tax Code, is amended by adding
10 Subsection (s) to read as follows:

11 (s) In addition to any other exemptions provided by this
12 section, an adult is entitled to an exemption from taxation by a
13 school district for maintenance and operations purposes of the
14 total appraised value of the adult's residence homestead.

15 SECTION 1.02. Section 11.26, Tax Code, is amended by
16 amending Subsections (a), (a-3), (b), and (e) and adding
17 Subsections (a-4) and (a-5) to read as follows:

18 (a) The tax officials shall appraise the property to which
19 this section applies and calculate taxes as on other residence
20 homesteads [~~property~~], but if the tax so calculated exceeds the
21 limitation imposed by this section, the tax imposed is the amount of
22 the tax as limited by this section, except as otherwise provided by
23 this section. A school district may not increase the total annual
24 amount of ad valorem tax it imposes on the residence homestead of an

1 individual 65 years of age or older or on the residence homestead of
2 an individual who is disabled, as defined by Section 11.13, above
3 the amount of the tax it imposed in the first tax year in which the
4 individual qualified that residence homestead for the applicable
5 exemption provided by Section 11.13(c) for an individual who is 65
6 years of age or older or is disabled. If the individual qualified
7 that residence homestead for the exemption after the beginning of
8 that first year and the residence homestead remains eligible for
9 the same exemption for the next year, and if the school district
10 taxes imposed on the residence homestead in the next year are less
11 than the amount of taxes imposed in that first year, a school
12 district may not subsequently increase the total annual amount of
13 ad valorem taxes it imposes on the residence homestead above the
14 amount it imposed in the year immediately following the first year
15 for which the individual qualified that residence homestead for the
16 same exemption, except as provided by Subsection (b). If the first
17 tax year the individual qualified the residence homestead for the
18 exemption provided by Section 11.13(c) for individuals 65 years of
19 age or older was a tax year before the 1997 tax year, the amount of
20 the limitation provided by this section is the amount of tax the
21 school district imposed for the 1996 tax year less an amount equal
22 to the amount determined by multiplying \$10,000 times the tax rate
23 of the school district for the 1997 tax year, plus any 1997 tax
24 attributable to improvements made in 1996, other than improvements
25 made to comply with governmental regulations or repairs.

26 (a-3) Except as provided by Subsections (a-4) and
27 [~~Subsection~~] (b), a limitation on tax increases provided by this

1 section on a residence homestead computed under Subsection (a-1) or
2 (a-2) continues to apply to the homestead in subsequent tax years
3 until the limitation expires.

4 (a-4) Notwithstanding the other provisions of this section,
5 if in the 2012 tax year an individual qualifies for a limitation on
6 tax increases provided by this section on the individual's
7 residence homestead, the amount of the limitation provided by this
8 section on the homestead in the 2012 tax year is equal to the amount
9 computed by:

10 (1) multiplying the amount of tax the school district
11 imposed on the homestead in the 2011 tax year by a fraction the
12 numerator of which is the current debt rate of the district for the
13 2012 tax year and the denominator of which is the tax rate of the
14 district for the 2011 tax year; and

15 (2) adding any tax imposed in the 2012 tax year
16 attributable to improvements made in the 2011 tax year as provided
17 by Subsection (b) to the lesser of the amount computed under
18 Subdivision (1) or the amount of tax the district imposed on the
19 homestead in the 2011 tax year.

20 (a-5) Except as provided by Subsection (b), a limitation on
21 tax increases provided by this section on a residence homestead
22 computed under Subsection (a-4) continues to apply to the residence
23 homestead in subsequent tax years until the limitation expires.

24 (b) If an individual makes improvements to the individual's
25 residence homestead, other than improvements required to comply
26 with governmental requirements or repairs, the school district may
27 increase the tax on the homestead in the first year the value of the

1 homestead is increased on the appraisal roll because of the
2 enhancement of value by the improvements. The amount of the tax
3 increase is determined by applying the current debt [~~tax~~] rate to
4 the difference in the assessed value of the homestead with the
5 improvements and the assessed value it would have had without the
6 improvements. A limitation imposed by this section then applies to
7 the increased amount of tax until more improvements, if any, are
8 made.

9 (e) For each school district in an appraisal district, the
10 chief appraiser shall determine the portion of the appraised value
11 of residence homesteads of individuals on which school district
12 taxes are not imposed in a tax year because of the limitation on tax
13 increases imposed by this section. That portion is calculated by
14 determining the taxable value that, if multiplied by the current
15 debt [~~tax~~] rate adopted by the school district for the tax year,
16 would produce an amount equal to the amount of tax that would have
17 been imposed by the school district on those residence homesteads
18 if the limitation on tax increases imposed by this section were not
19 in effect, but that was not imposed because of that limitation. The
20 chief appraiser shall determine that taxable value and certify it
21 to the comptroller as soon as practicable for each tax year.

22 SECTION 1.03. Section 26.09, Tax Code, is amended by adding
23 Subsection (f) to read as follows:

24 (f) For purposes of calculating the tax imposed on a
25 residence homestead by a school district, the tax rate of the
26 district is considered to be the district's current debt rate.

27 SECTION 1.04. This article applies only to ad valorem taxes

1 imposed for a tax year beginning on or after the effective date of
2 this Act.

3 ARTICLE 2. SALES AND USE TAX PROVISIONS

4 SECTION 2.01. Section 151.051(b), Tax Code, is amended to
5 read as follows:

6 (b) Except as provided by Section 151.0514, the [The] sales
7 tax rate is 6-1/4 percent of the sales price of the taxable item
8 sold.

9 SECTION 2.02. Subchapter C, Chapter 151, Tax Code, is
10 amended by adding Section 151.0514 to read as follows:

11 Sec. 151.0514. ANNUAL RATE CHANGE ACCORDING TO SCHOOL
12 DISTRICT BUDGETS. (a) On October 1 of each year, the rate of the
13 sales tax imposed by Section 151.051 is increased or decreased by
14 the rate that would annually generate an amount of sales tax revenue
15 equal to the amount computed by:

16 (1) subtracting the total taxable value of all
17 property in all of the school districts in this state as determined
18 in the manner provided by Section 403.302(d), Government Code, from
19 the total taxable value of all property in all of the school
20 districts in this state as determined in the manner provided by
21 Section 403.302(p), Government Code; and

22 (2) multiplying the amount computed under Subdivision
23 (1) by the average school district maintenance and operations ad
24 valorem tax rate for the preceding tax year.

25 (b) Not later than September 1 of each year, the comptroller
26 shall:

27 (1) compute the new tax rate as provided by this

1 section;

2 (2) give the new tax rate to the secretary of state for
3 publication in the Texas Register; and

4 (3) notify each permit holder under this chapter of
5 the new tax rate.

6 SECTION 2.03. Section 151.101(b), Tax Code, is amended to
7 read as follows:

8 (b) The tax is at the same percentage rate as is provided by
9 Section 151.051 or 151.0514, as applicable, ~~[of this code]~~ on the
10 sales price of the taxable item.

11 SECTION 2.04. Sections 151.801(a) and (c), Tax Code, are
12 amended to read as follows:

13 (a) Except for the amounts allocated under Subsections (b)
14 and (c) and Section 151.802, all proceeds from the collection of the
15 taxes imposed by this chapter shall be deposited to the credit of
16 the general revenue fund.

17 (c) Except for the amount allocated under Section 151.802
18 and subject ~~[Subject]~~ to Subsection (c-1), the proceeds from the
19 collection of the taxes imposed by this chapter on the sale,
20 storage, or use of sporting goods shall be deposited as follows:

21 (1) an amount equal to 94 percent of the proceeds shall
22 be credited to the Parks and Wildlife Department and deposited as
23 specified in the Parks and Wildlife Code; and

24 (2) an amount equal to six percent of the proceeds
25 shall be credited to the Texas Historical Commission and deposited
26 as specified in Section 442.073, Government Code.

27 SECTION 2.05. Subchapter M, Chapter 151, Tax Code, is

1 amended by adding Section 151.802 to read as follows:

2 Sec. 151.802. ALLOCATION OF CERTAIN REVENUE TO FOUNDATION
3 SCHOOL FUND. All proceeds, other than the amount of the proceeds
4 allocated under Section 151.801(b), from the collection of taxes
5 imposed by this chapter attributable to the portion of the tax rate
6 in excess of 6.25 percent shall be deposited to the credit of the
7 foundation school fund.

8 SECTION 2.06. (a) The comptroller of public accounts shall
9 begin payments under Section 151.802, Tax Code, as added by this
10 article, beginning with payments for the calendar year 2012.

11 (b) The change in law made by this article does not affect
12 tax liability accruing before the effective date of this Act. That
13 liability continues in effect as if this article had not been
14 enacted, and the former law is continued in effect for the
15 collection of taxes due and for civil and criminal enforcement of
16 the liability for those taxes.

17 ARTICLE 3. PUBLIC SCHOOL FINANCE

18 SECTION 3.01. Section 7.062(c), Education Code, is amended
19 to read as follows:

20 (c) Except as otherwise provided by this subsection, if the
21 commissioner certifies that the amount appropriated for a state
22 fiscal year for purposes of Subchapters A and B, Chapter 46, exceeds
23 the amount to which school districts are entitled under those
24 subchapters for that year, the commissioner shall use the excess
25 funds, in an amount not to exceed \$20 million in any state fiscal
26 year, for the purpose of making grants under this section. The use
27 of excess funds under this subsection has priority over any

1 provision of Chapter 42 that permits or directs the use of excess
2 foundation school program funds, including Sections 42.2517,
3 42.2521, [~~42.2522~~] and 42.2531. The commissioner is required to
4 use excess funds as provided by this subsection only if the
5 commissioner is not required to reduce the total amount of state
6 funds allocated to school districts under Section 42.253(h).

7 SECTION 3.02. Subchapter E, Chapter 42, Education Code, is
8 amended by adding Section 42.2511 to read as follows:

9 Sec. 42.2511. ADDITIONAL STATE AID FOR RESIDENCE HOMESTEAD
10 EXEMPTION. (a) Notwithstanding Section 42.2516 or any other
11 provision of this chapter, a school district is entitled to
12 additional state aid to the extent that state aid under this chapter
13 based on the determination of the school district's taxable value
14 of property as provided under Subchapter M, Chapter 403, Government
15 Code, does not fully compensate the district for ad valorem tax
16 revenue lost due to the residence homestead exemption under Section
17 1-b(j), Article VIII, Texas Constitution, as proposed by the joint
18 resolution to add that subsection adopted by the 82nd Legislature,
19 Regular Session, 2011.

20 (b) The commissioner, using information provided by the
21 comptroller, shall compute the amount of additional state aid to
22 which a district is entitled under Subsection (a). A determination
23 by the commissioner under this section is final and may not be
24 appealed.

25 (c) Notwithstanding any other provision of this chapter, in
26 computing state aid for the 2012-2013 school year, a school
27 district's taxable value of property under Subchapter M, Chapter

1 403, Government Code, is determined as if the residence homestead
2 exemption under Section 1-b(j), Article VIII, Texas Constitution,
3 had been in effect for the 2011 tax year. This subsection expires
4 September 1, 2013.

5 SECTION 3.03. Section 42.2516(f-1), Education Code, is
6 amended to read as follows:

7 (f-1) The commissioner shall, in accordance with rules
8 adopted by the commissioner, adjust the amount of a school
9 district's local revenue derived from maintenance and operations
10 tax collections, as calculated for purposes of determining the
11 amount of state revenue to which the district is entitled under this
12 section, if the district:

13 (1) [✓] for the 2010 or 2011 tax year [or a subsequent
14 tax year]:

15 (A) [(1)] adopts an exemption under Section
16 11.13(n), Tax Code, that was not in effect for the 2009 tax year, or
17 eliminates an exemption under Section 11.13(n), Tax Code, that was
18 in effect for the 2009 tax year; or

19 (B) [(2)] adopts an exemption under Section
20 11.13(n), Tax Code, at a greater or lesser percentage than the
21 percentage in effect for the district for the 2009 tax year; or

22 (2) for the 2010 or a subsequent tax year:

23 (A) [(3)] grants an exemption under an agreement
24 authorized by Chapter 312, Tax Code, that was not in effect for the
25 2009 tax year, or ceases to grant an exemption authorized by that
26 chapter that was in effect for the 2009 tax year; or

27 (B) [(4)] agrees to deposit taxes into a tax

1 increment fund created under Chapter 311, Tax Code, under a
2 reinvestment zone financing plan that was not in effect for the 2009
3 tax year, or ceases depositing taxes into a tax increment fund
4 created under that chapter under a reinvestment zone financing plan
5 that was in effect for the 2009 tax year.

6 SECTION 3.04. Section 42.2521, Education Code, is amended
7 by adding Subsection (a-1) to read as follows:

8 (a-1) Subsection (a) does not apply to a decline in a school
9 district's tax base due to implementation of the residence
10 homestead exemption under Section 1-b(j), Article VIII, Texas
11 Constitution, as proposed by the joint resolution to add that
12 subsection adopted by the 82nd Legislature, Regular Session, 2011.
13 This subsection expires September 1, 2013.

14 SECTION 3.05. Section 42.261(a), Education Code, is amended
15 to read as follows:

16 (a) Funds appropriated by the legislature for a tax year for
17 the purpose of reducing a school district's maintenance and
18 operations tax rate and providing state aid under Section 42.2516:

19 (1) are not excess funds for purposes of Section
20 42.2517;

21 (2) are not available for purposes of Section 42.2521
22 [~~or 42.2522~~];

23 (3) may not be used for purposes of Chapter 46; and

24 (4) may not be provided by the commissioner to a school
25 district for a purpose other than reduction of the district's
26 maintenance and operations tax rate.

27 SECTION 3.06. Section 42.302(c), Education Code, is amended

1 to read as follows:

2 (c) For purposes of this section, school district taxes for
3 which credit is granted under Section [~~31.035, 31.036, or~~] 31.037,
4 Tax Code, are considered taxes collected by the school district as
5 if the taxes were paid when the credit for the taxes was granted.

6 SECTION 3.07. Section 44.004(c), Education Code, is amended
7 to read as follows:

8 (c) The notice of public meeting to discuss and adopt the
9 budget and the proposed tax rate may not be smaller than one-quarter
10 page of a standard-size or a tabloid-size newspaper, and the
11 headline on the notice must be in 18-point or larger type. Subject
12 to Subsection (d), the notice must:

13 (1) contain a statement in the following form:

14 "NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE
15 "The (name of school district) will hold a public meeting at
16 (time, date, year) in (name of room, building, physical location,
17 city, state). The purpose of this meeting is to discuss the school
18 district's budget that will determine the tax rate that will be
19 adopted. Public participation in the discussion is invited." The
20 statement of the purpose of the meeting must be in bold type. In
21 reduced type, the notice must state: "The tax rate that is
22 ultimately adopted at this meeting or at a separate meeting at a
23 later date may not exceed the proposed rate shown below unless the
24 district publishes a revised notice containing the same information
25 and comparisons set out below and holds another public meeting to
26 discuss the revised notice.";

27 (2) contain a section entitled "Comparison of Proposed

1 Budget with Last Year's Budget," which must show the difference,
2 expressed as a percent increase or decrease, as applicable, in the
3 amounts budgeted for the preceding fiscal year and the amount
4 budgeted for the fiscal year that begins in the current tax year for
5 each of the following:

6 (A) maintenance and operations;

7 (B) debt service; and

8 (C) total expenditures;

9 (3) contain a section entitled "Total Appraised Value
10 and Total Taxable Value," which must show the total appraised value
11 and the total taxable value of all property and the total appraised
12 value and the total taxable value of new property taxable by the
13 district in the preceding tax year and the current tax year as
14 calculated under Section 26.04, Tax Code;

15 (4) contain a statement of the total amount of the
16 outstanding and unpaid bonded indebtedness of the school district;

17 (5) contain a section entitled "Comparison of Proposed
18 Rates with Last Year's Rates," which must:

19 (A) show in rows the tax rates described by
20 Subparagraphs (i)-(iii), expressed as amounts per \$100 valuation of
21 property, for columns entitled "Maintenance & Operations,"
22 "Interest & Sinking Fund," and "Total," which is the sum of
23 "Maintenance & Operations" and "Interest & Sinking Fund":

24 (i) the school district's "Last Year's
25 Rate";

26 (ii) the "Rate to Maintain Same Level of
27 Maintenance & Operations Revenue & Pay Debt Service," which:

1 (a) in the case of "Maintenance &
2 Operations," is the tax rate that, when applied to the current
3 taxable value for the district, as certified by the chief appraiser
4 under Section 26.01, Tax Code, and as adjusted to reflect changes
5 made by the chief appraiser as of the time the notice is prepared,
6 would impose taxes in an amount that, when added to state funds to
7 be distributed to the district under Chapter 42, would provide the
8 same amount of maintenance and operations taxes and state funds
9 distributed under Chapter 42 per student in average daily
10 attendance for the applicable school year that was available to the
11 district in the preceding school year; and

12 (b) in the case of "Interest & Sinking
13 Fund," is the tax rate that, when applied to the current taxable
14 value for the district, as certified by the chief appraiser under
15 Section 26.01, Tax Code, and as adjusted to reflect changes made by
16 the chief appraiser as of the time the notice is prepared, and when
17 multiplied by the district's anticipated collection rate, would
18 impose taxes in an amount that, when added to state funds to be
19 distributed to the district under Chapter 46 and any excess taxes
20 collected to service the district's debt during the preceding tax
21 year but not used for that purpose during that year, would provide
22 the amount required to service the district's debt; and

23 (iii) the "Proposed Rate";

24 (B) contain fourth and fifth columns aligned with
25 the columns required by Paragraph (A) that show, for each row
26 required by Paragraph (A):

27 (i) the "Local Revenue per Student," which

1 is computed by multiplying the district's total taxable value of
2 property, as certified by the chief appraiser for the applicable
3 school year under Section 26.01, Tax Code, and as adjusted to
4 reflect changes made by the chief appraiser as of the time the
5 notice is prepared, by the total tax rate, and dividing the product
6 by the number of students in average daily attendance in the
7 district for the applicable school year; and

8 (ii) the "State Revenue per Student," which
9 is computed by determining the amount of state aid received or to be
10 received by the district under Chapters 42, 43, and 46 and dividing
11 that amount by the number of students in average daily attendance in
12 the district for the applicable school year; and

13 (C) contain an asterisk after each calculation
14 for "Interest & Sinking Fund" and a footnote to the section that, in
15 reduced type, states "The Interest & Sinking Fund tax revenue is
16 used to pay for bonded indebtedness on construction, equipment, or
17 both. The bonds, and the tax rate necessary to pay those bonds,
18 were approved by the voters of this district.";

19 (6) ~~[contain a section entitled "Comparison of~~
20 ~~Proposed Levy with Last Year's Levy on Average Residence," which~~
21 ~~must:~~

22 ~~[(A) show in rows the information described by~~
23 ~~Subparagraphs (i)-(iv), rounded to the nearest dollar, for columns~~
24 ~~entitled "Last Year" and "This Year":~~

25 ~~[(i) "Average Market Value of Residences,"~~
26 ~~determined using the same group of residences for each year,~~

27 ~~[(ii) "Average Taxable Value of~~

1 ~~Residences," determined after taking into account the limitation on~~
2 ~~the appraised value of residences under Section 23.23, Tax Code,~~
3 ~~and after subtracting all homestead exemptions applicable in each~~
4 ~~year, other than exemptions available only to disabled persons or~~
5 ~~persons 65 years of age or older or their surviving spouses, and~~
6 ~~using the same group of residences for each year;~~

7 ~~[(iii) "Last Year's Rate Versus Proposed~~
8 ~~Rate per \$100 Value"; and~~

9 ~~[(iv) "Taxes Due on Average Residence,"~~
10 ~~determined using the same group of residences for each year; and~~

11 ~~[(B) contain the following~~
12 ~~information: "Increase (Decrease) in Taxes" expressed in dollars~~
13 ~~and cents, which is computed by subtracting the "Taxes Due on~~
14 ~~Average Residence" for the preceding tax year from the "Taxes Due on~~
15 ~~Average Residence" for the current tax year;~~

16 ~~[(7)]~~ contain the following statement in bold
17 print: "Under state law, the dollar amount of school taxes imposed
18 on the residence of a person 65 years of age or older or of the
19 surviving spouse of such a person, if the surviving spouse was 55
20 years of age or older when the person died, may not be increased
21 above the amount paid in the first year after the person turned 65,
22 regardless of changes in tax rate or property value.";

23 (7) ~~[(8)]~~ contain the following statement in bold
24 print: "Notice of Rollback Rate: The highest tax rate the
25 district can adopt before requiring voter approval at an election
26 is (the school district rollback rate determined under Section
27 26.08, Tax Code). This election will be automatically held if the

1 district adopts a rate in excess of the rollback rate of (the school
2 district rollback rate)."; and

3 (8) [~~(9)~~] contain a section entitled "Fund Balances,"
4 which must include the estimated amount of interest and sinking
5 fund balances and the estimated amount of maintenance and operation
6 or general fund balances remaining at the end of the current fiscal
7 year that are not encumbered with or by corresponding debt
8 obligation, less estimated funds necessary for the operation of the
9 district before the receipt of the first payment under Chapter 42 in
10 the succeeding school year.

11 SECTION 3.08. Section 403.302(d), Government Code, as
12 amended by Chapters 1186 (H.B. 3676) and 1328 (H.B. 3646), Acts of
13 the 81st Legislature, Regular Session, 2009, is reenacted and
14 amended to read as follows:

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

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

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

25 (3) the total dollar amount of any exemptions granted
26 before May 31, 1993, within a reinvestment zone under agreements
27 authorized by Chapter 312, Tax Code;

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

3 (A) is within a reinvestment zone created on or
4 before May 31, 1999, or is proposed to be included within the
5 boundaries of a reinvestment zone as the boundaries of the zone and
6 the proposed portion of tax increment paid into the tax increment
7 fund by a school district are described in a written notification
8 provided by the municipality or the board of directors of the zone
9 to the governing bodies of the other taxing units in the manner
10 provided by Section 311.003(e), Tax Code, before May 31, 1999, and
11 within the boundaries of the zone as those boundaries existed on
12 September 1, 1999, including subsequent improvements to the
13 property regardless of when made;

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

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

20 (5) the total dollar amount of any captured appraised
21 value of property that:

22 (A) is within a reinvestment zone:

23 (i) created on or before December 31, 2008,
24 by a municipality with a population of less than 18,000; and

25 (ii) the project plan for which includes
26 the alteration, remodeling, repair, or reconstruction of a
27 structure that is included on the National Register of Historic

1 Places and requires that a portion of the tax increment of the zone
2 be used for the improvement or construction of related facilities
3 or for affordable housing;

4 (B) generates school district taxes that are paid
5 into a tax increment fund created under Chapter 311, Tax Code; and

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

8 (6) the total dollar amount of any exemptions granted
9 under Section 11.251 or 11.253, Tax Code;

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

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

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

23 (A) action required by statute or the
24 constitution of this state that, if the tax rate adopted by the
25 district is applied to it, produces an amount equal to the
26 difference between the tax that the district would have imposed on
27 the property if the property were fully taxable at market value and

1 the tax that the district is actually authorized to impose on the
2 property, if this subsection does not otherwise require that
3 portion to be deducted; or

4 (B) action taken by the district under Subchapter
5 B or C, Chapter 313, Tax Code, before the expiration of the
6 subchapter;

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

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

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

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

20 SECTION 3.09. Section 403.302(m), Government Code, as added
21 by Chapter 1186 (H.B. 3676), Acts of the 81st Legislature, Regular
22 Session, 2009, is amended to conform to Section 80, Chapter 1328
23 (H.B. 3646), Acts of the 81st Legislature, Regular Session, 2009,
24 to read as follows:

25 (m) Subsection (d)(9) [~~(d)(10)~~] does not apply to property
26 that was the subject of an application under Subchapter B or C,
27 Chapter 313, Tax Code, made after May 1, 2009, that the comptroller

1 recommended should be disapproved.

2 SECTION 3.10. Section 403.302, Government Code, is amended
3 by adding Subsection (p) to read as follows:

4 (p) For purposes of Chapter 46, Education Code, and Section
5 151.0514, Tax Code, the comptroller shall compute a final value for
6 each school district:

7 (1) without any deductions for residence homestead
8 exemptions granted under Section 11.13(s), Tax Code; and

9 (2) with the deductions for residence homestead
10 exemptions granted under Sections 11.13(b) and (c), Tax Code.

11 SECTION 3.11. (a) Section 42.2522, Education Code, is
12 repealed.

13 (b) Section 403.302(k), Government Code, is repealed.

14 ARTICLE 4. EFFECTIVE DATE

15 SECTION 4.01. This Act takes effect January 1, 2012, but
16 only if the constitutional amendment proposed by the 82nd
17 Legislature, Regular Session, 2011, authorizing the legislature to
18 exempt from ad valorem taxation by a school district for
19 maintenance and operations purposes all or part of the appraised
20 value of a residence homestead is approved by the voters. If that
21 amendment is not approved by the voters, this Act has no effect.