

By: Patrick

S.B. No. 1215

A BILL TO BE ENTITLED

1 AN ACT  
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.