

By: Ratliff

H.B. No. 671

A BILL TO BE ENTITLED

AN ACT

relating to the calculation of the rollback tax rate of a school district.

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

SECTION 1. Section 26.08(n), Tax Code, is amended to read as follows:

(n) For purposes of this section, the rollback tax rate of a school district whose maintenance and operations tax rate for the 2005 tax year was \$1.50 or less per \$100 of taxable value is the following rate, as applicable:

(1) if the adopted tax rate of the district was not approved at an election under this section in the 2006 tax year or any subsequent tax year [~~for the 2006 tax year, the sum of the rate that is equal to 88.67 percent of the maintenance and operations tax rate adopted by the district for the 2005 tax year, the rate of \$0.04 per \$100 of taxable value, and the district's current debt rate, and~~

~~(2) for the 2007 and subsequent tax years], the lesser of the following:~~

(A) the sum of the following:

(i) the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Section 42.2516, Education Code, for the current year and \$1.50;

1 (ii) the rate of \$0.04 per \$100 of taxable  
2 value; and

3 (iii) [~~the rate that is equal to the sum of~~  
4 ~~the differences for the 2006 and each subsequent tax year between~~  
5 ~~the adopted tax rate of the district for that year if the rate was~~  
6 ~~approved at an election under this section and the rollback tax rate~~  
7 ~~of the district for that year; and~~

8 [~~(iv)~~] the district's current debt rate; or

9 (B) the sum of the following:

10 (i) the effective maintenance and  
11 operations tax rate of the district as computed under Subsection  
12 (i) [~~or (k), as applicable~~];

13 (ii) the rate per \$100 of taxable value that  
14 is equal to the product of the state compression percentage, as  
15 determined under Section 42.2516, Education Code, for the current  
16 year and \$0.06; and

17 (iii) the district's current debt rate; or

18 (2) if the adopted tax rate of the district was  
19 approved at an election under this section in the 2006 tax year or  
20 any subsequent tax year, the sum of the following:

21 (A) the rate per \$100 of taxable value that is  
22 equal to the product of the state compression percentage, as  
23 determined under Section 42.2516, Education Code, for the current  
24 year and \$1.50;

25 (B) the rate of \$0.04 per \$100 of taxable value;

26 (C) the rate that is equal to the sum of the  
27 differences for the 2006 and each subsequent tax year between the

1 adopted tax rate of the district for that year if the rate was  
2 approved at an election under this section and the rollback tax rate  
3 of the district for that year; and

4 (D) the district's current debt rate.

5 SECTION 2. (a) The change in law made by this Act applies to  
6 the ad valorem tax rate of a school district beginning with the 2013  
7 tax year, except as provided by Subsection (b) of this section.

8 (b) If the governing body of a school district adopted an ad  
9 valorem tax rate for the school district for the 2013 tax year  
10 before the effective date of this Act, the change in law made by  
11 this Act applies to the ad valorem tax rate of that school district  
12 beginning with the 2014 tax year, and the law in effect when the tax  
13 rate was adopted applies to the 2013 tax year with respect to that  
14 school district.

15 SECTION 3. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2013.