

BILL ANALYSIS

H.B. 964
By: Howard
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law requires a school district to hold an election for the approval of the district's adoption of a tax rate that exceeds the district's rollback tax rate. Interested parties contend that this requirement must be met even when a school district is attempting to increase the tax rate to a rate that is lower than a rate previously approved by the voters and also when a district is attempting to reduce the tax rate to a rate that is still above the rollback tax rate. There is concern that, due to the expense of conducting an election, this requirement creates an unnecessary financial burden on school districts and that the requirement reduces local control over the tax rate. Moreover, additional concerns have been raised that the requirement may provide a disincentive to reducing local tax rates. H.B. 964 seeks to address these concerns.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 964 amends the Tax Code to establish that 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 and whose adopted tax rate was approved at an election in the 2006 tax year or any subsequent tax year is the higher of the amount computed according to the established formula for calculating the rollback tax rate for such school districts or the sum of the district's current debt rate and the highest maintenance and operations tax rate adopted by the district for the 2007 tax year or any subsequent tax year in which the district's adopted tax rate was approved at an election, but only if the district has adopted a tax rate equal to or higher than that rollback tax rate for any tax year in the preceding 10 tax years. The bill applies to a school district's property tax rate beginning with the 2015 tax year, except that the bill's provisions apply to the property tax rate of a school district beginning with the 2016 tax year if the governing body of the school district adopted a property tax rate for the school district for the 2015 tax year before the bill's effective date.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.