

BILL ANALYSIS

H.B. 168
By: VanDeaver
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that the requirement for 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 deters districts seeking to lower their tax rate and is financially burdensome as an election must be held even when a school district is attempting to reduce the tax rate to a rate that is still above the rollback tax rate. H.B. 168 seeks to address these concerns by providing an alternative means to determine certain school districts' rollback tax rate for purposes of an election to ratify school tax rates.

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. 168 amends the Tax Code to establish that, for purposes of an election to ratify school taxes, the rollback tax rate of a public school district whose maintenance and operations (M&O) 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 provided by state law or the sum of the district's current debt rate and the highest M&O 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 to ratify school taxes. This provision applies only to such a school district that has adopted a tax rate equal to or higher than the rollback tax rate for any tax year in the preceding 10 tax years and that in the 2016 tax year or any subsequent tax year adopted a tax rate that was lower than the sum of the district's current debt rate and the highest M&O 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 to ratify school taxes. The bill applies to the property tax rate of a school district beginning with the 2018 tax year.

EFFECTIVE DATE

January 1, 2018.