

By: Howard

H.B. No. 390

A BILL TO BE ENTITLED

AN ACT

relating to school district ad valorem tax rates.

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

SECTION 1. Section 26.08, Tax Code, is amended by adding Subsections (q) and (r) to read as follows:

(q) This subsection applies only to a school district described by Subsection (n) whose adopted tax rate was approved at an election under this section in the 2006 tax year or any subsequent tax year. Notwithstanding Subsection (n), for purposes of this section, the rollback tax rate of the school district is the higher of:

(1) the amount computed under Subsection (n); or

(2) the sum of the following:

(A) the highest maintenance and operations tax rate adopted by the district for the 2007 tax year or any subsequent tax year in which the adopted tax rate of the district was approved at an election under this section; and

(B) the district's current debt rate.

(r) Subsection (q) applies to a school district only if the district has adopted a tax rate equal to or higher than the rate provided by that subsection for any tax year in the preceding 10 tax years.

SECTION 2. (a) The comptroller of public accounts shall conduct a study to determine:

1 (1) the number of school districts that adopt an ad
2 valorem tax rate for the tax year in which this Act takes effect
3 that is lower than the district's ad valorem tax rate for the tax
4 year preceding that tax year and then, for the tax year following
5 the tax year in which this Act takes effect, adopt an ad valorem tax
6 rate that is higher than the district's ad valorem tax rate for the
7 tax year in which this Act takes effect; and

8 (2) the number of school districts that adopted an ad
9 valorem tax rate for the second tax year preceding the tax year in
10 which this Act takes effect that was lower than the district's ad
11 valorem tax rate for the tax year preceding that tax year and then,
12 for the tax year preceding the tax year in which this Act takes
13 effect, adopted an ad valorem tax rate that was higher than the
14 district's ad valorem tax rate for the second tax year preceding the
15 tax year in which this Act takes effect.

16 (b) The comptroller of public accounts shall report the
17 results of the study conducted under this section to each member of
18 the legislature not later than December 1, 2019.

19 SECTION 3. (a) The change in law made by this Act applies to
20 the ad valorem tax rate of a school district beginning with the 2017
21 tax year, except as provided by Subsection (b) of this section.

22 (b) If the governing body of a school district adopted an ad
23 valorem tax rate for the school district for the 2017 tax year
24 before the effective date of this Act, the change in law made by
25 this Act applies to the ad valorem tax rate of that school district
26 beginning with the 2018 tax year, and the law in effect when the tax
27 rate was adopted applies to the 2017 tax year with respect to that

1 school district.

2 SECTION 4. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2017.