

By: VanDeaver

H.B. No. 735

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the calculation of the rollback tax rate of a school
3 district and a related study.

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

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

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

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

14 (2) the sum of the following:

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

19 (B) the district's current debt rate.

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

24 SECTION 2. (a) The comptroller of public accounts shall

1 conduct a study to determine:

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

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

17 (b) The comptroller of public accounts shall report the
18 results of the study conducted under this section to each member of
19 the legislature not later than December 1, 2021.

20 SECTION 3. (a) The change in law made by this Act applies to
21 the ad valorem tax rate of a school district beginning with the 2019
22 tax year, except as provided by Subsection (b) of this section.

23 (b) If the governing body of a school district adopted an ad
24 valorem tax rate for the school district for the 2019 tax year
25 before the effective date of this Act, the change in law made by
26 this Act applies to the ad valorem tax rate of that school district
27 beginning with the 2020 tax year, and the law in effect when the tax

1 rate was adopted applies to the 2019 tax year with respect to that
2 school district.

3 SECTION 4. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2019.