

By: Bettencourt

S.B. No. 2503

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 is ~~[whose maintenance and operations tax rate for the 2005 tax year was \$1.50 or less per \$100 of taxable value is:~~

~~[(1) 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:

(1) ~~[(A)]~~ the sum of the following:

(A) ~~[(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;

(B) ~~[(ii)]~~ the rate of \$0.04 per \$100 of taxable value;

(C) ~~[(iii)]~~ the rate that is equal to the sum of the differences for the 2006 and each subsequent tax year between

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

5 (2) [~~(B)~~] the sum of the following:

6 (A) [~~(i)~~] ~~the effective maintenance and~~  
7 ~~operations tax rate of the district as computed under Subsection~~  
8 ~~(i) or (k), as applicable;~~

9 [~~(ii)~~] the rate per \$100 of taxable value  
10 that is equal to the product of the effective maintenance and  
11 operations tax rate of the district [~~state compression percentage~~],  
12 as computed under Subsection (i), and 1.025 [~~determined under~~  
13 ~~Section 42.2516, Education Code, for the current year and \$0.06~~];  
14 and

15 (B) [~~(iii)~~] the district's current debt rate.

16 SECTION 2. The change in law made by this Act applies to the  
17 calculation of the rollback tax rate of a school district beginning  
18 with the 2020 tax year.

19 SECTION 3. This Act takes effect January 1, 2020.