

By: Bettencourt, et al.

S.B. No. 12

A BILL TO BE ENTITLED

AN ACT

relating to the reduction of the amount of a limitation on the total amount of ad valorem taxes that may be imposed by a school district on the residence homestead of an individual who is elderly or disabled to reflect any reduction from the preceding tax year in the district's maximum compressed rate.

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

SECTION 1. Section [11.26](#), Tax Code, is amended by adding Subsections (a-4), (a-5), (a-6), (a-7), (a-8), and (a-9) to read as follows:

(a-4) In this section, "maximum compressed rate" means the maximum compressed rate of a school district as calculated under Section [48.2551](#), Education Code.

(a-5) Notwithstanding the other provisions of this section, if in the 2022 tax year an individual qualifies for a limitation on tax increases provided by this section on the individual's residence homestead and the first tax year the individual or the individual's spouse qualified for an exemption under Section [11.13](#)(c) for the same homestead was a tax year before the 2019 tax year, the amount of the limitation provided by this section on the homestead in the 2022 tax year is equal to the amount computed by:

(1) multiplying the taxable value of the homestead in the 2018 tax year by a tax rate equal to the difference between the school district's tier one maintenance and operations rate for the

1 2018 tax year and the district's maximum compressed rate for the  
2 2019 tax year;

3 (2) subtracting the greater of zero or the amount  
4 computed under Subdivision (1) from the amount of tax the district  
5 imposed on the homestead in the 2018 tax year;

6 (3) adding any tax imposed in the 2019 tax year  
7 attributable to improvements made in the 2018 tax year as provided  
8 by Subsection (b) to the amount computed under Subdivision (2);

9 (4) multiplying the taxable value of the homestead in  
10 the 2019 tax year by a tax rate equal to the difference between the  
11 district's maximum compressed rate for the 2019 tax year and the  
12 district's maximum compressed rate for the 2020 tax year;

13 (5) subtracting the amount computed under Subdivision  
14 (4) from the amount computed under Subdivision (3);

15 (6) adding any tax imposed in the 2020 tax year  
16 attributable to improvements made in the 2019 tax year as provided  
17 by Subsection (b) to the amount computed under Subdivision (5);

18 (7) multiplying the taxable value of the homestead in  
19 the 2020 tax year by a tax rate equal to the difference between the  
20 district's maximum compressed rate for the 2020 tax year and the  
21 district's maximum compressed rate for the 2021 tax year;

22 (8) subtracting the amount computed under Subdivision  
23 (7) from the amount computed under Subdivision (6);

24 (9) adding any tax imposed in the 2021 tax year  
25 attributable to improvements made in the 2020 tax year as provided  
26 by Subsection (b) to the amount computed under Subdivision (8);

27 (10) multiplying the taxable value of the homestead in

1 the 2021 tax year by a tax rate equal to the difference between the  
2 district's maximum compressed rate for the 2021 tax year and the  
3 district's maximum compressed rate for the 2022 tax year;

4 (11) subtracting the amount computed under  
5 Subdivision (10) from the amount computed under Subdivision (9);  
6 and

7 (12) adding any tax imposed in the 2022 tax year  
8 attributable to improvements made in the 2021 tax year as provided  
9 by Subsection (b) to the amount computed under Subdivision (11).

10 (a-6) Notwithstanding the other provisions of this section,  
11 if in the 2022 tax year an individual qualifies for a limitation on  
12 tax increases provided by this section on the individual's  
13 residence homestead and the first tax year the individual or the  
14 individual's spouse qualified for an exemption under Section  
15 11.13(c) for the same homestead was the 2019 tax year, the amount of  
16 the limitation provided by this section on the homestead in the 2022  
17 tax year is equal to the amount computed by:

18 (1) multiplying the taxable value of the homestead in  
19 the 2019 tax year by a tax rate equal to the difference between the  
20 school district's maximum compressed rate for the 2019 tax year and  
21 the district's maximum compressed rate for the 2020 tax year;

22 (2) subtracting the amount computed under Subdivision  
23 (1) from the amount of tax the district imposed on the homestead in  
24 the 2019 tax year;

25 (3) adding any tax imposed in the 2020 tax year  
26 attributable to improvements made in the 2019 tax year as provided  
27 by Subsection (b) to the amount computed under Subdivision (2);

1           (4) multiplying the taxable value of the homestead in  
2 the 2020 tax year by a tax rate equal to the difference between the  
3 district's maximum compressed rate for the 2020 tax year and the  
4 district's maximum compressed rate for the 2021 tax year;

5           (5) subtracting the amount computed under Subdivision  
6 (4) from the amount computed under Subdivision (3);

7           (6) adding any tax imposed in the 2021 tax year  
8 attributable to improvements made in the 2020 tax year as provided  
9 by Subsection (b) to the amount computed under Subdivision (5);

10           (7) multiplying the taxable value of the homestead in  
11 the 2021 tax year by a tax rate equal to the difference between the  
12 district's maximum compressed rate for the 2021 tax year and the  
13 district's maximum compressed rate for the 2022 tax year;

14           (8) subtracting the amount computed under Subdivision  
15 (7) from the amount computed under Subdivision (6); and

16           (9) adding any tax imposed in the 2022 tax year  
17 attributable to improvements made in the 2021 tax year as provided  
18 by Subsection (b) to the amount computed under Subdivision (8).

19           (a-7) Notwithstanding the other provisions of this section,  
20 if in the 2022 tax year an individual qualifies for a limitation on  
21 tax increases provided by this section on the individual's  
22 residence homestead and the first tax year the individual or the  
23 individual's spouse qualified for an exemption under Section  
24 11.13(c) for the same homestead was the 2020 tax year, the amount of  
25 the limitation provided by this section on the homestead in the 2022  
26 tax year is equal to the amount computed by:

27           (1) multiplying the taxable value of the homestead in

1 the 2020 tax year by a tax rate equal to the difference between the  
2 school district's maximum compressed rate for the 2020 tax year and  
3 the district's maximum compressed rate for the 2021 tax year;

4 (2) subtracting the amount computed under Subdivision  
5 (1) from the amount of tax the district imposed on the homestead in  
6 the 2020 tax year;

7 (3) adding any tax imposed in the 2021 tax year  
8 attributable to improvements made in the 2020 tax year as provided  
9 by Subsection (b) to the amount computed under Subdivision (2);

10 (4) multiplying the taxable value of the homestead in  
11 the 2021 tax year by a tax rate equal to the difference between the  
12 district's maximum compressed rate for the 2021 tax year and the  
13 district's maximum compressed rate for the 2022 tax year;

14 (5) subtracting the amount computed under Subdivision  
15 (4) from the amount computed under Subdivision (3); and

16 (6) adding any tax imposed in the 2022 tax year  
17 attributable to improvements made in the 2021 tax year as provided  
18 by Subsection (b) to the amount computed under Subdivision (5).

19 (a-8) Notwithstanding the other provisions of this section,  
20 if in the 2022 tax year an individual qualifies for a limitation on  
21 tax increases provided by this section on the individual's  
22 residence homestead and the first tax year the individual or the  
23 individual's spouse qualified for an exemption under Section  
24 11.13(c) for the same homestead was the 2021 tax year, the amount of  
25 the limitation provided by this section on the homestead in the 2022  
26 tax year is equal to the amount computed by:

27 (1) multiplying the taxable value of the homestead in

1 the 2021 tax year by a tax rate equal to the difference between the  
2 school district's maximum compressed rate for the 2021 tax year and  
3 the district's maximum compressed rate for the 2022 tax year;

4 (2) subtracting the amount computed under Subdivision  
5 (1) from the amount of tax the district imposed on the homestead in  
6 the 2021 tax year; and

7 (3) adding any tax imposed in the 2022 tax year  
8 attributable to improvements made in the 2021 tax year as provided  
9 by Subsection (b) to the amount computed under Subdivision (2).

10 (a-9) Notwithstanding the other provisions of this section,  
11 if in the 2023 or a subsequent tax year an individual qualifies for  
12 a limitation on tax increases provided by this section on the  
13 individual's residence homestead, the amount of the limitation  
14 provided by this section on the homestead is equal to the amount  
15 computed by:

16 (1) multiplying the taxable value of the homestead in  
17 the preceding tax year by a tax rate equal to the difference between  
18 the school district's maximum compressed rate for the preceding tax  
19 year and the district's maximum compressed rate for the current tax  
20 year;

21 (2) subtracting the amount computed under Subdivision  
22 (1) from the amount of tax the district imposed on the homestead in  
23 the preceding tax year; and

24 (3) adding any tax imposed in the current tax year  
25 attributable to improvements made in the preceding tax year as  
26 provided by Subsection (b) to the amount computed under Subdivision  
27 (2).

1 SECTION 2. Subchapter F, Chapter 48, Education Code, is  
2 amended by adding Section 48.2542 to read as follows:

3 Sec. 48.2542. ADDITIONAL STATE AID FOR ADJUSTMENT OF  
4 LIMITATION ON TAX INCREASES ON HOMESTEAD OF ELDERLY OR DISABLED.

5 Notwithstanding any other provision of this chapter, if a school  
6 district is not fully compensated through state aid or the  
7 calculation of excess local revenue under this chapter based on the  
8 determination of the district's taxable value of property under  
9 Subchapter M, Chapter 403, Government Code, the district is  
10 entitled to additional state aid in the amount necessary to fully  
11 compensate the district for the amount of ad valorem tax revenue  
12 lost due to a reduction of the amount of the limitation on tax  
13 increases provided by Sections 11.26(a-4), (a-5), (a-6), (a-7),  
14 (a-8), and (a-9), Tax Code, as applicable.

15 SECTION 3. Section 48.2551(d), Education Code, is amended  
16 to read as follows:

17 (d) The agency shall:

18 (1) calculate and make available school districts'  
19 maximum compressed rates, as determined under this section; and

20 (2) post the information described by Section 48.2556  
21 on the agency's Internet website as required by that section.

22 SECTION 4. Subchapter F, Chapter 48, Education Code, is  
23 amended by adding Section 48.2556 to read as follows:

24 Sec. 48.2556. POSTING ON AGENCY WEBSITE OF INFORMATION  
25 RELATED TO REDUCTION OF LIMITATION OF TAX ON HOMESTEADS OF ELDERLY  
26 OR DISABLED. (a) The agency shall post the following information  
27 on the agency's Internet website for purposes of allowing the chief

1 appraiser of each appraisal district and the assessor for each  
2 school district to make the calculations required by Sections  
3 11.26(a-5), (a-6), (a-7), (a-8), and (a-9), Tax Code:

4 (1) each school district's maximum compressed rate, as  
5 determined under Section 48.2551, for each tax year beginning with  
6 the 2019 tax year; and

7 (2) each school district's tier one maintenance and  
8 operations tax rate, as provided by Section 45.0032(a), for the  
9 2018 tax year.

10 (b) The agency shall post each school district's maximum  
11 compressed rate for the current tax year, as determined under  
12 Section 48.2551, promptly after calculating the rate. If, for the  
13 2022 or a subsequent tax year, the agency calculates a preliminary  
14 rate before calculating a final rate, the agency shall post the  
15 preliminary rate, and the chief appraiser of each appraisal  
16 district and the assessor for each school district shall use the  
17 preliminary rate to make the calculations described by Subsection  
18 (a).

19 (c) The agency shall notify the chief appraiser of each  
20 appraisal district and the assessor for each school district when  
21 the agency has complied with Subsection (b). The notice must  
22 include the location on the agency's Internet website at which the  
23 information required by this section to be posted may be found.

24 SECTION 5. Section 403.302, Government Code, is amended by  
25 adding Subsection (j-1) to read as follows:

26 (j-1) In the final certification of the study under  
27 Subsection (j), the comptroller shall separately identify the final



1 taxable value for each school district as adjusted to account for  
2 the reduction of the amount of the limitation on tax increases  
3 provided by Sections 11.26(a-4), (a-5), (a-6), (a-7), (a-8), and  
4 (a-9), Tax Code, as applicable.

5 SECTION 6. This Act applies only to ad valorem taxes imposed  
6 for a tax year beginning on or after the effective date of this Act.

7 SECTION 7. This Act takes effect January 1, 2022, but only  
8 if the constitutional amendment proposed by the 87th Legislature,  
9 1st Called Session, 2021, authorizing the legislature to provide  
10 for the reduction of the amount of a limitation on the total amount  
11 of ad valorem taxes that may be imposed for general elementary and  
12 secondary public school purposes on the residence homestead of a  
13 person who is elderly or disabled to reflect any statutory  
14 reduction from the preceding tax year in the maximum compressed  
15 rate of the maintenance and operations taxes imposed for those  
16 purposes on the homestead is approved by the voters. If that  
17 amendment is not approved by the voters, this Act has no effect.