

By: Kolkhorst

S.B. No. 20

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the reduction of the amount of a limitation on the total
3 amount of ad valorem taxes that may be imposed by a school district
4 on the residence homestead of an individual who is elderly or
5 disabled to reflect any reduction from the preceding tax year in the
6 district's maximum compressed rate.

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

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

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

14 (a-5) Notwithstanding the other provisions of this section,
15 if in the 2022 tax year an individual qualifies for a limitation on
16 tax increases provided by this section on the individual's
17 residence homestead and the first tax year the individual or the
18 individual's spouse qualified for an exemption under Section
19 [11.13](#)(c) for the same homestead was a tax year before the 2019 tax
20 year, the amount of the limitation provided by this section on the
21 homestead in the 2022 tax year is equal to the amount computed by:

22 (1) multiplying the taxable value of the homestead in
23 the 2018 tax year by a tax rate equal to the difference between the
24 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. This Act applies only to ad valorem taxes imposed
2 for a tax year beginning on or after the effective date of this Act.

3 SECTION 3. This Act takes effect January 1, 2022, but only
4 if the constitutional amendment proposed by the 87th Legislature,
5 1st Called Session, 2021, authorizing the legislature to provide
6 for the reduction of the amount of a limitation on the total amount
7 of ad valorem taxes that may be imposed for general elementary and
8 secondary public school purposes on the residence homestead of a
9 person who is elderly or disabled to reflect any statutory
10 reduction from the preceding tax year in the maximum compressed
11 rate of the maintenance and operations taxes imposed for those
12 purposes on the homestead is approved by the voters. If that
13 amendment is not approved by the voters, this Act has no effect.