1   AN ACT

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 and to the protection of school

7   districts against the resulting loss in local revenue.

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

9   SECTION 1.   Section 11.26, Tax Code, is amended by adding

10 Subsections (a-4), (a-5), (a-6), (a-7), (a-8), (a-9), and (a-10) to

11 read as follows:

12   (a-4)   In this section, "maximum compressed rate" means the

13 maximum compressed rate of a school district as calculated under

14 Section 48.2551, Education Code.

15   (a-5)   Notwithstanding the other provisions of this section,

16 if in the 2023 tax year an individual qualifies for a limitation on

17 tax increases provided by this section on the individual's

18 residence homestead and the first tax year the individual or the

19 individual's spouse qualified for an exemption under Section

20 11.13(c) for the same homestead was a tax year before the 2019 tax

21 year, the amount of the limitation provided by this section on the

22 homestead in the 2023 tax year is equal to the amount computed by:

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

24 the 2018 tax year by a tax rate equal to the difference between the

1 school district's tier one maintenance and operations rate for the

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

3 2019 tax year;

4   (2) subtracting the greater of zero or the amount

5 computed under Subdivision (1) from the amount of tax the district

6 imposed on the homestead in the 2018 tax year;

7   (3) adding any tax imposed in the 2019 tax year

8 attributable to improvements made in the 2018 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 2019 tax year by a tax rate equal to the difference between the

12 district's maximum compressed rate for the 2019 tax year and the

13 district's maximum compressed rate for the 2020 tax year;

14   (5) subtracting the amount computed under Subdivision

15 (4) from the amount computed under Subdivision (3);

16   (6) adding any tax imposed in the 2020 tax year

17 attributable to improvements made in the 2019 tax year as provided

18 by Subsection (b) to the amount computed under Subdivision (5);

19   (7) multiplying the taxable value of the homestead in

20 the 2020 tax year by a tax rate equal to the difference between the

21 district's maximum compressed rate for the 2020 tax year and the

22 district's maximum compressed rate for the 2021 tax year;

23   (8) subtracting the amount computed under Subdivision

24 (7) from the amount computed under Subdivision (6);

25   (9) adding any tax imposed in the 2021 tax year

26 attributable to improvements made in the 2020 tax year as provided

27 by Subsection (b) to the amount computed under Subdivision (8);

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

2 the 2021 tax year by a tax rate equal to the difference between the

3 district's maximum compressed rate for the 2021 tax year and the

4 district's maximum compressed rate for the 2022 tax year;

5   (11) subtracting the amount computed under

6 Subdivision (10) from the amount computed under Subdivision (9);

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   (13) multiplying the taxable value of the homestead in

11 the 2022 tax year by a tax rate equal to the difference between the

12 district's maximum compressed rate for the 2022 tax year and the

13 district's maximum compressed rate for the 2023 tax year;

14   (14) subtracting the amount computed under

15 Subdivision (13) from the amount computed under Subdivision (12);

16 and

17   (15) adding any tax imposed in the 2023 tax year

18 attributable to improvements made in the 2022 tax year as provided

19 by Subsection (b) to the amount computed under Subdivision (14).

20   (a-6) Notwithstanding the other provisions of this section,

21 if in the 2023 tax year an individual qualifies for a limitation on

22 tax increases provided by this section on the individual's

23 residence homestead and the first tax year the individual or the

24 individual's spouse qualified for an exemption under Section

25 11.13(c) for the same homestead was the 2019 tax year, the amount of

26 the limitation provided by this section on the homestead in the 2023

27 tax year is equal to the amount computed by:

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

2 the 2019 tax year by a tax rate equal to the difference between the

3 school district's maximum compressed rate for the 2019 tax year and

4 the district's maximum compressed rate for the 2020 tax year;

5   (2) subtracting the amount computed under Subdivision

6 (1) from the amount of tax the district imposed on the homestead in

7 the 2019 tax year;

8   (3) adding any tax imposed in the 2020 tax year

9 attributable to improvements made in the 2019 tax year as provided

10 by Subsection (b) to the amount computed under Subdivision (2);

11   (4) multiplying the taxable value of the homestead in

12 the 2020 tax year by a tax rate equal to the difference between the

13 district's maximum compressed rate for the 2020 tax year and the

14 district's maximum compressed rate for the 2021 tax year;

15   (5) subtracting the amount computed under Subdivision

16 (4) from the amount computed under Subdivision (3);

17   (6) adding any tax imposed in the 2021 tax year

18 attributable to improvements made in the 2020 tax year as provided

19 by Subsection (b) to the amount computed under Subdivision (5);

20   (7) multiplying the taxable value of the homestead in

21 the 2021 tax year by a tax rate equal to the difference between the

22 district's maximum compressed rate for the 2021 tax year and the

23 district's maximum compressed rate for the 2022 tax year;

24   (8) subtracting the amount computed under Subdivision

25 (7) from the amount computed under Subdivision (6);

26   (9) adding any tax imposed in the 2022 tax year

27 attributable to improvements made in the 2021 tax year as provided

by Subsection (b) to the amount computed under Subdivision (8);

(10) multiplying the taxable value of the homestead in the 2022 tax year by a tax rate equal to the difference between the district's maximum compressed rate for the 2022 tax year and the district's maximum compressed rate for the 2023 tax year;

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

(12) adding any tax imposed in the 2023 tax year attributable to improvements made in the 2022 tax year as provided by Subsection (b) to the amount computed under Subdivision (11).

(a-7) Notwithstanding the other provisions of this section, if in the 2023 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 the 2020 tax year, the amount of the limitation provided by this section on the homestead in the 2023 tax year is equal to the amount computed by:

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

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

(3) adding any tax imposed in the 2021 tax year

1 attributable to improvements made in the 2020 tax year as provided

2 by Subsection (b) to the amount computed under Subdivision (2);

3   (4) multiplying the taxable value of the homestead in

4 the 2021 tax year by a tax rate equal to the difference between the

5 district's maximum compressed rate for the 2021 tax year and the

6 district's maximum compressed rate for the 2022 tax year;

7   (5) subtracting the amount computed under Subdivision

8 (4) from the amount computed under Subdivision (3);

9   (6) adding any tax imposed in the 2022 tax year

10 attributable to improvements made in the 2021 tax year as provided

11 by Subsection (b) to the amount computed under Subdivision (5);

12   (7) multiplying the taxable value of the homestead in

13 the 2022 tax year by a tax rate equal to the difference between the

14 district's maximum compressed rate for the 2022 tax year and the

15 district's maximum compressed rate for the 2023 tax year;

16   (8) subtracting the amount computed under Subdivision

17 (7) from the amount computed under Subdivision (6); and

18   (9) adding any tax imposed in the 2023 tax year

19 attributable to improvements made in the 2022 tax year as provided

20 by Subsection (b) to the amount computed under Subdivision (8).

21   (a-8) Notwithstanding the other provisions of this section,

22 if in the 2023 tax year an individual qualifies for a limitation on

23 tax increases provided by this section on the individual's

24 residence homestead and the first tax year the individual or the

25 individual's spouse qualified for an exemption under Section

26 11.13(c) for the same homestead was the 2021 tax year, the amount of

27 the limitation provided by this section on the homestead in the 2023

tax year is equal to the amount computed by:

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

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

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

(4) multiplying the taxable value of the homestead in the 2022 tax year by a tax rate equal to the difference between the school district's maximum compressed rate for the 2022 tax year and the district's maximum compressed rate for the 2023 tax year;

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

(6) adding any tax imposed in the 2023 tax year attributable to improvements made in the 2022 tax year as provided by Subsection (b) to the amount computed under Subdivision (5).

(a-9) Notwithstanding the other provisions of this section, if in the 2023 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 the 2022 tax year, the amount of the limitation provided by this section on the homestead in the 2023

1 tax year is equal to the amount computed by:

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

3 the 2022 tax year by a tax rate equal to the difference between the

4 school district's maximum compressed rate for the 2022 tax year and

5 the district's maximum compressed rate for the 2023 tax year;

6 (2) subtracting the amount computed under Subdivision

7 (1) from the amount of tax the district imposed on the homestead in

8 the 2022 tax year; and

9 (3) adding any tax imposed in the 2023 tax year

10 attributable to improvements made in the 2022 tax year as provided

11 by Subsection (b) to the amount computed under Subdivision (2).

12 (a-10) Notwithstanding the other provisions of this

13 section, if in the 2024 or a subsequent tax year an individual

14 qualifies for a limitation on tax increases provided by this

15 section on the individual's residence homestead, the amount of the

16 limitation provided by this section on the homestead is equal to the

17 amount computed by:

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

19 the preceding tax year by a tax rate equal to the difference between

20 the school district's maximum compressed rate for the preceding tax

21 year and the district's maximum compressed rate for the current tax

22 year;

23 (2) subtracting the amount computed under Subdivision

24 (1) from the amount of tax the district imposed on the homestead in

25 the preceding tax year; and

26 (3) adding any tax imposed in the current tax year

27 attributable to improvements made in the preceding tax year as

1 provided by Subsection (b) to the amount computed under Subdivision

2 (2).

3   SECTION 2. Subchapter F, Chapter 48, Education Code, is

4 amended by adding Section 48.2542 to read as follows:

5   Sec. 48.2542. ADDITIONAL STATE AID FOR ADJUSTMENT OF

6 LIMITATION ON TAX INCREASES ON HOMESTEAD OF ELDERLY OR DISABLED.

7 Notwithstanding any other provision of this chapter, if a school

8 district is not fully compensated through state aid or the

9 calculation of excess local revenue under this chapter based on the

10 determination of the district's taxable value of property under

11 Subchapter M, Chapter 403, Government Code, the district is

12 entitled to additional state aid in the amount necessary to fully

13 compensate the district for the amount of ad valorem tax revenue

14 lost due to a reduction of the amount of the limitation on tax

15 increases provided by Sections 11.26(a-4), (a-5), (a-6), (a-7),

16 (a-8), (a-9), and (a-10), Tax Code, as applicable.

17   SECTION 3. Section 48.2551(d), Education Code, is amended

18 to read as follows:

19   (d) The agency shall:

20   (1) calculate and make available school districts'

21 maximum compressed rates, as determined under this section; and

22   (2) post the information described by Section 48.2556

23 on the agency's Internet website as required by that section.

24   SECTION 4. Subchapter F, Chapter 48, Education Code, is

25 amended by adding Section 48.2556 to read as follows:

26   Sec. 48.2556. POSTING ON AGENCY WEBSITE OF INFORMATION

27 RELATED TO REDUCTION OF LIMITATION OF TAX ON HOMESTEADS OF ELDERLY

1 OR DISABLED. (a) The agency shall post the following information

2 on the agency's Internet website for purposes of allowing the chief

3 appraiser of each appraisal district and the assessor for each

4 school district to make the calculations required by Sections

5 11.26(a-5), (a-6), (a-7), (a-8), (a-9), and (a-10), Tax Code:

6   (1) each school district's maximum compressed rate, as

7 determined under Section 48.2551, for each tax year beginning with

8 the 2019 tax year; and

9   (2) each school district's tier one maintenance and

10 operations tax rate, as provided by Section 45.0032(a), for the

11 2018 tax year.

12   (b) The agency shall post each school district's maximum

13 compressed rate for the current tax year, as determined under

14 Section 48.2551, promptly after calculating the rate. If, for the

15 2023 or a subsequent tax year, the agency calculates a preliminary

16 rate before calculating a final rate, the agency shall post the

17 preliminary rate, and the chief appraiser of each appraisal

18 district and the assessor for each school district shall use the

19 preliminary rate to make the calculations described by Subsection

20 (a).

21   (c) The agency shall notify the chief appraiser of each

22 appraisal district and the assessor for each school district when

23 the agency has complied with Subsection (b).   The notice must

24 include the location on the agency's Internet website at which the

25 information required by this section to be posted may be found.

26   SECTION 5.   Section 403.302, Government Code, is amended by

27 adding Subsection (j-1) to read as follows:

1   (j-1) In the final certification of the study under

2   Subsection (j), the comptroller shall separately identify the final

3   taxable value for each school district as adjusted to account for

4   the reduction of the amount of the limitation on tax increases

5   provided by Sections 11.26(a-4), (a-5), (a-6), (a-7), (a-8), (a-9),

6   and (a-10), Tax Code, as applicable.

7   SECTION 6. This Act applies only to ad valorem taxes imposed

8   for a tax year beginning on or after the effective date of this Act.

9   SECTION 7. This Act takes effect January 1, 2023, but only

10   if the constitutional amendment proposed by the 87th Legislature,

11   2nd Called Session, 2021, authorizing the legislature to provide

12   for the reduction of the amount of a limitation on the total amount

13   of ad valorem taxes that may be imposed for general elementary and

14   secondary public school purposes on the residence homestead of a

15   person who is elderly or disabled to reflect any statutory

16   reduction from the preceding tax year in the maximum compressed

17   rate of the maintenance and operations taxes imposed for those

18   purposes on the homestead is approved by the voters. If that

19   amendment is not approved by the voters, this Act has no effect.

_____   _____
    President of the Senate   Speaker of the House

I hereby certify that S.B. No. 12 passed the Senate on August 9, 2021, by the following vote: Yeas 29, Nays 0; and that the Senate concurred in House amendment on August 29, 2021, by the following vote: Yeas 31, Nays 0.

                                  _____
                                      Secretary of the Senate

I hereby certify that S.B. No. 12 passed the House, with amendment, on August 27, 2021, by the following vote: Yeas 121, Nays 0, one present not voting.

                                  _____
                                      Chief Clerk of the House

Approved:

_____
        Date

_____
        Governor