

By: Bettencourt, Kolthorst

S.B. No. 12

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 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

1 by Subsection (b) to the amount computed under Subdivision (8);
2 (10) multiplying the taxable value of the homestead in
3 the 2022 tax year by a tax rate equal to the difference between the
4 district's maximum compressed rate for the 2022 tax year and the
5 district's maximum compressed rate for the 2023 tax year;
6 (11) subtracting the amount computed under
7 Subdivision (10) from the amount computed under Subdivision (9);
8 and
9 (12) 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 (11).

12 (a-7) Notwithstanding the other provisions of this section,
13 if in the 2023 tax year an individual qualifies for a limitation on
14 tax increases provided by this section on the individual's
15 residence homestead and the first tax year the individual or the
16 individual's spouse qualified for an exemption under Section
17 11.13(c) for the same homestead was the 2020 tax year, the amount of
18 the limitation provided by this section on the homestead in the 2023
19 tax year is equal to the amount computed by:

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

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

27 (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

1 tax year is equal to the amount computed by:

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

9 (3) 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 (2);

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

16 (5) subtracting the amount computed under Subdivision
17 (4) from the amount of tax the district imposed on the homestead in
18 the 2022 tax year; and

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

22 (a-9) Notwithstanding the other provisions of this section,
23 if in the 2023 tax year an individual qualifies for a limitation on
24 tax increases provided by this section on the individual's
25 residence homestead and the first tax year the individual or the
26 individual's spouse qualified for an exemption under Section
27 11.13(c) for the same homestead was the 2022 tax year, the amount of

1 the limitation provided by this section on the homestead in the 2023
2 tax year is equal to the amount computed by:

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

7 (2) subtracting the amount computed under Subdivision
8 (1) from the amount of tax the district imposed on the homestead in
9 the 2022 tax year; and

10 (3) adding any tax imposed in the 2023 tax year
11 attributable to improvements made in the 2022 tax year as provided
12 by Subsection (b) to the amount computed under Subdivision (2).

13 (a-10) Notwithstanding the other provisions of this
14 section, if in the 2024 or a subsequent tax year an individual
15 qualifies for a limitation on tax increases provided by this
16 section on the individual's residence homestead, the amount of the
17 limitation provided by this section on the homestead is equal to the
18 amount computed by:

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

24 (2) subtracting the amount computed under Subdivision
25 (1) from the amount of tax the district imposed on the homestead in
26 the preceding tax year; and

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

1 attributable to improvements made in the preceding tax year as
2 provided by Subsection (b) to the amount computed under Subdivision
3 (2).

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

6 Sec. 48.2542. ADDITIONAL STATE AID FOR ADJUSTMENT OF
7 LIMITATION ON TAX INCREASES ON HOMESTEAD OF ELDERLY OR DISABLED.
8 Notwithstanding any other provision of this chapter, if a school
9 district is not fully compensated through state aid or the
10 calculation of excess local revenue under this chapter based on the
11 determination of the district's taxable value of property under
12 Subchapter M, Chapter 403, Government Code, the district is
13 entitled to additional state aid in the amount necessary to fully
14 compensate the district for the amount of ad valorem tax revenue
15 lost due to a reduction of the amount of the limitation on tax
16 increases provided by Sections 11.26(a-4), (a-5), (a-6), (a-7),
17 (a-8), (a-9), and (a-10), Tax Code, as applicable.

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

20 (d) The agency shall:
21 (1) calculate and make available school districts'
22 maximum compressed rates, as determined under this section; and
23 (2) post the information described by Section 48.2556
24 on the agency's Internet website as required by that section.

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

27 Sec. 48.2556. POSTING ON AGENCY WEBSITE OF INFORMATION

1 RELATED TO REDUCTION OF LIMITATION OF TAX ON HOMESTEADS OF ELDERLY
2 OR DISABLED. (a) The agency shall post the following information
3 on the agency's Internet website for purposes of allowing the chief
4 appraiser of each appraisal district and the assessor for each
5 school district to make the calculations required by Sections
6 11.26(a-5), (a-6), (a-7), (a-8), (a-9), and (a-10), Tax Code:

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

10 (2) each school district's tier one maintenance and
11 operations tax rate, as provided by Section 45.0032(a), for the
12 2018 tax year.

13 (b) The agency shall post each school district's maximum
14 compressed rate for the current tax year, as determined under
15 Section 48.2551, promptly after calculating the rate. If, for the
16 2023 or a subsequent tax year, the agency calculates a preliminary
17 rate before calculating a final rate, the agency shall post the
18 preliminary rate, and the chief appraiser of each appraisal
19 district and the assessor for each school district shall use the
20 preliminary rate to make the calculations described by Subsection
21 (a).

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

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

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

2 (j-1) In the final certification of the study under
3 Subsection (j), the comptroller shall separately identify the final
4 taxable value for each school district as adjusted to account for
5 the reduction of the amount of the limitation on tax increases
6 provided by Sections 11.26(a-4), (a-5), (a-6), (a-7), (a-8), (a-9),
7 and (a-10), Tax Code, as applicable.

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

10 SECTION 7. This Act takes effect January 1, 2023, but only
11 if the constitutional amendment proposed by the 87th Legislature,
12 2nd Called Session, 2021, authorizing the legislature to provide
13 for the reduction of the amount of a limitation on the total amount
14 of ad valorem taxes that may be imposed for general elementary and
15 secondary public school purposes on the residence homestead of a
16 person who is elderly or disabled to reflect any statutory
17 reduction from the preceding tax year in the maximum compressed
18 rate of the maintenance and operations taxes imposed for those
19 purposes on the homestead is approved by the voters. If that
20 amendment is not approved by the voters, this Act has no effect.