

1-1 By: Bettencourt, et al. S.B. No. 12
 1-2 (In the Senate - Filed August 6, 2021; August 7, 2021, read
 1-3 first time and referred to Committee on Local Government;
 1-4 August 7, 2021, reported favorably by the following vote: Yeas 8,
 1-5 Nays 0; August 7, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Menéndez	X			
1-9 Eckhardt	X			
1-10 Gutierrez	X			
1-11 Hall			X	
1-12 Nichols	X			
1-13 Paxton	X			
1-14 Springer	X			
1-15 Zaffirini	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the reduction of the amount of a limitation on the total
 1-20 amount of ad valorem taxes that may be imposed by a school district
 1-21 on the residence homestead of an individual who is elderly or
 1-22 disabled to reflect any reduction from the preceding tax year in the
 1-23 district's maximum compressed rate and to the protection of school
 1-24 districts against the resulting loss in local revenue.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 11.26, Tax Code, is amended by adding
 1-27 Subsections (a-4), (a-5), (a-6), (a-7), (a-8), (a-9), and (a-10) to
 1-28 read as follows:

1-29 (a-4) In this section, "maximum compressed rate" means the
 1-30 maximum compressed rate of a school district as calculated under
 1-31 Section 48.2551, Education Code.

1-32 (a-5) Notwithstanding the other provisions of this section,
 1-33 if in the 2023 tax year an individual qualifies for a limitation on
 1-34 tax increases provided by this section on the individual's
 1-35 residence homestead and the first tax year the individual or the
 1-36 individual's spouse qualified for an exemption under Section
 1-37 11.13(c) for the same homestead was a tax year before the 2019 tax
 1-38 year, the amount of the limitation provided by this section on the
 1-39 homestead in the 2023 tax year is equal to the amount computed by:

1-40 (1) multiplying the taxable value of the homestead in
 1-41 the 2018 tax year by a tax rate equal to the difference between the
 1-42 school district's tier one maintenance and operations rate for the
 1-43 2018 tax year and the district's maximum compressed rate for the
 1-44 2019 tax year;

1-45 (2) subtracting the greater of zero or the amount
 1-46 computed under Subdivision (1) from the amount of tax the district
 1-47 imposed on the homestead in the 2018 tax year;

1-48 (3) adding any tax imposed in the 2019 tax year
 1-49 attributable to improvements made in the 2018 tax year as provided
 1-50 by Subsection (b) to the amount computed under Subdivision (2);

1-51 (4) multiplying the taxable value of the homestead in
 1-52 the 2019 tax year by a tax rate equal to the difference between the
 1-53 district's maximum compressed rate for the 2019 tax year and the
 1-54 district's maximum compressed rate for the 2020 tax year;

1-55 (5) subtracting the amount computed under Subdivision
 1-56 (4) from the amount computed under Subdivision (3);

1-57 (6) adding any tax imposed in the 2020 tax year
 1-58 attributable to improvements made in the 2019 tax year as provided
 1-59 by Subsection (b) to the amount computed under Subdivision (5);

1-60 (7) multiplying the taxable value of the homestead in
 1-61 the 2020 tax year by a tax rate equal to the difference between the

2-1 district's maximum compressed rate for the 2020 tax year and the
 2-2 district's maximum compressed rate for the 2021 tax year;
 2-3 (8) subtracting the amount computed under Subdivision
 2-4 (7) from the amount computed under Subdivision (6);
 2-5 (9) adding any tax imposed in the 2021 tax year
 2-6 attributable to improvements made in the 2020 tax year as provided
 2-7 by Subsection (b) to the amount computed under Subdivision (8);
 2-8 (10) multiplying the taxable value of the homestead in
 2-9 the 2021 tax year by a tax rate equal to the difference between the
 2-10 district's maximum compressed rate for the 2021 tax year and the
 2-11 district's maximum compressed rate for the 2022 tax year;
 2-12 (11) subtracting the amount computed under
 2-13 Subdivision (10) from the amount computed under Subdivision (9);
 2-14 (12) adding any tax imposed in the 2022 tax year
 2-15 attributable to improvements made in the 2021 tax year as provided
 2-16 by Subsection (b) to the amount computed under Subdivision (11);
 2-17 (13) multiplying the taxable value of the homestead in
 2-18 the 2022 tax year by a tax rate equal to the difference between the
 2-19 district's maximum compressed rate for the 2022 tax year and the
 2-20 district's maximum compressed rate for the 2023 tax year;
 2-21 (14) subtracting the amount computed under
 2-22 Subdivision (13) from the amount computed under Subdivision (12);
 2-23 and
 2-24 (15) adding any tax imposed in the 2023 tax year
 2-25 attributable to improvements made in the 2022 tax year as provided
 2-26 by Subsection (b) to the amount computed under Subdivision (14).
 2-27 (a-6) Notwithstanding the other provisions of this section,
 2-28 if in the 2023 tax year an individual qualifies for a limitation on
 2-29 tax increases provided by this section on the individual's
 2-30 residence homestead and the first tax year the individual or the
 2-31 individual's spouse qualified for an exemption under Section
 2-32 11.13(c) for the same homestead was the 2019 tax year, the amount of
 2-33 the limitation provided by this section on the homestead in the 2023
 2-34 tax year is equal to the amount computed by:
 2-35 (1) multiplying the taxable value of the homestead in
 2-36 the 2019 tax year by a tax rate equal to the difference between the
 2-37 school district's maximum compressed rate for the 2019 tax year and
 2-38 the district's maximum compressed rate for the 2020 tax year;
 2-39 (2) subtracting the amount computed under Subdivision
 2-40 (1) from the amount of tax the district imposed on the homestead in
 2-41 the 2019 tax year;
 2-42 (3) adding any tax imposed in the 2020 tax year
 2-43 attributable to improvements made in the 2019 tax year as provided
 2-44 by Subsection (b) to the amount computed under Subdivision (2);
 2-45 (4) multiplying the taxable value of the homestead in
 2-46 the 2020 tax year by a tax rate equal to the difference between the
 2-47 district's maximum compressed rate for the 2020 tax year and the
 2-48 district's maximum compressed rate for the 2021 tax year;
 2-49 (5) subtracting the amount computed under Subdivision
 2-50 (4) from the amount computed under Subdivision (3);
 2-51 (6) adding any tax imposed in the 2021 tax year
 2-52 attributable to improvements made in the 2020 tax year as provided
 2-53 by Subsection (b) to the amount computed under Subdivision (5);
 2-54 (7) multiplying the taxable value of the homestead in
 2-55 the 2021 tax year by a tax rate equal to the difference between the
 2-56 district's maximum compressed rate for the 2021 tax year and the
 2-57 district's maximum compressed rate for the 2022 tax year;
 2-58 (8) subtracting the amount computed under Subdivision
 2-59 (7) from the amount computed under Subdivision (6);
 2-60 (9) adding any tax imposed in the 2022 tax year
 2-61 attributable to improvements made in the 2021 tax year as provided
 2-62 by Subsection (b) to the amount computed under Subdivision (8);
 2-63 (10) multiplying the taxable value of the homestead in
 2-64 the 2022 tax year by a tax rate equal to the difference between the
 2-65 district's maximum compressed rate for the 2022 tax year and the
 2-66 district's maximum compressed rate for the 2023 tax year;
 2-67 (11) subtracting the amount computed under
 2-68 Subdivision (10) from the amount computed under Subdivision (9);
 2-69 and

3-1 (12) adding any tax imposed in the 2023 tax year
 3-2 attributable to improvements made in the 2022 tax year as provided
 3-3 by Subsection (b) to the amount computed under Subdivision (11).
 3-4 (a-7) Notwithstanding the other provisions of this section,
 3-5 if in the 2023 tax year an individual qualifies for a limitation on
 3-6 tax increases provided by this section on the individual's
 3-7 residence homestead and the first tax year the individual or the
 3-8 individual's spouse qualified for an exemption under Section
 3-9 11.13(c) for the same homestead was the 2020 tax year, the amount of
 3-10 the limitation provided by this section on the homestead in the 2023
 3-11 tax year is equal to the amount computed by:
 3-12 (1) multiplying the taxable value of the homestead in
 3-13 the 2020 tax year by a tax rate equal to the difference between the
 3-14 school district's maximum compressed rate for the 2020 tax year and
 3-15 the district's maximum compressed rate for the 2021 tax year;
 3-16 (2) subtracting the amount computed under Subdivision
 3-17 (1) from the amount of tax the district imposed on the homestead in
 3-18 the 2020 tax year;
 3-19 (3) adding any tax imposed in the 2021 tax year
 3-20 attributable to improvements made in the 2020 tax year as provided
 3-21 by Subsection (b) to the amount computed under Subdivision (2);
 3-22 (4) multiplying the taxable value of the homestead in
 3-23 the 2021 tax year by a tax rate equal to the difference between the
 3-24 district's maximum compressed rate for the 2021 tax year and the
 3-25 district's maximum compressed rate for the 2022 tax year;
 3-26 (5) subtracting the amount computed under Subdivision
 3-27 (4) from the amount computed under Subdivision (3);
 3-28 (6) adding any tax imposed in the 2022 tax year
 3-29 attributable to improvements made in the 2021 tax year as provided
 3-30 by Subsection (b) to the amount computed under Subdivision (5);
 3-31 (7) multiplying the taxable value of the homestead in
 3-32 the 2022 tax year by a tax rate equal to the difference between the
 3-33 district's maximum compressed rate for the 2022 tax year and the
 3-34 district's maximum compressed rate for the 2023 tax year;
 3-35 (8) subtracting the amount computed under Subdivision
 3-36 (7) from the amount computed under Subdivision (6); and
 3-37 (9) adding any tax imposed in the 2023 tax year
 3-38 attributable to improvements made in the 2022 tax year as provided
 3-39 by Subsection (b) to the amount computed under Subdivision (8).
 3-40 (a-8) Notwithstanding the other provisions of this section,
 3-41 if in the 2023 tax year an individual qualifies for a limitation on
 3-42 tax increases provided by this section on the individual's
 3-43 residence homestead and the first tax year the individual or the
 3-44 individual's spouse qualified for an exemption under Section
 3-45 11.13(c) for the same homestead was the 2021 tax year, the amount of
 3-46 the limitation provided by this section on the homestead in the 2023
 3-47 tax year is equal to the amount computed by:
 3-48 (1) multiplying the taxable value of the homestead in
 3-49 the 2021 tax year by a tax rate equal to the difference between the
 3-50 school district's maximum compressed rate for the 2021 tax year and
 3-51 the district's maximum compressed rate for the 2022 tax year;
 3-52 (2) subtracting the amount computed under Subdivision
 3-53 (1) from the amount of tax the district imposed on the homestead in
 3-54 the 2021 tax year;
 3-55 (3) adding any tax imposed in the 2022 tax year
 3-56 attributable to improvements made in the 2021 tax year as provided
 3-57 by Subsection (b) to the amount computed under Subdivision (2);
 3-58 (4) multiplying the taxable value of the homestead in
 3-59 the 2022 tax year by a tax rate equal to the difference between the
 3-60 school district's maximum compressed rate for the 2022 tax year and
 3-61 the district's maximum compressed rate for the 2023 tax year;
 3-62 (5) subtracting the amount computed under Subdivision
 3-63 (4) from the amount of tax the district imposed on the homestead in
 3-64 the 2022 tax year; and
 3-65 (6) adding any tax imposed in the 2023 tax year
 3-66 attributable to improvements made in the 2022 tax year as provided
 3-67 by Subsection (b) to the amount computed under Subdivision (5).
 3-68 (a-9) Notwithstanding the other provisions of this section,
 3-69 if in the 2023 tax year an individual qualifies for a limitation on

4-1 tax increases provided by this section on the individual's
 4-2 residence homestead and the first tax year the individual or the
 4-3 individual's spouse qualified for an exemption under Section
 4-4 11.13(c) for the same homestead was the 2022 tax year, the amount of
 4-5 the limitation provided by this section on the homestead in the 2023
 4-6 tax year is equal to the amount computed by:

4-7 (1) multiplying the taxable value of the homestead in
 4-8 the 2022 tax year by a tax rate equal to the difference between the
 4-9 school district's maximum compressed rate for the 2022 tax year and
 4-10 the district's maximum compressed rate for the 2023 tax year;

4-11 (2) subtracting the amount computed under Subdivision
 4-12 (1) from the amount of tax the district imposed on the homestead in
 4-13 the 2022 tax year; and

4-14 (3) adding any tax imposed in the 2023 tax year
 4-15 attributable to improvements made in the 2022 tax year as provided
 4-16 by Subsection (b) to the amount computed under Subdivision (2).

4-17 (a-10) Notwithstanding the other provisions of this
 4-18 section, if in the 2024 or a subsequent tax year an individual
 4-19 qualifies for a limitation on tax increases provided by this
 4-20 section on the individual's residence homestead, the amount of the
 4-21 limitation provided by this section on the homestead is equal to the
 4-22 amount computed by:

4-23 (1) multiplying the taxable value of the homestead in
 4-24 the preceding tax year by a tax rate equal to the difference between
 4-25 the school district's maximum compressed rate for the preceding tax
 4-26 year and the district's maximum compressed rate for the current tax
 4-27 year;

4-28 (2) subtracting the amount computed under Subdivision
 4-29 (1) from the amount of tax the district imposed on the homestead in
 4-30 the preceding tax year; and

4-31 (3) adding any tax imposed in the current tax year
 4-32 attributable to improvements made in the preceding tax year as
 4-33 provided by Subsection (b) to the amount computed under Subdivision
 4-34 (2).

4-35 SECTION 2. Subchapter F, Chapter 48, Education Code, is
 4-36 amended by adding Section 48.2542 to read as follows:

4-37 Sec. 48.2542. ADDITIONAL STATE AID FOR ADJUSTMENT OF
 4-38 LIMITATION ON TAX INCREASES ON HOMESTEAD OF ELDERLY OR DISABLED.
 4-39 Notwithstanding any other provision of this chapter, if a school
 4-40 district is not fully compensated through state aid or the
 4-41 calculation of excess local revenue under this chapter based on the
 4-42 determination of the district's taxable value of property under
 4-43 Subchapter M, Chapter 403, Government Code, the district is
 4-44 entitled to additional state aid in the amount necessary to fully
 4-45 compensate the district for the amount of ad valorem tax revenue
 4-46 lost due to a reduction of the amount of the limitation on tax
 4-47 increases provided by Sections 11.26(a-4), (a-5), (a-6), (a-7),
 4-48 (a-8), (a-9), and (a-10), Tax Code, as applicable.

4-49 SECTION 3. Section 48.2551(d), Education Code, is amended
 4-50 to read as follows:

4-51 (d) The agency shall:

4-52 (1) calculate and make available school districts'
 4-53 maximum compressed rates, as determined under this section; and

4-54 (2) post the information described by Section 48.2556
 4-55 on the agency's Internet website as required by that section.

4-56 SECTION 4. Subchapter F, Chapter 48, Education Code, is
 4-57 amended by adding Section 48.2556 to read as follows:

4-58 Sec. 48.2556. POSTING ON AGENCY WEBSITE OF INFORMATION
 4-59 RELATED TO REDUCTION OF LIMITATION OF TAX ON HOMESTEADS OF ELDERLY
 4-60 OR DISABLED. (a) The agency shall post the following information
 4-61 on the agency's Internet website for purposes of allowing the chief
 4-62 appraiser of each appraisal district and the assessor for each
 4-63 school district to make the calculations required by Sections
 4-64 11.26(a-5), (a-6), (a-7), (a-8), (a-9), and (a-10), Tax Code:

4-65 (1) each school district's maximum compressed rate, as
 4-66 determined under Section 48.2551, for each tax year beginning with
 4-67 the 2019 tax year; and

4-68 (2) each school district's tier one maintenance and
 4-69 operations tax rate, as provided by Section 45.0032(a), for the

5-1 2018 tax year.

5-2 (b) The agency shall post each school district's maximum
5-3 compressed rate for the current tax year, as determined under
5-4 Section 48.2551, promptly after calculating the rate. If, for the
5-5 2023 or a subsequent tax year, the agency calculates a preliminary
5-6 rate before calculating a final rate, the agency shall post the
5-7 preliminary rate, and the chief appraiser of each appraisal
5-8 district and the assessor for each school district shall use the
5-9 preliminary rate to make the calculations described by Subsection
5-10 (a).

5-11 (c) The agency shall notify the chief appraiser of each
5-12 appraisal district and the assessor for each school district when
5-13 the agency has complied with Subsection (b). The notice must
5-14 include the location on the agency's Internet website at which the
5-15 information required by this section to be posted may be found.

5-16 SECTION 5. Section 403.302, Government Code, is amended by
5-17 adding Subsection (j-1) to read as follows:

5-18 (j-1) In the final certification of the study under
5-19 Subsection (j), the comptroller shall separately identify the final
5-20 taxable value for each school district as adjusted to account for
5-21 the reduction of the amount of the limitation on tax increases
5-22 provided by Sections 11.26(a-4), (a-5), (a-6), (a-7), (a-8), (a-9),
5-23 and (a-10), Tax Code, as applicable.

5-24 SECTION 6. This Act applies only to ad valorem taxes imposed
5-25 for a tax year beginning on or after the effective date of this Act.

5-26 SECTION 7. This Act takes effect January 1, 2023, but only
5-27 if the constitutional amendment proposed by the 87th Legislature,
5-28 2nd Called Session, 2021, authorizing the legislature to provide
5-29 for the reduction of the amount of a limitation on the total amount
5-30 of ad valorem taxes that may be imposed for general elementary and
5-31 secondary public school purposes on the residence homestead of a
5-32 person who is elderly or disabled to reflect any statutory
5-33 reduction from the preceding tax year in the maximum compressed
5-34 rate of the maintenance and operations taxes imposed for those
5-35 purposes on the homestead is approved by the voters. If that
5-36 amendment is not approved by the voters, this Act has no effect.

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5-37