

R E S O L U T I O N

1 BE IT RESOLVED by the House of Representatives of the State of
2 Texas, 87th Legislature, 3rd Called Session, 2021, That House Rule
3 13, Section 9(a), be suspended in part as provided by House Rule 13,
4 Section 9(f), to enable the conference committee appointed to
5 resolve the differences on Senate Bill 1 (an increase in the amount
6 of the exemption of residence homesteads from ad valorem taxation
7 by a school district and the protection of school districts against
8 the resulting loss in local revenue) to consider and take action on
9 the following matter:

10 House Rule 13, Section 9(a)(4), is suspended to permit the
11 committee to add text on a matter not included in either the house
12 or senate version of the bill by adding the following new SECTIONS
13 to the bill:

14 SECTION 1. Section 11.13(b), Tax Code, is amended to read as
15 follows:

16 (b) An adult is entitled to exemption from taxation by a
17 school district of \$40,000 [~~\$25,000~~] of the appraised value of the
18 adult's residence homestead, except that only \$5,000 of the
19 exemption applies to an entity operating under former Chapter 17,
20 18, 25, 26, 27, or 28, Education Code, as those chapters existed on
21 May 1, 1995, as permitted by Section 11.301, Education Code.

22 SECTION 2. Section 46.071, Education Code, is amended by
23 amending Subsections (a), (b), and (c) and adding Subsections
24 (a-1), (b-1), and (c-1) to read as follows:

1 (a) Beginning with the 2015-2016 school year and continuing
2 through the 2021-2022 school year, a school district is entitled to
3 additional state aid under this subchapter to the extent that state
4 and local revenue used to service debt eligible under this chapter
5 is less than the state and local revenue that would have been
6 available to the district under this chapter as it existed on
7 September 1, 2015, if the increase in the residence homestead
8 exemption under Section 1-b(c), Article VIII, Texas Constitution,
9 and the additional limitation on tax increases under Section 1-b(d)
10 of that article as proposed by S.J.R. 1, 84th Legislature, Regular
11 Session, 2015, had not occurred.

12 (a-1) Beginning with the 2022-2023 school year, a school
13 district is entitled to additional state aid under this subchapter
14 to the extent that state and local revenue used to service debt
15 eligible under this chapter is less than the state and local revenue
16 that would have been available to the district under this chapter as
17 it existed on September 1, 2021, if any increase in the residence
18 homestead exemption under Section 1-b(c), Article VIII, Texas
19 Constitution, as proposed by the 87th Legislature, 3rd Called
20 Session, 2021, had not occurred.

21 (b) Subject to Subsections (c), (d), and (e) [~~(e)-(e)~~],
22 additional state aid under this section through the 2021-2022
23 school year is equal to the amount by which the loss of local
24 interest and sinking revenue for debt service attributable to the
25 increase in the residence homestead exemption under Section 1-b(c),
26 Article VIII, Texas Constitution, and the additional limitation on
27 tax increases under Section 1-b(d) of that article as proposed by

1 S.J.R. 1, 84th Legislature, Regular Session, 2015, is not offset by
2 a gain in state aid under this chapter.

3 (b-1) Subject to Subsections (c-1), (d), and (e),
4 additional state aid under this section beginning with the
5 2022-2023 school year is equal to the amount by which the loss of
6 local interest and sinking revenue for debt service attributable to
7 any increase in the residence homestead exemption under Section
8 1-b(c), Article VIII, Texas Constitution, as proposed by the 87th
9 Legislature, 3rd Called Session, 2021, is not offset by a gain in
10 state aid under this chapter.

11 (c) For the purpose of determining state aid under
12 Subsections (a) and (b) [~~this section~~], local interest and sinking
13 revenue for debt service is limited to revenue required to service
14 debt eligible under this chapter as of September 1, 2015, including
15 refunding of that debt, subject to Section 46.061. The limitation
16 imposed by Section 46.034(a) does not apply for the purpose of
17 determining state aid under this section.

18 (c-1) For the purpose of determining state aid under
19 Subsections (a-1) and (b-1), local interest and sinking revenue for
20 debt service is limited to revenue required to service debt
21 eligible under this chapter as of September 1, 2021, including
22 refunding of that debt, subject to Section 46.061. The limitation
23 imposed by Section 46.034(a) does not apply for the purpose of
24 determining state aid under this section.

25 SECTION 3. Subchapter F, Chapter 48, Education Code, is
26 amended by adding Section 48.2543 to read as follows:

27 Sec. 48.2543. ADDITIONAL STATE AID FOR HOMESTEAD EXEMPTION.

1 (a) Beginning with the 2022-2023 school year, a school district is
2 entitled to additional state aid to the extent that state and local
3 revenue under this chapter and Chapter 49 is less than the state and
4 local revenue that would have been available to the district under
5 this chapter and Chapter 49 as those chapters existed on September
6 1, 2021, if any increase in the residence homestead exemption under
7 Section 1-b(c), Article VIII, Texas Constitution, as proposed by
8 the 87th Legislature, 3rd Called Session, 2021, had not occurred.

9 (b) The lesser of the school district's currently adopted
10 maintenance and operations tax rate or the adopted maintenance and
11 operations tax rate for the 2021 tax year is used for the purpose of
12 determining additional state aid under Subsection (a).

13 SECTION 4. The comptroller of public accounts may adopt
14 rules for the purpose of implementing and administering the changes
15 in law made by this Act, including rules relating to the form of
16 certain information required to be provided by tax officials and
17 the date on which the information must be provided.

18 SECTION 5. Section 11.13, Tax Code, as amended by this Act,
19 applies beginning with the 2022 tax year.

20 Explanation: The addition is necessary to increase the amount
21 of the exemption of residence homesteads from ad valorem taxation
22 by a school district from \$25,000 to \$40,000, protect school
23 districts against the resulting loss in local revenue, authorize
24 the comptroller of public accounts to adopt rules to implement the
25 change in law made by Senate Bill 1, and provide that the change in
26 law made by Senate Bill 1 to Section 11.13, Tax Code, takes effect
27 beginning with the 2022 tax year.

H.R. No. 299

Meyer

H.R. No. 299

Speaker of the House

I certify that H.R. No. 299 was adopted by the House on October 18, 2021, by the following vote: Yeas 146, Nays 0, 1 present, not voting.

Chief Clerk of the House