

By: Bettencourt, et al.

S.B. No. 1

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a temporary reduction in the maximum compressed tax  
3 rate of a school district and the form of the ballot proposition to  
4 be used in an election to approve a tax rate adopted by a school  
5 district that exceeds the district's voter-approval tax rate;  
6 making an appropriation.

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

8 SECTION 1. Subchapter F, Chapter 48, Education Code, is  
9 amended by adding Section 48.2555 to read as follows:

10 Sec. 48.2555. MAXIMUM COMPRESSED TAX RATE FOR 2022-2023  
11 SCHOOL YEAR. (a) Notwithstanding any other provision of this title  
12 or Chapter 26, Tax Code, for the 2022-2023 school year, the  
13 commissioner shall calculate the value of a school district's  
14 maximum compressed tax rate by determining the district's maximum  
15 compressed rate under Section 48.2551 or 48.2552(b), if applicable,  
16 and reducing the tax rate determined under the applicable section  
17 by the amount by which the commissioner may reduce each district's  
18 maximum compressed tax rate by an equal amount using funds  
19 appropriated for the purpose of reducing each district's maximum  
20 compressed tax rate under this section.

21 (b) If a school district's maximum compressed tax rate as  
22 calculated under Subsection (a) would be less than 90 percent of  
23 another school district's maximum compressed tax rate under  
24 Subsection (a), the district's maximum compressed tax rate is the

1 value at which the district's maximum compressed tax rate would be  
2 equal to 90 percent of the other district's maximum compressed tax  
3 rate.

4 (c) Notwithstanding any other provision of this title or  
5 Chapter 26, Tax Code, for purposes of determining funding for  
6 school districts for the 2022-2023 school year, a reference in any  
7 of the following provisions of law to a school district's maximum  
8 compressed tax rate or maximum compressed rate as determined under  
9 Section 48.2551 means the maximum compressed tax rate determined  
10 for the district under this section:

11 (1) Sections 13.054(f) and (f-1);

12 (2) Section 45.003(d);

13 (3) Section 45.0032(a);

14 (4) Section 48.051(a);

15 (5) Sections 48.2553(a) and (e); and

16 (6) Section 26.08(n), Tax Code.

17 (d) For purposes of Section 30.003(f-1), a reference in that  
18 section to Section 48.2551 includes this section.

19 (e) Notwithstanding any other provision of this title, for  
20 purposes of determining a school district's maximum compressed tax  
21 rate under Section 48.2551 for the 2023-2024 school year, the  
22 commissioner shall exclude the reduction in the district's maximum  
23 compressed tax rate under this section for the preceding school  
24 year from the value of the district's "PYMCR."

25 (f) This section expires September 1, 2024.

26 SECTION 2. Section 45.003, Education Code, is amended by  
27 adding Subsection (d-1) to read as follows:

1        (d-1) For the 2022 tax year, a school district may not adopt  
2 a total tax rate, including the district's maintenance tax rate and  
3 interest and sinking fund tax rate, that exceeds the district's  
4 voter-approval tax rate under Section 26.08(n), Tax Code, for the  
5 2022 tax year. This subsection expires September 1, 2023.

6        SECTION 3. Section 26.08(b), Tax Code, is amended to read as  
7 follows:

8        (b) The governing body shall order that the election be held  
9 in the school district on the next uniform election date prescribed  
10 by Section 41.001, Election Code, that occurs after the date of the  
11 election order and that allows sufficient time to comply with the  
12 requirements of other law. At the election, the ballots shall be  
13 prepared to permit voting for or against the  
14 proposition: "Ratifying the ad valorem tax rate of \_\_\_\_ (insert  
15 adopted tax rate) in (name of school district) for the current year,  
16 a rate that will result in an increase of \_\_\_\_\_ (insert percentage  
17 increase in maintenance and operations tax revenue under the  
18 adopted tax rate as compared to maintenance and operations tax  
19 revenue in the preceding tax year) percent in maintenance and  
20 operations tax revenue for the district for the current year as  
21 compared to the preceding year, which is an additional \$\_\_\_\_  
22 (insert dollar amount of increase in maintenance and operations tax  
23 revenue under the adopted tax rate as compared to maintenance and  
24 operations tax revenue in the preceding tax year). If the adopted  
25 tax rate is not ratified, the (name of school district) may not  
26 adopt a tax rate that exceeds \_\_\_\_\_ (insert the school district's  
27 voter-approval tax rate)."

1 SECTION 4. Section 31.01, Tax Code, is amended by adding  
2 Subsections (d-2) and (d-3) to read as follows:

3 (d-2) The tax bill of a school district for the 2022 tax year  
4 or a separate statement accompanying the tax bill shall state:

5 (1) the difference between the amount of taxes that  
6 would have been imposed on the property by the district if the  
7 amount of the reduction in the district's maximum compressed tax  
8 rate under Section 48.2555, Education Code, were equal to zero and  
9 the amount of taxes actually imposed on the property by the  
10 district; and

11 (2) that any reduction in the tax rate of the district  
12 that results from the reduction of the district's maximum  
13 compressed tax rate under Section 48.2555, Education Code, applies  
14 only to the tax rate of the district for the 2022 tax year.

15 (d-3) The comptroller by rule shall specify the form of the  
16 statements required by Subsection (d-2). This subsection and  
17 Subsection (d-2) expire September 1, 2024.

18 SECTION 5. (a) Not later than June 1, 2022, the comptroller  
19 of public accounts shall prepare and provide to the legislature an  
20 update of the biennial revenue estimate prepared in accordance with  
21 Section 49a, Article III, Texas Constitution, and provided to the  
22 legislature in January 2021. The update must include the difference  
23 between the estimated balance of general revenue-related funds  
24 available for certification at the end of the state fiscal year  
25 ending August 31, 2023, as determined under:

26 (1) the update required under this subsection; and

27 (2) the comptroller's biennial revenue estimate update

1 provided to the legislature in August 2021.

2           (b) In addition to other amounts appropriated to the Texas  
3 Education Agency for the state fiscal year ending August 31, 2023,  
4 an amount equal to the lesser of \$4 billion or the sum of \$2 billion  
5 and 50 percent of the amount, if any, by which the difference  
6 determined under Subsection (a) of this section exceeds \$500  
7 million is appropriated from the general revenue fund to the agency  
8 for the state fiscal year ending August 31, 2023, for use in  
9 providing school district property tax relief by reducing each  
10 school district's maximum compressed tax rate under Section  
11 48.2555, Education Code, as added by this Act.

12           SECTION 6. This Act takes effect on the 91st day after the  
13 last day of the legislative session.