

By: Meyer, Burrows, Bonnen, Thierry, Raymond,  
et al.

H.B. No. 1

A BILL TO BE ENTITLED

AN ACT

relating to a reduction in the maximum compressed tax rate of a school district and additional state aid for certain school districts impacted by compression.

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

SECTION 1. Subchapter F, Chapter 48, Education Code, is amended by adding Sections 48.2555 and 48.283 to read as follows:

Sec. 48.2555. MAXIMUM COMPRESSED TAX RATE FOR 2023-2024 SCHOOL YEAR. (a) Notwithstanding any other provision of this title or Chapter 26, Tax Code, for the 2023-2024 school year, the commissioner shall calculate the value of a school district's maximum compressed tax rate by determining the district's maximum compressed rate under Section 48.2551 or 48.2552(b), if applicable, and reducing the tax rate determined under the applicable section by \$0.162.

(b) If a school district's maximum compressed tax rate as calculated under Subsection (a) would be less than 90 percent of another school district's maximum compressed tax rate under Subsection (a), the district's maximum compressed tax rate is the value at which the district's maximum compressed tax rate would be equal to 90 percent of the other district's maximum compressed tax rate.

(c) Notwithstanding any other provision of this title or Chapter 26, Tax Code, for purposes of determining funding for

1 school districts for the 2023-2024 school year, a reference in any  
2 of the following provisions of law to a school district's maximum  
3 compressed tax rate or maximum compressed rate as determined under  
4 Section 48.2551 means the maximum compressed tax rate determined  
5 for the district under this section:

- 6 (1) Section 13.054(f);
- 7 (2) Section 45.003(d);
- 8 (3) Section 45.0032(a);
- 9 (4) Section 48.051(a);
- 10 (5) Sections 48.2553(a) and (e); and
- 11 (6) Section 26.08(n), Tax Code.

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

14 (e) Notwithstanding any other provision of this title, for  
15 purposes of determining a school district's maximum compressed tax  
16 rate under Section 48.2551 for the 2024-2025 school year, the value  
17 of the district's "PYMCR" is the maximum compressed tax rate  
18 determined for the district under this section for the preceding  
19 school year.

20 (f) This section expires September 1, 2025.

21 Sec. 48.283. ADDITIONAL STATE AID FOR CERTAIN DISTRICTS  
22 IMPACTED BY COMPRESSION. (a) For the 2023-2024 and 2024-2025  
23 school years, a school district that received an adjustment under  
24 Section 48.257(b) for the 2022-2023 school year is entitled to  
25 additional state aid in an amount equal to the difference, if the  
26 difference is greater than zero, between:

- 27 (1) the amount of state and local revenue that would

1 have been available to the district under this chapter and Chapter  
2 49 for the current school year if the district's maximum compressed  
3 tax rate had not been reduced under Section 48.2555, as added by  
4 H.B. 1, Acts of the 88th Legislature, 1st Called Session, 2023; and

5 (2) the amount of state and local revenue available to  
6 the district under this chapter and Chapter 49 for the current  
7 school year.

8 (b) This section expires September 1, 2026.

9 SECTION 2. Section 26.09, Tax Code, is amended by adding  
10 Subsections (a-1) and (a-2) to read as follows:

11 (a-1) The assessor for a school district shall calculate the  
12 amount of tax imposed by the district on property for the 2023 tax  
13 year based on:

14 (1) the tax rate adopted by the governing body of the  
15 district under Section 26.05; and

16 (2) the tax rate described by Subdivision (1), less:

17 (A) \$0.162; or

18 (B) if the district is subject to Section  
19 48.2555(b), Education Code, the amount of the tax reduction  
20 received by the district determined by the commissioner under that  
21 section.

22 (a-2) This subsection and Subsection (a-1) expire December  
23 31, 2024.

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

26 (d-2) This subsection applies only to taxes imposed by a  
27 school district for the 2023 tax year. Notwithstanding the deadline

1 prescribed by Subsection (a), the assessor for a school district  
2 shall mail the district's tax bills by December 15 as provided by  
3 this subsection. If the constitutional amendment proposed by the  
4 88th Legislature, 1st Called Session, 2023, excepting certain  
5 appropriations to pay for school district ad valorem tax relief  
6 from the constitutional limitation on the rate of growth of  
7 appropriations is approved by the voters, the assessor for the  
8 school district shall prepare the tax bill using the amount of tax  
9 computed under Section 26.09(a-1)(2). If the constitutional  
10 amendment is not approved by the voters, the assessor for the school  
11 district shall prepare the tax bill using the amount of tax computed  
12 under Section 26.09(a-1)(1).

13 (d-3) This subsection applies only to a tax bill mailed by  
14 the assessor for a school district that includes only taxes imposed  
15 by taxing units other than the school district. In addition to the  
16 information required under Subsection (c), for the 2023 tax year, a  
17 tax bill or separate statement accompanying the tax bill shall  
18 include a statement in substantially the following form:

19 "School district tax bills will be mailed later than usual  
20 this year, but not later than December 15th, to allow time to  
21 determine whether the constitutional amendment proposed by the 88th  
22 Legislature, 1st Called Session, 2023, excepting certain  
23 appropriations to pay for school district ad valorem tax relief  
24 from the constitutional limitation on the rate of growth of  
25 appropriations is approved by the voters."

26 (d-4) This subsection and Subsections (d-2) and (d-3)  
27 expire December 31, 2024.

1           SECTION 4. (a) Except as provided by Subsection (b) of this  
2 section:

3                   (1) this Act takes effect immediately if it receives a  
4 vote of two-thirds of all the members elected to each house, as  
5 provided by Section 39, Article III, Texas Constitution; and

6                   (2) if this Act does not receive the vote necessary for  
7 immediate effect, this Act takes effect on the 91st day after the  
8 last day of the legislative session.

9           (b) Section 1 of this Act takes effect on the date on which  
10 the constitutional amendment proposed by the 88th Legislature, 1st  
11 Called Session, 2023, excepting certain appropriations to pay for  
12 school district ad valorem tax relief from the constitutional  
13 limitation on the rate of growth of appropriations takes effect. If  
14 that amendment is not approved by the voters, Section 1 of this Act  
15 has no effect.