88S20069 KJE/CJC/TJB-F

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

(1)  Section 13.054(f);

(2)  Section 45.003(d);

(3)  Section 45.0032(a);

(4)  Section 48.051(a);

(5)  Sections 48.2553(a) and (e);

(6)  Section 48.2556; and

(7)  Section 26.08(n), Tax Code.

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

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

(f)  This section expires September 1, 2025.

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

(1)  the amount of state and local revenue that would have been available to the district under this chapter and Chapter 49 for the current school year if the district's maximum compressed tax rate had not been reduced under Section 48.2555, as added by H.B. \_\_\_, Acts of the 88th Legislature, 2nd Called Session, 2023; and

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

(b)  This section expires September 1, 2026.

SECTION 2.  Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.25551 to read as follows:

Sec. 48.25551.  INFORMATION REGARDING MAXIMUM COMPRESSED TAX RATE FOR 2023-2024 SCHOOL YEAR. (a) As soon as practicable after the effective date of H.B. \_\_\_, Acts of the 88th Legislature, 2nd Called Session, 2023, the agency shall:

(1)  calculate and make available each school district's maximum compressed tax rate as determined under Section 48.2555, as added by that Act; and

(2)  make available the information necessary to calculate the amounts provided by Section 26.09(a-1), Tax Code.

(b)  For purposes of Section 48.2556, the maximum compressed tax rates calculated under this section are preliminary rates for the 2023 tax year.

(c)  This section expires September 1, 2024.

SECTION 3.  Section 26.09, Tax Code, is amended by adding Subsections (a-1), (a-2), and (a-3) to read as follows:

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

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

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

(A)  $0.162; or

(B)  if the district is subject to Section 48.2555(b), Education Code, as added by H.B. \_, Acts of the 88th Legislature, 2nd Called Session, 2023, the amount of the tax reduction received by the district determined by the commissioner under that section.

(a-2)  The assessor for a school district shall prepare the district's tax bills for the 2023 tax year based on the amount of tax imposed by the district for that tax year as calculated under Subsection (a-1)(2) of this section and mail the bills as provided by Section 31.01. If the constitutional amendment proposed by the 88th Legislature, 2nd Called Session, 2023, excepting certain appropriations to pay for school district ad valorem tax relief from the constitutional limitation on the rate of growth of appropriations is not approved by the voters, the assessor for the district shall prepare corrected tax bills using the amount of tax computed under Subsection (a-1)(1) and mail the corrected bills as soon as practicable after the election.

(a-3)  This subsection and Subsections (a-1) and (a-2) expire December 31, 2023.

SECTION 4.  Section 26.15, Tax Code, is amended by adding Subsection (h) to read as follows:

(h)  The assessor for a school district shall correct the tax roll for the district for the 2023 tax year as necessary to reflect the results of the election to approve the constitutional amendment proposed by the 88th Legislature, 2nd Called Session, 2023, excepting certain appropriations to pay for school district ad valorem tax relief from the constitutional limitation on the rate of growth of appropriations. This subsection expires December 31, 2023.

SECTION 5.  (a) Except as provided by Subsection (b) of this section:

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

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

(b) Section 1 of this Act takes effect on the date on which the constitutional amendment proposed by the 88th Legislature, 2nd Called Session, 2023, excepting certain appropriations to pay for school district ad valorem tax relief from the constitutional limitation on the rate of growth of appropriations takes effect. If that amendment is not approved by the voters, Section 1 of this Act has no effect.