

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

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);
- 11 (6) Section 48.2556; and
- 12 (7) Section 26.08(n), Tax Code.

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

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

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

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

1 (1) the amount of state and local revenue that would
2 have been available to the district under this chapter and Chapter
3 49 for the current school year if the district's maximum compressed
4 tax rate had not been reduced under Section 48.2555, as added by
5 H.B. ____, Acts of the 88th Legislature, 2nd Called Session, 2023;
6 and

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

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

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

13 Sec. 48.25551. INFORMATION REGARDING MAXIMUM COMPRESSED
14 TAX RATE FOR 2023-2024 SCHOOL YEAR. (a) As soon as practicable
15 after the effective date of H.B. ____, Acts of the 88th Legislature,
16 2nd Called Session, 2023, the agency shall:

17 (1) calculate and make available each school
18 district's maximum compressed tax rate as determined under Section
19 48.2555, as added by that Act; and

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

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

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

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

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

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

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

7 (A) \$0.162; or

8 (B) if the district is subject to Section
9 48.2555(b), Education Code, as added by H.B. __, Acts of the 88th
10 Legislature, 2nd Called Session, 2023, the amount of the tax
11 reduction received by the district determined by the commissioner
12 under that section.

13 (a-2) The assessor for a school district shall prepare the
14 district's tax bills for the 2023 tax year based on the amount of
15 tax imposed by the district for that tax year as calculated under
16 Subsection (a-1)(2) of this section and mail the bills as provided
17 by Section 31.01. If the constitutional amendment proposed by the
18 88th Legislature, 2nd Called Session, 2023, excepting certain
19 appropriations to pay for school district ad valorem tax relief
20 from the constitutional limitation on the rate of growth of
21 appropriations is not approved by the voters, the assessor for the
22 district shall prepare corrected tax bills using the amount of tax
23 computed under Subsection (a-1)(1) and mail the corrected bills as
24 soon as practicable after the election.

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

27 SECTION 4. Section 26.15, Tax Code, is amended by adding

1 Subsection (h) to read as follows:

2 (h) The assessor for a school district shall correct the tax
3 roll for the district for the 2023 tax year as necessary to reflect
4 the results of the election to approve the constitutional amendment
5 proposed by the 88th Legislature, 2nd Called Session, 2023,
6 excepting certain appropriations to pay for school district ad
7 valorem tax relief from the constitutional limitation on the rate
8 of growth of appropriations. This subsection expires December 31,
9 2023.

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

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

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

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