

BILL ANALYSIS

Senate Research Center
88R8871 TJB-D

S.B. 1251
By: Bettencourt
Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties have expressed concerns that some independent school districts (ISD) are not respecting the will of the voters after a taxpayer ratification election (TRE). It has been determined that after a failed TRE, certain school districts adopted a tax rate greater than the voter-approval tax rate. There were situations where an ISD utilized a disaster exemption to adopt a tax rate several pennies higher than the voter-approval rate after the failed TRE.

S.B. 1251 will ensure that if voters reject a TRE, the ISD will only be able to adopt the voter-approval tax rate.

As proposed, S.B. 1251 amends current law relating to the authority of the governing body of a school district to adopt an ad valorem tax rate that exceeds the district's voter-approval tax rate.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 26.042, Tax Code, by adding Subsection (e-1), as follows:

(e-1) Prohibits the governing body of a school district from adopting a tax rate under Subsection (e) (relating to providing that an election, when increased expenditure of money by a school district is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, epidemic, or pandemic, that has impacted the school district and the governor has requested federal disaster assistance for the area in which the school district is located, is not required under a certain section to approve the tax rate adopted by the governing body of the school district for the year following the year in which the disaster occurs) for a tax year in which:

- (1) the governing body previously adopted a tax rate that exceeded the district's voter-approval tax rate;
- (2) an election was held under Section 26.08 (Automatic Election to Approve Tax Rate of School District) for the purpose of determining whether to approve the district's adopted tax rate; and
- (3) the proposition to approve the district's adopted tax rate was not approved by the voters of the district at the election.

SECTION 2. Provides that the change in law made by this Act applies to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2024.