88R9756 LHC-D

By:  Muñoz, Jr. H.B. No. 3120

A BILL TO BE ENTITLED

AN ACT

relating to the calculation of the voter-approval tax rate of certain junior college districts.

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

SECTION 1.  Section 26.012, Tax Code, is amended by adding Subdivision (18-c) and amending Subdivision (19) to read as follows:

(18-c)  "Special junior college district" means a junior college district:

(A)  whose service area boundaries and taxing district boundaries are identical; and

(B)  that is located in at least one county adjacent to an international border.

(19)  "Special taxing unit" means:

(A)  a taxing unit, other than a school district, for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per $100 of taxable value;

(B)  a junior college district, including a special junior college district; or

(C)  a hospital district.

SECTION 2.  Section 26.04(c), Tax Code, is amended to read as follows:

(c)  After the assessor for the taxing unit submits the appraisal roll for the taxing unit to the governing body of the taxing unit as required by Subsection (b), an officer or employee designated by the governing body shall calculate the no-new-revenue tax rate and the voter-approval tax rate for the taxing unit, where:

(1)  "No-new-revenue tax rate" means a rate expressed in dollars per $100 of taxable value calculated according to the following formula:

NO-NEW-REVENUE TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

; and

(2)  "Voter-approval tax rate" means a rate expressed in dollars per $100 of taxable value calculated according to the following applicable formula:

(A)  for a special taxing unit other than a special junior college district:

VOTER-APPROVAL TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE

; [~~or~~]

(B)  for a special taxing unit that is a special junior college district:

VOTER-APPROVAL TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.03) + CURRENT DEBT RATE

; or

(C)  for a taxing unit other than a special taxing unit:

VOTER-APPROVAL TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.035) + (CURRENT DEBT RATE + UNUSED INCREMENT RATE)

SECTION 3.  Section 26.042(a), Tax Code, is amended to read as follows:

(a)  Notwithstanding Sections 26.04 and 26.041, the governing body of a taxing unit other than a school district or a special taxing unit may direct the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit other than a special junior college district if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States and at least one person is granted an exemption under Section 11.35 for property located in the taxing unit. The designated officer or employee shall continue calculating the voter-approval tax rate in the manner provided by this subsection until the earlier of:

(1)  the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or

(2)  the third tax year after the tax year in which the disaster occurred.

SECTION 4.  Section 26.075(b), Tax Code, is amended to read as follows:

(b)  This section applies to a taxing unit only in a tax year in which the taxing unit's:

(1)  de minimis rate exceeds the taxing unit's voter-approval tax rate; and

(2)  adopted tax rate is:

(A)  equal to or lower than the taxing unit's de minimis rate; and

(B)  greater than the greater of the taxing unit's:

(i)  voter-approval tax rate calculated as if the taxing unit were a special taxing unit other than a special junior college district; or

(ii)  voter-approval tax rate.

SECTION 5.  This Act applies only to ad valorem taxes imposed for an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 6.  This Act takes effect January 1, 2024.