A BILL TO BE ENTITLED

1   AN ACT

2 relating to freezing school district maintenance and operations ad

3 valorem taxes.

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

5   SECTION 1. Section 48.2551, Education Code, is amended to

6 read as follows:

7   Sec. 48.2551. MAXIMUM COMPRESSED TAX RATE. (a) In this

8 section:

9   (1) "DPV" is the taxable value of property in the

10 school district, as determined by the agency by rule, using locally

11 determined property values adjusted in accordance with Section

12 403.302(d), Government Code;

13   (2) "E" is the expiration of the exclusion of

14 appraised property value for the preceding tax year that is

15 recognized as taxable property value for the current tax year,

16 which is the sum of the following:

17   (A) property value that is no longer subject to a

18 limitation on appraised value under Chapter 313, Tax Code; and

19   (B) property value under Section 311.013(n), Tax

20 Code, that is no longer excluded from the calculation of "DPV" from

21 the preceding year because of refinancing or renewal after

22 September 1, 2019;

23   (3) "MCR" is the district's maximum compressed rate,

24 which is the tax rate for the current tax year per $100 of valuation

1 of taxable property at which the district must levy a maintenance

2 and operations tax to receive the full amount of the tier one

3 allotment to which the district is entitled under this chapter;

4   (4) "PYDPV" is the district's value of "DPV" for the

5 preceding tax year; and

6   (5) "PYMCR" is the district's value of "MCR" for the

7 preceding tax year.

8   (b) [Except as provided by Subsection (c), a] A district's

9 maximum compressed rate ("MCR") is the lesser of:

10   (1) the rate determined by the following applicable

11 formula:

12   (A) if "DPV" exceeds "PYDPV" by an amount equal

13 to or greater than 2.5 percent:

14   MCR = (1.025((PYDPV+E) X PYMCR))/DPV; or

15   (B) if Paragraph (A) does not apply:

16   MCR = PYMCR; [or]

17   (2) the product of the state compression percentage,

18 as determined under Section 48.255, for the current tax year,

19 multiplied by $1.00; or

20   (3) the rate at which it receives the same maintenance

21 and operations revenue it received the previous year.

22   [(c) Notwithstanding Subsection (b), for a district to

23 which Section 48.2552(b) applies, the district's maximum

24 compressed rate is the value calculated in accordance with Section

25 48.2552(b).]

26   (d) The agency shall:

27   (1) calculate and make available school districts'

1   maximum compressed rates, as determined under this section; and

2   (2)   post the information described by Section 48.2556

3   on the agency's Internet website as required by that section.

4   (d-1)   Local appraisal districts, school districts, and the

5   comptroller shall provide any information necessary to the agency

6   to implement this section.

7   (d-2)   A school district may appeal to the commissioner the

8   district's taxable property value as determined by the agency under

9   this section.   A decision by the commissioner is final and may not

10   be appealed.

11   (e)   It is the intent of the legislature that the state

12   continue to fund public schools at the same or similar level as the

13   state would have if this section had not taken effect.

14   SECTION 3.   Section 48.2552, Education Code, is repealed.

15   SECTION 4.   This Act applies beginning with the state fiscal

16   biennium beginning September 1, 2023.

17   SECTION 5.   This Act takes effect on September 1, 2023.