

By: Springer

S.B. No. 1890

A BILL TO BE ENTITLED

AN ACT

relating to the elimination of school district maintenance and operations ad valorem taxes and the creation of a joint interim committee on the elimination of those taxes.

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

SECTION 1. Chapter 26, Tax Code, is amended by adding Section 26.035 to read as follows:

Sec. 26.035. PROHIBITION ON IMPOSITION OF MAINTENANCE AND OPERATIONS TAX BY SCHOOL DISTRICT; AUTHORIZATION FOR ENRICHMENT TAX. (a) Notwithstanding any other law and except as provided by Subsection (b), beginning January 1, 2024, a school district may not impose a tax for maintenance and operations purposes.

(b) Subsection (a) does not affect the authority of a school district to impose an enrichment tax at a rate not to exceed \$0.17 per \$100 of taxable value of property in the district for the purpose of providing additional revenue to enrich the educational opportunities of students enrolled in the district. The revenue attributable to the tax authorized under this subsection is in addition to any money the district receives from the state.

(c) A reference in this code, the Education Code, or any other law to a school district's authority to impose a maintenance tax or a maintenance and operations tax may not be construed in a manner inconsistent with this section.

SECTION 2. (a) In this section, "committee" means the joint

1 interim committee on the reduction of school district maintenance
2 and operations ad valorem taxes on residence homesteads.

3 (b) The committee is composed of:

- 4 (1) the chair of the senate finance committee;
- 5 (2) the chair of the house ways and means committee;
- 6 (3) the author of this Act;
- 7 (4) the sponsor of this Act; and
- 8 (5) the comptroller or a person designated by the
9 comptroller.

10 (c) The comptroller or the person designated by the
11 comptroller serves as the chair of the committee.

12 (d) The committee shall convene at the call of the chair.

13 (e) The committee has all other powers and duties provided
14 to a special or select committee by the rules of the senate and
15 house of representatives, by Subchapter B, Chapter 301, Government
16 Code, and by policies of the senate and house committees on
17 administration.

18 (g) The committee shall consider and evaluate:

19 (1) the effectiveness of increasing the rate or
20 expanding the application of consumption taxes currently imposed by
21 the state and using the revenue attributable to the increase or
22 expansion to meet the state's constitutional duty to make suitable
23 provision for the support and maintenance of an efficient system of
24 public free schools in the state;

25 (2) the effectiveness of imposing consumption taxes
26 not currently imposed by the state and using the revenue
27 attributable to the imposition of those taxes to meet the state's

1 constitutional duty to make suitable provision for the support and
2 maintenance of an efficient system of public free schools in the
3 state;

4 (3) the ability of state-imposed consumption taxes to
5 adequately respond to annual changes in funding needs that are
6 unique to school districts in the state; and

7 (4) the effects of an increase in consumption taxes on
8 the residents of this state and businesses located in this state.

9 (h) Not later than November 1, 2024, the committee shall
10 provide to the legislature a written report:

11 (1) addressing the feasibility of using consumption
12 taxes for the support and maintenance of an efficient system of
13 public free schools in the state;

14 (2) proposing a comprehensive plan to use revenue
15 attributable to consumption taxes for the support and maintenance
16 of an efficient system of public free schools in the state; and

17 (3) proposing legislation necessary to implement the
18 comprehensive plan described by Subdivision (2) of this subsection.

19 (i) The proposals made in the report under Subsection (h) of
20 this section must allow for the imposition by a school district of
21 an ad valorem tax at a rate not to exceed \$0.17 per \$100 of taxable
22 value of property in the district for the purpose of enriching
23 educational opportunities for students enrolled in the district.

24 (j) The committee is abolished January 1, 2025.

25 SECTION 3. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

S.B. No. 1890

1 Act does not receive the vote necessary for immediate effect, this
2 Act takes effect September 1, 2023.