

BILL ANALYSIS

S.B. 10
By: Bettencourt
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In 2019, the 86th Texas Legislature enacted legislation that reformed the property tax appraisal and rate-setting process, including a reduction in the voter-approval tax rate (VATR) for certain taxing units (previously referred to as the "rollback tax rate"). Additionally, the 86th Texas Legislature enacted legislation that revised public school funding formulas and changed other elements of the public school finance system. The bill sponsor has informed the committee that, since the enactment of this legislation, city councils and county commissioners courts often seek to increase property tax rates in tax years during which the legislature provides school district property tax relief. The bill sponsor has also informed the committee that, over the last few years, municipal and county property tax levies increased at faster rates than school district property tax levies, even though the number of municipal and county entities levying property taxes has not significantly increased. The bill sponsor has further informed the committee that property owners and taxpayers across the state have noticed declines in their school district property tax bills yet continue to raise concerns relating to increases in their municipal and county property tax bills. S.B. 10 seeks to address these issues by reducing the VATR for certain taxing units.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 10 amends the Tax Code to decrease from 1.035 to 1.025 the multiplier used in formulas according to which the voter-approval tax rate for a taxing unit that is not a special taxing unit and is not a municipality or a county with a population of less than 75,000 that is not a special taxing unit is calculated.

S.B. 10 applies only to property taxes imposed for a property tax year that begins on or after the bill's effective date.

EFFECTIVE DATE

January 1, 2026.