

By: Middleton

S.B. No. 479

A BILL TO BE ENTITLED

AN ACT

relating to the school district property value study conducted by the comptroller of public accounts.

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

SECTION 1. Section 403.3011(2), Government Code, is amended to read as follows:

(2) "Eligible school district" means a school district for which the comptroller has determined the following:

(A) in the most recent study, the local value is invalid under Section 403.302(c) and does not exceed the state value for the school district determined in the study;

(B) in the two studies preceding the most recent study, the school district's local value was valid under Section 403.302(c);

(C) in the most recent study, the aggregate local value of all of the categories of property sampled by the comptroller is not less than 80 [~~90~~] percent of the lower limit of the margin of error as determined by the comptroller of the aggregate value as determined by the comptroller of all of the categories of property sampled by the comptroller; and

(D) the appraisal district that appraises property for the school district was in compliance with the scoring requirement of the comptroller's most recent review of the appraisal district conducted under Section 5.102, Tax Code.

1 SECTION 2. Section 403.302(c), Government Code, is amended  
2 to read as follows:

3 (c) If after conducting the study the comptroller  
4 determines that the local value for a school district is valid, the  
5 local value is presumed to represent taxable value for the school  
6 district. In the absence of that presumption, taxable value for a  
7 school district is the state value for the school district  
8 determined by the comptroller under Subsections (a) and (b) unless  
9 the local value exceeds the state value, in which case the taxable  
10 value for the school district is the district's local value. In  
11 determining whether the local value for a school district is valid,  
12 the comptroller shall use a margin of error that does not exceed 10  
13 [~~five~~] percent unless the comptroller determines that the size of  
14 the sample of properties necessary to make the determination makes  
15 the use of such a margin of error not feasible, in which case the  
16 comptroller may use a larger margin of error.

17 SECTION 3. Section 403.302(d), Government Code, as  
18 effective until January 1, 2027, is amended to read as follows:

19 (d) For the purposes of this section, "taxable value" means  
20 the market value of all taxable property less:

21 (1) the total dollar amount of any residence homestead  
22 exemptions lawfully granted under Section 11.13(b) or (c), Tax  
23 Code, in the year that is the subject of the study for each school  
24 district;

25 (2) one-half of the total dollar amount of any  
26 residence homestead exemptions granted under Section 11.13(n), Tax  
27 Code, in the year that is the subject of the study for each school

1 district;

2 (3) the total dollar amount of any exemptions granted  
3 before May 31, 1993, within a reinvestment zone under agreements  
4 authorized by Chapter 312, Tax Code;

5 (4) subject to Subsection (e), the total dollar amount  
6 of any captured appraised value of property that:

7 (A) is within a reinvestment zone created on or  
8 before May 31, 1999, or is proposed to be included within the  
9 boundaries of a reinvestment zone as the boundaries of the zone and  
10 the proposed portion of tax increment paid into the tax increment  
11 fund by a school district are described in a written notification  
12 provided by the municipality or the board of directors of the zone  
13 to the governing bodies of the other taxing units in the manner  
14 provided by former Section 311.003(e), Tax Code, before May 31,  
15 1999, and within the boundaries of the zone as those boundaries  
16 existed on September 1, 1999, including subsequent improvements to  
17 the property regardless of when made;

18 (B) generates taxes paid into a tax increment  
19 fund created under Chapter 311, Tax Code, under a reinvestment zone  
20 financing plan approved under Section 311.011(d), Tax Code, on or  
21 before September 1, 1999; and

22 (C) is eligible for tax increment financing under  
23 Chapter 311, Tax Code;

24 (5) the total dollar amount of any captured appraised  
25 value of property that:

26 (A) is within a reinvestment zone:

27 (i) created on or before December 31, 2008,

1 by a municipality with a population of less than 18,000; and

2 (ii) the project plan for which includes  
3 the alteration, remodeling, repair, or reconstruction of a  
4 structure that is included on the National Register of Historic  
5 Places and requires that a portion of the tax increment of the zone  
6 be used for the improvement or construction of related facilities  
7 or for affordable housing;

8 (B) generates school district taxes that are paid  
9 into a tax increment fund created under Chapter 311, Tax Code; and

10 (C) is eligible for tax increment financing under  
11 Chapter 311, Tax Code;

12 (6) the total dollar amount of any exemptions granted  
13 under Section 11.251 or 11.253, Tax Code;

14 (7) the difference between the comptroller's estimate  
15 of the market value and the productivity value of land that  
16 qualifies for appraisal on the basis of its productive capacity,  
17 except that the productivity value estimated by the comptroller may  
18 not exceed the fair market value of the land;

19 (8) the portion of the appraised value of residence  
20 homesteads of individuals who receive a tax limitation under  
21 Section 11.26, Tax Code, on which school district taxes are not  
22 imposed in the year that is the subject of the study, calculated as  
23 if the residence homesteads were appraised at the full value  
24 required by law;

25 (9) a portion of the market value of property not  
26 otherwise fully taxable by the district at market value because of  
27 action required by statute or the constitution of this state,

1 including Section 23.01(e), Tax Code, but not including [other  
2 than] Section 11.311, Tax Code, that, if the tax rate adopted by the  
3 district is applied to it, produces an amount equal to the  
4 difference between the tax that the district would have imposed on  
5 the property if the property were fully taxable at market value and  
6 the tax that the district is actually authorized to impose on the  
7 property, if this subsection does not otherwise require that  
8 portion to be deducted;

9           (10) the market value of all tangible personal  
10 property, other than manufactured homes, owned by a family or  
11 individual and not held or used for the production of income;

12           (11) the appraised value of property the collection of  
13 delinquent taxes on which is deferred under Section 33.06, Tax  
14 Code;

15           (12) the portion of the appraised value of property  
16 the collection of delinquent taxes on which is deferred under  
17 Section 33.065, Tax Code;

18           (13) the amount by which the market value of property  
19 to which Section 23.23 or 23.231, Tax Code, applies exceeds the  
20 appraised value of that property as calculated under Section 23.23  
21 or 23.231, Tax Code, as applicable; and

22           (14) the total dollar amount of any exemptions granted  
23 under Section 11.35, Tax Code.

24           SECTION 4. Section 403.302(d), Government Code, as  
25 effective January 1, 2027, is amended to read as follows:

26           (d) For the purposes of this section, "taxable value" means  
27 the market value of all taxable property less:

1           (1) the total dollar amount of any residence homestead  
2 exemptions lawfully granted under Section 11.13(b) or (c), Tax  
3 Code, in the year that is the subject of the study for each school  
4 district;

5           (2) one-half of the total dollar amount of any  
6 residence homestead exemptions granted under Section 11.13(n), Tax  
7 Code, in the year that is the subject of the study for each school  
8 district;

9           (3) the total dollar amount of any exemptions granted  
10 before May 31, 1993, within a reinvestment zone under agreements  
11 authorized by Chapter 312, Tax Code;

12           (4) subject to Subsection (e), the total dollar amount  
13 of any captured appraised value of property that:

14           (A) is within a reinvestment zone created on or  
15 before May 31, 1999, or is proposed to be included within the  
16 boundaries of a reinvestment zone as the boundaries of the zone and  
17 the proposed portion of tax increment paid into the tax increment  
18 fund by a school district are described in a written notification  
19 provided by the municipality or the board of directors of the zone  
20 to the governing bodies of the other taxing units in the manner  
21 provided by former Section 311.003(e), Tax Code, before May 31,  
22 1999, and within the boundaries of the zone as those boundaries  
23 existed on September 1, 1999, including subsequent improvements to  
24 the property regardless of when made;

25           (B) generates taxes paid into a tax increment  
26 fund created under Chapter 311, Tax Code, under a reinvestment zone  
27 financing plan approved under Section 311.011(d), Tax Code, on or

1 before September 1, 1999; and

2 (C) is eligible for tax increment financing under  
3 Chapter 311, Tax Code;

4 (5) the total dollar amount of any captured appraised  
5 value of property that:

6 (A) is within a reinvestment zone:

7 (i) created on or before December 31, 2008,  
8 by a municipality with a population of less than 18,000; and

9 (ii) the project plan for which includes  
10 the alteration, remodeling, repair, or reconstruction of a  
11 structure that is included on the National Register of Historic  
12 Places and requires that a portion of the tax increment of the zone  
13 be used for the improvement or construction of related facilities  
14 or for affordable housing;

15 (B) generates school district taxes that are paid  
16 into a tax increment fund created under Chapter 311, Tax Code; and

17 (C) is eligible for tax increment financing under  
18 Chapter 311, Tax Code;

19 (6) the total dollar amount of any exemptions granted  
20 under Section 11.251 or 11.253, Tax Code;

21 (7) the difference between the comptroller's estimate  
22 of the market value and the productivity value of land that  
23 qualifies for appraisal on the basis of its productive capacity,  
24 except that the productivity value estimated by the comptroller may  
25 not exceed the fair market value of the land;

26 (8) the portion of the appraised value of residence  
27 homesteads of individuals who receive a tax limitation under

1 Section 11.26, Tax Code, on which school district taxes are not  
2 imposed in the year that is the subject of the study, calculated as  
3 if the residence homesteads were appraised at the full value  
4 required by law;

5 (9) a portion of the market value of property not  
6 otherwise fully taxable by the district at market value because of  
7 action required by statute or the constitution of this state,  
8 including Section 23.01(e), Tax Code, but not including [other  
9 than] Section 11.311, Tax Code, that, if the tax rate adopted by the  
10 district is applied to it, produces an amount equal to the  
11 difference between the tax that the district would have imposed on  
12 the property if the property were fully taxable at market value and  
13 the tax that the district is actually authorized to impose on the  
14 property, if this subsection does not otherwise require that  
15 portion to be deducted;

16 (10) the market value of all tangible personal  
17 property, other than manufactured homes, owned by a family or  
18 individual and not held or used for the production of income;

19 (11) the appraised value of property the collection of  
20 delinquent taxes on which is deferred under Section 33.06, Tax  
21 Code;

22 (12) the portion of the appraised value of property  
23 the collection of delinquent taxes on which is deferred under  
24 Section 33.065, Tax Code;

25 (13) the amount by which the market value of a  
26 residence homestead to which Section 23.23, Tax Code, applies  
27 exceeds the appraised value of that property as calculated under



1 that section; and

2 (14) the total dollar amount of any exemptions granted  
3 under Section 11.35, Tax Code.

4 SECTION 5. The change in law made by this Act applies only  
5 to the study conducted under Section 403.302, Government Code, for  
6 a tax year that begins on or after January 1, 2026. The study for a  
7 tax year that begins before that date is covered by the law in  
8 effect immediately before the effective date of this Act, and the  
9 prior law is continued in effect for that purpose.

10 SECTION 6. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2025.