

BILL ANALYSIS

Senate Research Center
78R12569 SMH-F

C.S.S.B. 657
By: Brimer
Finance
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Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, the calculation of the tax rate for a taxing entity includes the total appraised value and all taxes imposed for all real property within the jurisdiction of that entity, even property that the entity has agreed to pay into the tax increment fund for a reinvestment zone. The 77th Texas Legislature enacted legislation to exclude "captured appraised value" and the resulting "tax increment" for property in reinvestment zones from tax rate calculations, but the exclusion was limited to counties with a populations of less than 500,000. C.S.S.B. 657 provides that Section 26.03, Tax Code, does not apply to school districts. This bill also provides that the portion of the tax increment of a taxing unit that the unit has agreed to pay into the tax increment fund for a certain reinvestment zone is not excluded from certain taxes imposed or collected if in the same tax rate calculation there is no portion of captured appraised value excluded from the value of property taxable by the unit under Subsection (c) for the same reinvestment zone.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 26.03(b) and (d), Tax Code, as follows:

(b) Provides that this section does not apply to a school district. Deletes existing language relating to this section only applying to a taxing unit, other than a school district, that is located in a county with a population of less than 500,000.

(d) Provides that the portion of the tax increment of a taxing unit that the unit has agreed to pay into the tax increment fund for a reinvestment zone is excluded from the amount of taxes imposed or collected by the unit in any tax rate calculation under this chapter, except that the portion of the tax increment is not excluded if in the same tax rate calculation there is no portion of captured appraised value excluded from the value of property taxable by the unit under Subsection (c) for the same reinvestment zone.

SECTION 2. Effective date: January 1, 2004.

Makes application of this Act prospective.