

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1360
By: Watson
Finance
5/3/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1360 provides more information to property taxpayers about where their tax dollars are going and how they are being spent. Specifically, S.B. 1360 would provide information to taxpayers about their property taxes related to their local school district, which is typically the largest component of the property tax statement. Taxpayers deserve to know how much of their tax bill is being sent to the local school district, how much is being sent to the state for recapture, and how much is being spent on facilities/capital costs.

Because of the complexities of the school finance system, most taxpayers are not aware of how their local property taxes contribute to the total system. These individuals see their local property tax bills increasing, and often assume that this increase results in their local school district receiving those extra dollars. However, in many instances, the increased independent school district property tax dollars do not result in increased funding for the neighborhood school, but instead offsets the state's obligation to fund the public education system. By including this information on the tax bill or related tax estimates, property taxpayers will have a better understanding of how their tax dollars are being used and increase the transparency surrounding the school finance system. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 1360 amends current law relating to the information required to be included in or with a school district ad valorem tax bill.

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 Section 31.01, Tax Code, by adding Subsections (d-2), (d-3), (d-4), (d-5), and (d-6), as follows:

(d-2) Provides that this subsection and Subsection (d-3) apply only to a school district that, for the school year beginning in the current tax year, has entered into an agreement with the commissioner of education (commissioner) to purchase average daily attendance credits as provided by Subchapter D (Purchase of Attendance Credit), Chapter 41 (Equalized Wealth Level), Education Code, in an amount sufficient, in combination with any other actions taken under that chapter, to reduce the school district's wealth per student to a level that is equal to or less than the equalized wealth level as determined by the commissioner under that chapter. Requires the tax bill or the separate statement, in addition to any other information required by this section (Tax Bills), to include a certain statement and sets forth the contents of the statement.

(d-3) Requires the assessor for the school district to compute for the current tax year the amount of taxes imposed by the school district on the property to fund maintenance and operations of the school district and to pay for bonded indebtedness on construction, equipment, or both based on the tax rates adopted by the school district under Sections 26.05(a)(2) (relating to a certain rate needed to fund maintenance and operations expenditures) and (1) (relating to a rate that imposes certain total amounts), respectively,

for the current tax year. Requires the assessor to compute for the current tax year the amount of taxes imposed by the school district on the property that are to be paid to the state by applying a certain formula.

(d-4) Provides that this subsection and Subsection (d-5) apply only to a school district that, for the school year beginning in the current tax year, is entitled to state aid under Chapter 42 (Foundation School Program), Education Code. Requires that the tax bill or the separate statement, in addition to any other information required by this section, include a certain statement and sets forth the contents of the statement.

(d-5) Requires the assessor for the school district to compute for the current tax year:

(1) the amount the school district receives for maintenance and operations and for bonded indebtedness on construction, equipment, or both that is funded by the property taxes on the property based on the tax rates adopted by the school district under Sections 26.05(a)(2) and (1), respectively, for the current tax year;

(2) the amount the school district receives that is funded by the state and that is attributable to the property by applying a certain formula; and

(3) the total amount of revenue the school district receives that is attributable to the property by adding the amounts computed under Subdivisions (1) and (2).

(d-6) Authorizes the assessor for the school district to perform the calculations described by Subsection (d-3) or (d-5), as applicable, to use the information included in the most recent summary of finances report provided to the school district by the Texas Education Agency or to request that the school district provide more accurate information. Requires the school district to provide the requested information to the assessor.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2018.