

## **BILL ANALYSIS**

Senate Research Center  
86R4382 CJC-D

S.B. 1161  
By: Kolkhorst  
Property Tax  
4/6/2019  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, the law requires the comptroller of public accounts of the State of Texas (comptroller) to determine the taxable value of land in each school district that qualifies for appraisal in order to calculate the local government share of public school funding. Subsection 403.302(d), Government Code, requires the comptroller to deduct any tax abatements from that value.

Chapter 313, Tax Code, allows school districts to enter into agreements with businesses to abate any increase in land value for property tax purposes in order to attract businesses. Unfortunately, the proliferation of these agreements has caused several billion dollars worth of property tax dollars that would have otherwise gone to public education to be removed from the rolls, increasing the burden on the state and other districts.

S.B. 1161 would allow the comptroller to only remove one-half of the land value from the property tax rolls subject to a 313 agreement. This will increase local dollars for public education at a time when Texas schools need this revenue the most and many major businesses are advocating for a more educated workforce in this state.

As proposed, S.B. 1161 amends current law relating to the determination of the total taxable value of property in a school district under the property value study conducted by the comptroller of public accounts.

### **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 403.302(d) and (m), Government Code, as follows:

(d) Provides that, for purposes of this section, "taxable value" means the market value of all taxable property less:

(1)–(8) makes no changes to these subdivisions;

(9) specifies that the district referenced in this subdivision is a school district, removes the designation for Paragraphs (A) and (B), and incorporates the existing text of Paragraph (A) into Subdivision (9) and of Paragraph (B) into Subdivision (9-a);

(9-a) the amount equal to one-half of the portion of the market value of property not otherwise fully taxable by the school district at market value because of action taken by the district under Subchapter B (Limitation on Appraised Value of Certain Property Used to Create Jobs) or C (Limitation on Appraised Value of Property in Strategic Investment Area or Certain Rural School Districts), Chapter 313, Tax Code, before the expiration of that subchapter, rather than expiration of the subchapter;

(10)–(13) makes no changes to these subdivisions.

(m) Specifies that Subsection (d)(9-a), rather than Subsection (d)(9), does not apply to property that was the subject of an application under Subchapter B or C, Chapter 313, Tax Code, made after May 1, 2009, that the comptroller of public accounts of the State of Texas recommended should be disapproved.

SECTION 2. Makes application of this Act prospective to January 1, 2020.

SECTION 3. Effective date: September 1, 2019.