

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 30, 2009  
Date


Honorable David Dewhurst  
President of the Senate

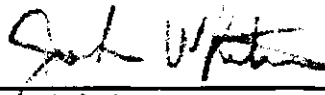
Honorable Joe Straus  
Speaker of the House of Representatives


Sirs:


We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on SB 2274 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

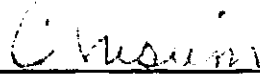
  
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KEL SELIGER

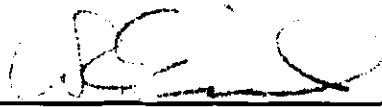
  
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FLORENCE SHAPIRO

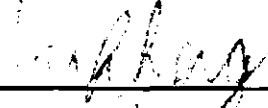
  
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JOHN WHITMORE

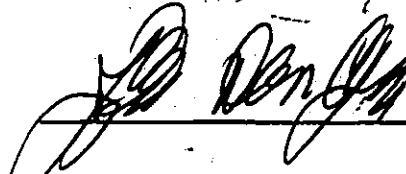
  
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STEVE ODEN

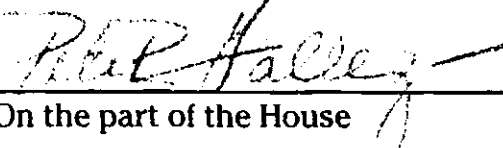
  
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On the part of the Senate  
KIRK WATSON

  
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On the part of the House

**Note to Conference Committee Clerk:**

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

S.B. No. 2274

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a school district to impose ad valorem taxes.

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

SECTION 1. Section 26.08, Tax Code, is amended by adding Subsection (p) to read as follows:

(p) Notwithstanding Subsections (i), (n), and (o), if for the preceding tax year the district adopted a maintenance and operations tax rate that was less than the district's effective maintenance and operations tax rate for that preceding tax year, the rollback tax rate of the district for the current tax year is calculated as if the district adopted a maintenance and operations tax rate for the preceding tax year that was equal to the district's effective maintenance and operations tax rate for that preceding tax year.

SECTION 2. Subsection (a), Section 45.001, Education Code, is amended to read as follows:

(a) The governing board of an independent school district, including the city council or commission that has jurisdiction over a municipally controlled independent school district, the governing board of a rural high school district, and the commissioners court of a county, on behalf of each common school district under its jurisdiction, may:

(1) issue bonds for:

1 (A) the construction, acquisition, and equipment  
2 of school buildings in the district;

3 (B) the acquisition of property or the  
4 refinancing of property financed under a contract entered under  
5 Subchapter A, Chapter 271, Local Government Code, regardless of  
6 whether payment obligations under the contract are due in the  
7 current year or a future year;

8 (C) the purchase of the necessary sites for  
9 school buildings; and

10 (D) the purchase of new school buses; and

11 (2) may levy, pledge, assess, and collect annual ad  
12 valorem taxes sufficient to pay the principal of and interest on the  
13 bonds as or before the principal and interest become due, subject to  
14 Section 45.003.

15 SECTION 3. (a) The change in law made by this Act applies  
16 to the ad valorem tax rate of a school district beginning with the  
17 2009 tax year, except as provided by Subsection (b) of this section.

18 (b) If the governing body of a school district adopted an ad  
19 valorem tax rate for the school district for the 2009 tax year  
20 before the effective date of this Act, the change in law made by  
21 this Act applies to the ad valorem tax rate of that school district  
22 beginning with the 2010 tax year, and the law in effect when the tax  
23 rate was adopted applies to the 2009 tax year with respect to that  
24 school district.

25 SECTION 4. This Act takes effect immediately if it receives  
26 a vote of two-thirds of all the members elected to each house, as  
27 provided by Section 39, Article III, Texas Constitution. If this

S.B. No. 2274

- 1 Act does not receive the vote necessary for immediate effect, this
- 2 Act takes effect September 1, 2009.

**Senate Bill 2274**  
Conference Committee Report  
Section-by-Section Analysis

SENATE VERSION

HOUSE VERSION

CONFERENCE

No equivalent provision.

SECTION 1. Amends Section 26.08, Tax Code, by adding Subsection (p) related to calculating the rollback tax rate of a district.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION \_\_. Amends Section 11.42, Tax Code, Subsection (c) and adds Subsection (c-1) relating to the qualification date for an exemption of taxable property.

SECTION 1. Same as Senate version, except adds provision making the subsection applicable only to a school district that borders another state of the United States, includes within its territory at least 75 percent but not more than 85 percent of the territory of a single county, and has at least 500 but not more than 1,000 students in average daily attendance

SECTION \_\_. Amends Section 26.10, Tax Code, by adding Subsection (c) specifying that the section does not affect a residence homestead exemption other than an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older, and for purposes of Subsection (b)(1)(B) the taxes shall be calculated taking into account any residence homestead exemption applicable to the property other than an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older.

SECTION \_\_. Amends Chapter 26, Tax Code, by adding Section 26.1115. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD GENERALLY.

SECTION \_\_. Amends Section 26.112(a), Tax Code, by adding a provision that requires the amount of the tax due on a property, if the individual acquired the property

Same as Senate version.

SECTION 1. Same as Senate version.

Same as Senate version.

Same as Senate version.

Same as Senate version.

**Senate Bill 2274**  
**Conference Committee Report**  
**Section-by-Section Analysis**

**SENATE VERSION**

**HOUSE VERSION**

**CONFERENCE**

in that tax year, to be calculated as if the person qualified on January 1 for each exemption for which the individual qualifies the property in that tax year under Section 11.13 and continued to qualify for each exemption for the remainder of the tax year.

SECTION 2. Amends Subsection (a), Section 45.001, Education Code, authorizing the governing board of an independent school district, including the city council or commission that has jurisdiction over a municipally controlled independent school district, the governing board of a rural high school district, and the commissioners court of a county, on behalf of each common school district under its jurisdiction, to levy, pledge, assess, and collect annual property taxes sufficient to pay the principal of and interest on the bonds as *or before* the principal and interest become due, subject to Section 45.003.

SECTION 2. Same as Senate version.

SECTION 2. Same as Senate version.

SECTION 2. (a) The change in law made by this Act applies to the ad valorem tax rate of a school district beginning with the 2009 tax year, except as provided by Subsection (b) of this section.

(b) If the governing body of a school district adopted an ad valorem tax rate for the school district for the 2009 tax year before the effective date of this Act, the change in law made by this Act applies to the ad valorem tax rate of that school district beginning with the 2010 tax

SECTION 3. Same as Senate version.

SECTION 3. Same as Senate version.

**Senate Bill 2274**  
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**SENATE VERSION**

year, and the law in effect when the tax rate was adopted applies to the 2009 tax year with respect to that school district.

**SECTION 3. Effective date.**

**HOUSE VERSION**

**SECTION 4. Same as Senate version.**

**CONFERENCE**

**SECTION 4. Same as Senate version.**

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 30, 2009**

**TO:** Honorable David Dewhurst , Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** SB2274 by Seliger (Relating to the authority of a school district to impose ad valorem taxes.), **Conference Committee Report**

**No significant fiscal implication to the State is anticipated.**

This bill would amend Section 26.08, Tax Code, by adding Subsection (p). Under new Subsection (p), if a district's adopted maintenance and operations (M&O) tax rate for the prior year was less than its effective M&O rate for that year, then the district's current-year rollback tax rate would be calculated as if its prior-year adopted M&O rate was equal to its prior-year effective M&O rate.

The bill would alter the calculation of districts' rollback tax rate, but it cannot be determined the extent to which this change may affect district tax rate adoptions. The Texas Education Agency estimates that the statewide impact to the Foundation School Program is not likely to be significant.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated. Certain districts may have additional flexibility under the rollback tax rate provision of the Tax Code.

**Source Agencies:** 304 Comptroller of Public Accounts, 701 Central Education Agency

**LBB Staff:** JOB, MN, JGM