

By: Pitts, Kolchorst, Callegari, et al.

H.B. No. 2

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the allocation of certain revenue from franchise taxes,  
3 motor vehicle sales and use taxes, and taxes on cigarettes and other  
4 tobacco products to provide property tax relief.

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

6 SECTION 1. (a) Subchapter G, Chapter 403, Government Code,  
7 is amended by adding Section 403.109 to read as follows:

8 Sec. 403.109. PROPERTY TAX RELIEF FUND. (a) The property  
9 tax relief fund is a special fund in the state treasury outside the  
10 general revenue fund. Money in the fund may be appropriated only  
11 for a purpose that will result in a reduction of school district  
12 maintenance and operations tax rates to rates that are less than the  
13 rates in effect on January 1, 2006. To the extent to which  
14 maintenance and operations tax rates are reduced using money from  
15 the property tax relief fund, reductions must be carried out so as  
16 not to increase the disparity in revenue yield between districts of  
17 varying property wealth per weighted student.

18 (b) The fund is exempt from the application of Sections  
19 403.095 and 404.071. Interest and income from deposit and  
20 investment of money in the fund must be allocated monthly to the  
21 fund.

22 (c) The comptroller of public accounts must certify that the  
23 deposits made to the credit of the property tax relief fund under  
24 Sections 152.1222, 154.6035, 155.6035, and 171.4011, Tax Code, are

1 sufficient to cover the cost of any property tax rate reduction  
2 authorized by the 79th Legislature, 3rd Called Session, 2006,  
3 before the legislature may appropriate money from the fund for any  
4 other purpose authorized by this section.

5 (b) This section takes effect only if \_.B. No. \_\_\_\_\_, .B.  
6 No. \_\_\_\_\_, or .B. No. \_\_\_\_\_, Acts of the 79th Legislature, 3rd  
7 Called Session, 2006, is enacted and becomes law. If none of those  
8 Acts become law, this section has no effect.

9 SECTION 2. (a) Subchapter I, Chapter 171, Tax Code, is  
10 amended by adding Section 171.4011 to read as follows:

11 Sec. 171.4011. ALLOCATION OF CERTAIN REVENUE TO PROPERTY  
12 TAX RELIEF FUND. (a) Notwithstanding Section 171.401, beginning  
13 with the state fiscal year that begins September 1, 2007, the  
14 comptroller shall, for each state fiscal year, deposit to the  
15 credit of the property tax relief fund under Section 403.109,  
16 Government Code, an amount of revenue calculated by:

17 (1) determining the revenue derived from the tax  
18 imposed by this chapter as it applied during that applicable state  
19 fiscal year; and

20 (2) subtracting the revenue the comptroller estimates  
21 that the tax imposed by this chapter, as it existed on August 31,  
22 2007, would have generated if it had been in effect for that  
23 applicable state fiscal year.

24 (b) If the amount under Subsection (a) is less than zero,  
25 the comptroller shall consider the amount to be zero.

26 (b) Except as provided by Subsection (c) of this section,  
27 this section takes effect September 1, 2007.

1 (c) This section takes effect only if H.B. No. \_\_\_\_\_, Acts  
2 of the 79th Legislature, 3rd Called Session, 2006, is enacted and  
3 becomes law. If that Act does not become law, this section has no  
4 effect.

5 SECTION 3. (a) Subchapter G, Chapter 152, Tax Code, is  
6 amended by adding Section 152.1222 to read as follows:

7 Sec. 152.1222. ALLOCATION OF CERTAIN TAX REVENUE TO  
8 PROPERTY TAX RELIEF FUND. (a) Notwithstanding Section 152.122,  
9 the comptroller shall deposit to the credit of the property tax  
10 relief fund under Section 403.109, Government Code, the amount of  
11 money received under Section 152.121 that is estimated to have been  
12 derived from the computation of the tax imposed by this chapter on  
13 the standard presumptive values of motor vehicles.

14 (b) The comptroller shall determine the amount described by  
15 Subsection (a) using available statistical data. If satisfactory  
16 data are not available, the comptroller may require county tax  
17 assessor-collectors to report additional information to the  
18 comptroller as necessary to make the allocation required by  
19 Subsection (a).

20 (b) Except as provided by Subsection (c) of this section,  
21 this section takes effect October 1, 2006.

22 (c) This section takes effect only if H.B. No. \_\_\_\_\_, Acts  
23 of the 79th Legislature, 3rd Called Session, 2006, is enacted and  
24 becomes law. If that Act does not become law, this section has no  
25 effect.

26 SECTION 4. (a) Subchapter J, Chapter 154, Tax Code, is  
27 amended by adding Section 154.6035 to read as follows:

1       Sec. 154.6035. ALLOCATION OF CERTAIN REVENUE TO PROPERTY  
2 TAX RELIEF FUND. Notwithstanding Section 154.603, all proceeds  
3 from the collection of taxes imposed by this chapter attributable  
4 to the portion of the tax rate in excess of \$20.50 per thousand on  
5 cigarettes, regardless of weight, shall be deposited to the credit  
6 of the property tax relief fund under Section 403.109, Government  
7 Code.

8       (b) Subchapter H, Chapter 155, Tax Code, is amended by  
9 adding Section 155.2415 to read as follows:

10       Sec. 155.2415. ALLOCATION OF CERTAIN REVENUE TO PROPERTY  
11 TAX RELIEF FUND. Notwithstanding Section 155.241, all proceeds  
12 from the collection of taxes imposed by Section 155.0211  
13 attributable to the portion of the tax rate in excess of 35.213  
14 percent of the manufacturer's list price, exclusive of any trade  
15 discount, special discount, or deal, shall be deposited to the  
16 credit of the property tax relief fund under Section 403.109,  
17 Government Code.

18       (c) Except as provided by Subsection (d) of this section,  
19 this section takes effect September 1, 2006.

20       (d) This section takes effect only if H.B. No. \_\_\_\_\_, Acts  
21 of the 79th Legislature, 3rd Called Session, 2006, is enacted and  
22 becomes law. If that Act does not become law, this section has no  
23 effect.

24       SECTION 5. (a) For purposes of providing transparency and  
25 accountability, the comptroller of public accounts shall publish in  
26 the Texas Register no later than December 31 the following  
27 information for the previous fiscal year:

1           (1) the total revenue collected and deposited to the  
2 credit of the property tax relief fund by revenue source;

3           (2) the total cost to cover the property tax relief  
4 authorized by the 79th Legislature, 3rd Called Session, 2006, and  
5 the total amount appropriated to cover the cost by source of  
6 revenue; and

7           (3) the total amount by which the revenue in  
8 Subdivision (1) of this section is less than or greater than the  
9 total cost in Subdivision (2) of this section.

10          (b) The comptroller of public accounts shall include in the  
11 biennial revenue estimate an estimate of the total amount of  
12 revenue to be deposited to the credit of the property tax relief  
13 fund, by source of revenue, and an estimate of the total biennial  
14 cost to the state to cover the property tax rate reduction  
15 authorized by House Bill 1 and any other legislation authorizing  
16 property tax relief enacted by the 79th Legislature, 3rd Called  
17 Session, 2006. The comptroller shall calculate the amount by which  
18 the estimated revenue in the property tax relief fund is less than  
19 or greater than the state cost to cover the property tax relief  
20 authorized by the 79th Legislature, 3rd Called Session, 2006.

21          SECTION 6. To the extent of a conflict between a provision  
22 of this Act and a provision of any other Act of the 79th  
23 Legislature, 3rd Called Session, 2006, the provision of this Act  
24 prevails, regardless of relative dates of enactment.

25          SECTION 7. Except as otherwise provided by this Act, this  
26 Act takes effect September 1, 2006.