

By: Meyer

H.B. No. 1749

A BILL TO BE ENTITLED

AN ACT

relating to a limitation on the amount of school property tax revenue that is subject to recapture under the public school finance system.

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

SECTION 1. Subchapter D, Chapter 49, Education Code, is amended by adding Section 49.1531 to read as follows:

Sec. 49.1531. LIMITATION ON TOTAL COST. (a)

Notwithstanding any other provision of this chapter, a school district that executes an agreement to purchase attendance credit in an amount sufficient to reduce the district's local revenue level to a level that is equal to or less than the level established under Section 48.257:

(1) is entitled to retain maintenance and operations tax revenue sufficient to pay the district's average maintenance and operations costs per student in average daily attendance, as determined under Subsection (b) and adjusted for inflation; and

(2) may not be required to pay a total amount for attendance credit that would reduce the district's retained maintenance and operations tax revenue below the amount described by Subdivision (1).

(b) For purposes of Subsection (a)(1), the commissioner shall determine a school district's average maintenance and operations costs per student in average daily attendance based on

1 the district's maintenance and operations expenditures per student  
2 in average daily attendance for the preceding three school years.  
3 The commissioner shall adjust a district's average costs to reflect  
4 inflation in a manner determined appropriate by the commissioner.

5 (c) A determination by the commissioner under this section  
6 is final and may not be appealed.

7 (d) The commissioner shall adopt rules necessary to  
8 implement this section.

9 SECTION 2. This Act takes effect immediately if it receives  
10 a vote of two-thirds of all the members elected to each house, as  
11 provided by Section 39, Article III, Texas Constitution. If this  
12 Act does not receive the vote necessary for immediate effect, this  
13 Act takes effect September 1, 2023.