

By: Middleton

S.B. No. 1704

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the state compression percentage and a school
3 district's maximum compressed tax rate under the public school
4 finance system.

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

6 SECTION 1. Section 48.255(b), Education Code, is amended to
7 read as follows:

8 (b) The state compression percentage is the lower of:

9 (1) 93 percent, or a lower percentage set by
10 appropriation for a school year;

11 (2) the percentage determined by the following
12 formula:

13
$$SCP = PYCP \times \underline{1.01} [\underline{1.025}] / (1 + ECPV);$$
 or

14 (3) the percentage determined under this section for
15 the preceding school year.

16 SECTION 2. Section 48.2551(b), Education Code, is amended
17 to read as follows:

18 (b) Except as provided by Subsection (c), a district's
19 maximum compressed rate ("MCR") is the lesser of:

20 (1) the rate determined by the following applicable
21 formula:

22 (A) if "DPV" exceeds "PYDPV" by an amount equal
23 to or greater than one [~~2.5~~] percent:

24
$$MCR = (\underline{1.01} [\underline{1.025}] ((PYDPV+E) \times PYMCR)) / DPV; \text{ or}$$

1 (B) if Paragraph (A) does not apply:

2 MCR = PYMCR; or

3 (2) the product of the state compression percentage,
4 as determined under Section 48.255, for the current tax year,
5 multiplied by \$1.00.

6 SECTION 3. Section 48.2552(b), Education Code, is amended
7 to read as follows:

8 (b) If a school district's maximum compressed rate as
9 calculated under Section 48.2551(b) would be less than 60 [~~90~~]
10 percent of another school district's maximum compressed rate, the
11 district's maximum compressed rate is the value at which the
12 district's maximum compressed rate would be equal to 60 [~~90~~]
13 percent of the other district's maximum compressed rate.

14 SECTION 4. This Act takes effect September 1, 2023.