

By: Hinojosa

S.B. No. 435

A BILL TO BE ENTITLED

AN ACT

1
2 relating to an adjustment for certain school districts under the
3 public school finance system for revenue lost due to the use of the
4 state value of the district's taxable value of property determined
5 by the comptroller of public accounts.

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

7 SECTION 1. Subchapter F, Chapter 48, Education Code, is
8 amended by adding Section 48.2711 to read as follows:

9 Sec. 48.2711. ADJUSTMENT FOR LOSS OF REVENUE DUE TO USE OF
10 STATE VALUE. (a) This section applies only to a school district
11 for which the state value for the district's taxable value of
12 property is used under Section 403.302(c), Government Code.

13 (b) For each school district to which this section applies,
14 the agency shall determine whether the district's entitlement under
15 this chapter for a school year is greater if the district's taxable
16 value of property is:

17 (1) the local value; or

18 (2) the state value as determined by the comptroller
19 under Sections 403.302(a) and (b), Government Code.

20 (c) If the agency determines under Subsection (b) that the
21 school district's entitlement is greater for the applicable school
22 year using the local value for the district's taxable value of
23 property, the commissioner shall increase state aid or adjust the
24 limit on local revenue under Section 48.257 for the district for

1 that school year in an amount equal to:

2 (1) for the first school year in which this subsection
3 applies to the district, 75 percent of the difference between the
4 amounts determined under Subsection (b);

5 (2) for the second consecutive school year in which
6 this subsection applies to the district, 50 percent of the
7 difference between the amounts determined under Subsection (b); and

8 (3) for the third consecutive school year in which
9 this subsection applies to the district, 25 percent of the
10 difference between the amounts determined under Subsection (b).

11 (d) A school district may not receive an adjustment under
12 this section for more than three consecutive school years. If a
13 school district receives an adjustment under this section for three
14 consecutive school years, the district is not eligible to receive
15 an adjustment under this section in the subsequent school year but
16 may be again eligible for the adjustment following a school year for
17 which the local value is used for the district's taxable value of
18 property under Section [403.302\(c\)](#), Government Code.

19 SECTION 2. This Act takes effect September 1, 2025.