

By: Seaman

H.B. No. 38

A BILL TO BE ENTITLED

1 AN ACT

2 relating to adjustments for purposes of state aid to the taxable
3 value of property or ad valorem taxes of a school district.

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

5 SECTION 1. Section 42.2531, Education Code, is amended to
6 read as follows:

7 Sec. 42.2531. ADJUSTMENT BY COMMISSIONER. (a) The
8 commissioner shall [~~may~~] make adjustments to amounts due to a
9 school district under this chapter or Chapter 46, or to amounts
10 necessary for a district to comply with the requirements of Chapter
11 41, as provided by this section.

12 (b) A school district that has a [~~major~~] taxpayer [~~, as~~
13 ~~determined by the commissioner,~~] that because of an appeal or other
14 judicial proceeding concerning [~~a protest of~~] the valuation of the
15 taxpayer's property fails to pay all [~~or a portion of the~~] ad
16 valorem taxes due to the district may apply to the commissioner to
17 have the district's taxable value of property or ad valorem tax
18 collections adjusted for purposes of this chapter or Chapter 41 or
19 46. The commissioner shall [~~may~~] make the adjustment [~~only~~] to the
20 extent the commissioner determines that making the adjustment will
21 not:

22 (1) in the fiscal year in which the adjustment is made,
23 cause the amount to which school districts are entitled under this
24 chapter to exceed the amount appropriated for purposes of the

1 Foundation School Program for that year; and

2 (2) if the adjustment is made in the first year of a
3 state fiscal biennium, cause the amount to which school districts
4 are entitled under this chapter for the second year of the biennium
5 to exceed the amount appropriated for purposes of the Foundation
6 School Program for that year.

7 (c) The commissioner shall recover the benefit of any
8 adjustment made under this section by making offsetting adjustments
9 in the school district's taxable value of property or ad valorem tax
10 collections for purposes of this chapter or Chapter 41 or 46 on a
11 final judicial determination of the taxable value of property that
12 was the basis of the [~~original~~] adjustment under Subsection (b) [~~7~~
13 ~~or in the second school year following the year in which the~~
14 ~~adjustment is made, whichever is earlier~~].

15 [~~(d) This section does not require the commissioner to make~~
16 ~~any requested adjustment. A determination by the commissioner~~
17 ~~under this section is final and may not be appealed.~~]

18 SECTION 2. This Act takes effect September 1, 2004.