

By: Hochberg

H.J.R. No. 4

A JOINT RESOLUTION

1 proposing a constitutional amendment to provide for public school  
2 finance, including creation of the Texas education trust and  
3 authorization of an ad valorem tax collected by the state at rates  
4 set by local school districts.

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

6 SECTION 1. Article VII, Texas Constitution, is amended by  
7 adding Section 1A to read as follows:

8 Sec. 1A. (a) The Texas education trust is a fund in the  
9 state treasury. The comptroller of public accounts shall manage  
10 the fund in the manner provided by general law.

11 (b) The fund consists of:

12 (1) the net revenue of ad valorem taxes imposed as  
13 provided by Section 3(e) of this article; and

14 (2) other revenue required to be placed in the fund as  
15 provided by general law.

16 (c) Money in the fund may be used only as provided by general  
17 law for the maintenance and operation of public schools. A general  
18 law enacted to provide for distribution of the fund must ensure that  
19 each school district has equal access to the same revenue per  
20 student at the same tax effort, after acknowledging all legitimate  
21 student and district cost differences.

22 (d) To the extent that there are increases in annual  
23 receipts by the trust from ad valorem taxes imposed as provided by  
24 Section 3(e) of this article, the Legislature must increase the

1 amount provided by general law for the maintenance and operation of  
2 public schools, without offsetting any such increases in the amount  
3 provided from the trust by decreases in funds from other state  
4 sources.

5 SECTION 2. Section 3, Article VII, Texas Constitution, is  
6 amended by amending Subsections (d) and (e) and adding Subsections  
7 (f)-(h) to read as follows:

8 (d) The Legislature may provide for the formation of school  
9 districts by general laws, and all such school districts may  
10 embrace parts of two or more counties.

11 [~~(e)~~] The Legislature by general law may provide [~~shall be~~  
12 ~~authorized to pass laws for the assessment and collection of taxes~~  
13 ~~in all school districts and~~] for the management and control of the  
14 public [~~school or~~] schools of such districts.

15 (e) The Legislature by general law may impose an ad valorem  
16 tax for elementary and secondary public school purposes on all  
17 taxable property in each school district in this state. The  
18 governing body of each school district shall determine, within any  
19 limit prescribed by general law, the rate of the ad valorem tax to  
20 be imposed on taxable property in that district. The net revenue of  
21 the tax must be deposited in the Texas education trust established  
22 under Section 1A of this article.

23 (f) The Legislature may provide for school districts to  
24 impose an additional ad valorem tax on all taxable property in the  
25 district [~~, whether such districts are composed of territory wholly~~  
26 ~~within a county or in parts of two or more counties, and the~~  
27 ~~Legislature may authorize an additional ad valorem tax to be levied~~

1 ~~and collected within all school districts for the further~~  
2 ~~maintenance of public free schools, and]~~ for the erection and  
3 equipment of school buildings. A school district may not impose a  
4 tax under this subsection unless the tax is approved by [therein,  
5 ~~provided that]~~ a majority of the qualified voters of the district  
6 voting at an election [~~to be~~] held for that purpose [~~, shall approve~~  
7 ~~the tax~~].

8 (g) The Legislature may pass laws for the creation of junior  
9 college districts, the management and control of those districts,  
10 and the imposition of ad valorem taxes in those districts. A junior  
11 college district may not impose a tax under this subsection unless  
12 the tax is approved by a majority of the qualified voters of the  
13 district voting at an election held for that purpose. A junior  
14 college district is not a school district for purposes of this  
15 section.

16 (h) An ad valorem tax approved by the voters of a junior  
17 college district under this section before January 1, 2005, is not  
18 affected by the amendment of this section approved by the voters on  
19 November 2, 2004, and the junior college district is not required to  
20 hold a new election to authorize the existing tax. Subsection (g)  
21 of this section is intended to clarify and preserve the existing  
22 authority of a junior college district to impose ad valorem taxes  
23 and is not intended as a grant of new authority to impose taxes.  
24 This subsection expires January 2, 2005.

25 SECTION 3. Section 1(a), Article VIII, Texas Constitution,  
26 is amended to read as follows:

27 (a) Except as provided by Section 3(e), Article VII, of this

1 constitution, taxation [~~Taxation~~] shall be equal and uniform.

2 SECTION 4. Section 1-e, Article VIII, Texas Constitution,  
3 is amended to read as follows:

4 Sec. 1-e. Except as provided by Section 3(e), Article VII,  
5 of this constitution, no [~~No~~] State ad valorem taxes shall be  
6 imposed [~~levied~~] upon any property within this State.

7 SECTION 5. The following temporary provision is added to  
8 the Texas Constitution:

9 TEMPORARY PROVISION. (a) This temporary provision applies  
10 to the constitutional amendment proposed by \_\_\_\_J.R. No. \_\_\_\_, 78th  
11 Legislature, 4th Called Session, 2004, and expires January 2, 2005.

12 (b) The amendments to Article VII of this constitution take  
13 effect January 1, 2005.

14 SECTION 6. This proposed constitutional amendment shall be  
15 submitted to the voters at an election to be held November 2, 2004.  
16 The ballot shall be printed to permit voting for or against the  
17 proposition: "The constitutional amendment to provide for public  
18 school finance, including creating the Texas education trust,  
19 dedicating that trust to the funding of public schools, authorizing  
20 an ad valorem tax at a rate set within each school district, to be  
21 determined by the governing body of the district, requiring that  
22 the net proceeds of the ad valorem tax be deposited in the trust,  
23 providing for money in the trust to be distributed equitably among  
24 school districts without reducing funds from other state sources as  
25 money in the trust increases, and clarifying that the amendment  
26 does not affect the existing authority of junior college districts  
27 to impose ad valorem taxes."