

Amend CSHB 5 by inserting the following before Section 5 and renumbering accordingly:

SECTION 5. Section 46.033, Education Code, is amended to read as follows:

Sec. 46.033. ELIGIBLE BONDS. Bonds, including bonds issued under Section 45.006, are eligible to be paid with state and local funds under this subchapter if:

(1) the district made payments on the bonds during the 2002-2003 [~~2000-2001~~] school year or taxes levied to pay the principal of and interest on the bonds were included in the district's audited debt service collections for that school year; and

(2) the district does not receive state assistance under Subchapter A for payment of the principal and interest on the bonds.

SECTION 6. Section 46.034(c), Education Code, is amended to read as follows:

(c) If the amount required to pay the principal of and interest on eligible bonds in a school year is less than the amount of payments made by the district on the bonds during the 2002-2003 [~~2000-2001~~] school year or the district's audited debt service collections for that school year, the district may not receive aid in excess of the amount that, when added to the district's local revenue for the school year, equals the amount required to pay the principal of and interest on the bonds.

SECTION 7. Sections 46.034(d) and (e), Education Code, are added as follows:

(d) Notwithstanding any other provision of this chapter, if the appropriation to support newly eligible bonds for the 2003-2004 school year and the 2004-2005 school year is not sufficient to provide the state aid that school districts are entitled to under Section 46.032, Education Code, the commissioner is directed to reduce the \$35 guaranteed level of state and local support per student per cent of tax effort for newly eligible debt only to the level necessary to fund the sum of the allotments within the appropriated amount. The guaranteed level for eligible debt through the 2000-2001 school year is not affected by this

adjustment. The commissioner shall make this determination as soon as practicable, prior to the beginning of the school year. The decision of the commissioner is final and may not be appealed.

(e) Section 46.034(d), Education Code, expires effective September 1, 2005.