

## **BILL ANALYSIS**

H.B. 2826

By: Eissler

Local Government Ways and Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Legislature is authorized by Article VII, Section 3 of the Texas Constitution to enact laws providing authority for school districts to levy an ad valorem tax for maintenance and operations purposes and a separate tax for the payment of school district bonds. The maintenance tax has generally been limited by various acts of the Legislature to \$1.50 per \$100 of assessed valuation. The debt service tax is generally unlimited as to rate, but under current provisions of Chapter 45 of the Education Code the levy of the debt service tax must be voted specifically to support a particular bond issue for a specified project or projects. House Bill 2826 would, pursuant to the authority of Article VII, Section 3 of the Texas Constitution, give school districts the authority to seek voter approval for the levy of a continuing, limited tax of up to \$0.10 per \$100 of assessed valuation. If approved by the voters of a district, the tax could only be levied to support bonds issued for school construction, renovation, equipment and land acquisition, or to refund debt obligations issued or incurred for these purposes (which are the authorized purposes for which school districts may issue unlimited tax-supported bonds). The distinguishing aspect of the limited tax authorized by House Bill 2826 is that it would be continuous. That is, if the district were to retire debt supported by the tax, the district could issue additional debt supported by the limited tax without seeking additional voter authorization. This limited tax would provide some flexibility to school districts to fund projects, much in the way that municipalities and counties are authorized to issue various types of debt obligations under the Constitution and existing enabling legislation, without seeking voter approval in each instance of debt issuance.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. House Bill 2826 adds a new Section 45.0013 to the Education Code to authorize the board of trustees of a school district to call an election to seek voter approval to levy a continuing, limited ad valorem tax for the purpose of paying debt service on bonds issued for a project authorized by Section 45.001 Education Code. The ability of a school district to seek such authorization does not restrict the right of the board of trustees to seek voter approval for the issuance of bonds under existing Section 45.003(b) Education Code.

SECTION 2. The Bill amends Section 45.001, Education Code, by adding subsection (b-1). The new subsection sets forth the specific language to be printed on the ballot for an election called in accordance with Section 45.0013 Education Code. In particular, the new subsection (b-1) requires the board of trustees to specify a tax rate, which may not exceed \$.10 per \$100 of assessed valuation, in the ballot language.

SECTION 3. The Bill provides that an election held under Section 45.0013, Education Code, must be held on a uniform election date, provided that one such election in each biennium may be held on a non-uniform election date, as is the case for other bond elections and elections pertaining to the maintenance tax authority of school districts.

**EFFECTIVE DATE**

On passage, or if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.