

By: Grusendorf, Marchant, Hill, Wilson,
Heflin, et al.

H.B. No. 604

Substitute the following for H.B. No. 604:

By: Madden

C.S.H.B. No. 604

A BILL TO BE ENTITLED

AN ACT

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relating to public school finance.

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

SECTION 1. Chapters 41, 42, 45, and 46, Education Code, are repealed.

SECTION 2. (a) Except as otherwise provided by this section, an independent school district may not adopt a tax rate for the 2005 tax year. Notwithstanding the repeal by this Act of Chapter 45, Education Code, an independent school district may, after September 1, 2005, collect and use delinquent ad valorem taxes imposed for the 2004 or an earlier tax year.

(b) The repeal by this Act of Chapters 42, 45, and 46, Education Code, does not impair any obligation created by the issuance of bonds, notes, lease-purchase agreements, or other evidences of indebtedness issued before September 1, 2005, in accordance with prior law, and all such evidences of indebtedness validly issued before that date remain valid, enforceable, and binding according to their terms and shall be paid from the sources pledged.

(c) Notwithstanding the repeal by this Act of Chapters 42, 45, and 46, Education Code, a school district may levy and collect ad valorem taxes, rentals, rates, and charges to the extent necessary to pay the principal and interest of bonds, notes, lease-purchase agreements, or other evidences of indebtedness

1 described by Subsection (b) of this section and may receive state
2 assistance with such payments to the extent the district would have
3 been entitled to receive the assistance under Chapter 42 or 46,
4 Education Code, as those chapters existed before repeal by this
5 Act, and the former law is continued in effect for that purpose.
6 The commissioner of education may adopt rules to implement this
7 section.

8 (d) Before September 1, 2005, the attorney general may not
9 refuse to approve the issuance by a school district of a public
10 security, as defined by Section 1202.001, Government Code, on the
11 basis that the district's authority to levy ad valorem taxes or
12 impose rentals, rates, and charges is repealed effective September
13 1, 2005.

14 SECTION 3. This Act takes effect September 1, 2005.