

By: Gallego

H.B. No. 1569

A BILL TO BE ENTITLED

AN ACT

relating to the composition of the permanent school fund and the available school fund and to transfers from the permanent school fund to the available school fund.

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

SECTION 1. Sections 43.001(a) and (b), Education Code, are amended to read as follows:

(a) Except as provided by Subsection (b), the ~~[The]~~ permanent school fund, which is a perpetual endowment for the public schools of this state, consists of:

(1) all land appropriated for the public schools by the constitution and laws of this state;

(2) all of the unappropriated public domain remaining in this state, including all land recovered by the state by suit or otherwise except pine forest land as defined by Section 88.111;

(3) all proceeds from the authorized sale of permanent school fund land;

(4) all proceeds from the lawful sale of any other properties belonging to the permanent school fund;

(5) all investments authorized by Section 43.003 of properties belonging to the permanent school fund; and

(6) all income from the mineral development of permanent school fund land, including income from mineral development of riverbeds and other submerged land.

(b) The available school fund, which shall be apportioned annually to each county according to its scholastic population, consists of:

(1) the distributions to the fund from the permanent school fund as provided by Section 5(a), Article VII, Texas Constitution ~~[interest and dividends arising from any securities or funds belonging to the permanent school fund]~~;

(2) ~~[all interest derivable from the proceeds of the sale of land set apart for the permanent school fund,~~

~~[(3) all money derived from the lease of land belonging to the permanent school fund,~~

~~[(4)]~~ one-fourth of all revenue derived from all state occupation taxes, exclusive of delinquencies and cost of collection;

(3) ~~[(5)]~~ one-fourth of revenue derived from state gasoline and special fuels excise taxes as provided by law; and

(4) ~~[(6)]~~ all other appropriations to the available school fund made by the legislature for public school purposes.

SECTION 2. Section 43.002, Education Code, is amended to read as follows:

Sec. 43.002. TRANSFERS FROM PERMANENT SCHOOL FUND AND GENERAL REVENUE FUND TO AVAILABLE SCHOOL FUND. (a) On the first working day of each month in a state fiscal year, the comptroller shall transfer from the permanent school fund to the available school fund an amount equal to one-twelfth of the annual distribution from the permanent school fund to the available school fund as determined by the comptroller under Section 5(a), Article

1 VII, Texas Constitution, for the fiscal year.

2       **(b)** Of the amounts available for transfer from the general  
3 revenue fund to the available school fund for the months of January  
4 and February of each fiscal year, no more than the amount necessary  
5 to enable the comptroller to distribute from the available school  
6 fund an amount equal to 9-1/2 percent of the estimated annual  
7 available school fund apportionment to category 1 school districts,  
8 as defined by Section 42.259, and 3-1/2 percent of the estimated  
9 annual available school fund apportionment to category 2 school  
10 districts, as defined by Section 42.259, may be transferred from  
11 the general revenue fund to the available school fund. Any  
12 remaining amount that would otherwise be available for transfer for  
13 the months of January and February shall be transferred from the  
14 general revenue fund to the available school fund in equal amounts  
15 in June and in August of the same fiscal year.

16       SECTION 3. Section 43.008, Education Code, is repealed.

17       SECTION 4. This Act takes effect September 1, 2004, but  
18 only if the constitutional amendment proposed by the 78th  
19 Legislature, Regular Session, 2003, relating to the use of income  
20 and appreciation of the permanent school fund, is approved by the  
21 voters. If the proposed constitutional amendment is not approved  
22 by the voters, this Act has no effect.