

1-1 By: Howard (Senate Sponsor - Ellis) H.B. No. 2964
1-2 (In the Senate - Received from the House May 5, 2003;
1-3 May 7, 2003, read first time and referred to Committee on
1-4 Education; May 26, 2003, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 6, Nays 0, 2
1-6 present not voting; May 26, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2964 By: Janek

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the operation of municipal school districts and the
1-11 levy of municipal school district taxes.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter G, Chapter 11, Education Code, is
1-14 amended by adding Section 11.303 to read as follows:

1-15 Sec. 11.303. MUNICIPAL SCHOOL DISTRICTS. (a) Except as
1-16 otherwise provided by this section, a school district operating
1-17 under former Chapter 24 may continue to operate under that chapter
1-18 as it existed on May 1, 1995, and under state law generally
1-19 applicable to school districts that does not conflict with that
1-20 chapter.

1-21 (b) The governing body of the municipality may participate
1-22 in annual hearings or work sessions held by the board of trustees of
1-23 the municipal school district on the budget and ad valorem tax rate
1-24 for the coming year.

1-25 (c) The board of trustees of a municipal school district and
1-26 the governing body of the municipality shall jointly hold any
1-27 hearing required by law as a condition for the adoption of an annual
1-28 budget and imposition of an ad valorem tax.

1-29 (d) Neither an annual budget for a municipal school district
1-30 nor an ad valorem tax to be imposed for the district may be adopted
1-31 without the affirmative vote of:

1-32 (1) a majority of the members of the board of trustees
1-33 of the municipal school district present and voting; and

1-34 (2) at least three-quarters of the total of the voting
1-35 members of the board of trustees and the governing body of the
1-36 municipality that are present and voting.

1-37 (e) If a quorum of the members of the governing body of the
1-38 municipality is not present at a meeting required under Subsection
1-39 (c), the board of trustees may adopt a budget or an ad valorem tax
1-40 rate without regard to the requirements of Subsection (d).

1-41 (f) Notwithstanding former Section 24.06(c), as it existed
1-42 on May 1, 1995, the governing body of the municipality shall adopt
1-43 an ordinance providing for the levy and assessment of the tax
1-44 approved pursuant to Subsections (d) or (e).

1-45 (g) After adopting an ordinance levying a tax for the
1-46 municipal school district, the governing body of the municipality
1-47 shall provide a certified copy of the ordinance to the district's
1-48 board of trustees.

1-49 (h) This section may not be construed as authorizing the
1-50 governing body of a municipality to levy a tax for the support of
1-51 schools of a municipal school district without fully complying with
1-52 all applicable provisions of the Tax Code.

1-53 SECTION 2. Section 11.301, Education Code, is amended to
1-54 read as follows:

1-55 Sec. 11.301. APPLICATION OF FORMER LAW. (a) A school
1-56 district or county system operating under former Chapter 17, 18,
1-57 22, [24,] 25, 26, 27, or 28 on May 1, 1995, may continue to operate
1-58 under the applicable chapter as that chapter existed on that date
1-59 and under state law generally applicable to school districts that
1-60 does not conflict with that chapter.

1-61 (b) A school district operating under former Chapter 22 may
1-62 incorporate and become an independent school district in the manner
1-63 provided by former Subchapter F, Chapter 19, as that subchapter

2-1 existed on May 1, 1995. [~~A school district operating under former~~
2-2 ~~Chapter 24 may be separated from municipal control and become an~~
2-3 ~~independent school district in the manner provided by former~~
2-4 ~~Subchapter E, Chapter 19, as that subchapter existed on May 1,~~
2-5 ~~1995.]~~

2-6 SECTION 3. Not later than September 15, 2003, the
2-7 comptroller shall begin a performance review under Section 403.020,
2-8 Government Code, of each municipal school district in this state.
2-9 The comptroller shall complete the review and prepare a report
2-10 showing the results of the review not later than February 1, 2004.

2-11 SECTION 4. This Act takes effect September 1, 2003.

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