

By: Merritt

H.B. No. 3382

A BILL TO BE ENTITLED

AN ACT

relating to public school finance.

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

ARTICLE 1: EDUCATION FINANCE REFORM

SECTION 1. SHORT TITLE. This Act may be cited as the Texas Great Teachers & Facilities Fund Act.

SECTION 2. REPEALER. Chapter 41, Education Code, is repealed in its entirety as of Sept 1, 2003.

SECTION 3. REPEALER. Chapter 42, Education Code, is repealed in its entirety as of Sept 1, 2003.

SECTION 4. REPEALER. Chapter 46, Education Code, is repealed in its entirety as of Sept 1, 2003.

SECTION 5. A new Chapter 47, Education Code, shall read as follows:

Chapter 47. Texas Great Teachers & Facilities Fund

SUBCHAPTER A: GENERAL PROVISIONS

47.001. State Policy. It is the policy of this state that the provision of public education is a state responsibility and that a thorough and efficient system be provided and substantially financed through state revenue sources so that each student enrolled in the public school system shall have access to programs and services that are appropriate to the student's educational needs and that are substantially equal to those available to any similar student, notwithstanding varying local economic factors.

1 47.002. Purpose of the Texas Great Teachers & Facilities
2 Program (a) The purpose of the Texas Great Teachers & Facilities
3 Program as set forth in this Chapter is to guarantee that each
4 school district in the state has:

5 (1) adequate resources to provide each eligible
6 student a basic instructional program and education facilities
7 suitable to the student's educational needs; and

8 (2) access to a substantially equalized program of
9 financing for teacher compensation, instructional spending, and
10 educational facilities.

11 (b) The Texas Great Teacher's and Facilities Program
12 consists of two components:

13 (1) a teaching and instruction component, set forth in
14 subchapter B, sufficient to provide a basic program of education
15 that is rated academically acceptable or higher under section
16 39.072 and meets other applicable legal standards; and

17 (2) an instructional facilities component, set forth
18 in subchapter C, that provides each district with adequate funding
19 for instructional facilities.

20 47.003. Definitions In this Chapter "commissioner" means
21 the Commissioner of Education.

22 47.004. Rules The commissioner may adopt rules for the
23 administration of this Chapter.

24 SUBCHAPTER B: TEACHING AND INSTRUCTION

25 47.101. Teaching and Instruction Allotment (a) Each school
26 district in this state shall receive a teaching and instruction
27 allotment in accordance with the following formula:

1 (Salary Target + Benefits Target) x District's Student Enrollment
 2 Income Adjusted Class Size Target

3 (b) "Salary Target" means the 60th percentile income for a
 4 full-time employee, working in Texas, with a college degree, as
 5 periodically reported by the United States Department of Labor,
 6 Bureau of Labor Statistics.

7 (c) "Benefits Target" is calculated by determining, for a
 8 white collar, private sector worker, the ratio of benefit costs to
 9 total employee compensation, as periodically reported by the United
 10 States Department of Labor, Bureau of Labor Statistics. The
 11 Benefits Target equals (benefit ratio)(Salary Target)/(1-benefit
 12 ratio).

13 (d) The "Income Adjusted Class Size Target" is determined in
 14 accordance with the following chart, after calculating the median
 15 household income for all residents within a school district:

16 District's Median Household Income: Income Adjusted Class Size

	<u>Target</u>
17	
18 1st - 10th income percentiles	10
19 11th - 20th income percentiles	11
20 21st - 30th income percentiles	12
21 31st - 40th income percentiles	14
22 41st - 50th income percentiles	15
23 51st - 60th income percentiles	16
24 61st - 70th income percentiles	18
25 71st - 80th income percentiles	19
26 81st - 90th income percentiles	20
27 91st - 100th income percentiles	21

1 (e) The commissioner shall determine each district's median
2 household income percentile by reference to statistics published by
3 the United States Department of Commerce, Bureau of Labor
4 Statistics.

5 (f) The Income Adjusted Class Size Targets in subsection (d)
6 are to be used solely for calculating the teaching and instruction
7 allotment under subsection (a). The Income Adjusted Class Size
8 Targets do not mandate a maximum class size or impose any other
9 requirement on local school districts.

10 (g) A "District's Student Enrollment" means the district's
11 average daily attendance as defined in section 47.501.

12 47.102. Guarantee of Historic Funding Levels (a) For each
13 school district, the commissioner shall determine the district's
14 Prior Education Funding. For purposes of this section, a
15 district's "Prior Education Funding" means the funds the district
16 was entitled to receive under Tier I and Tier II of the former
17 provisions of Chapter 42 of the Education Code for the last full
18 year before enactment of this Act. All districts shall be notified
19 by the commissioner of the Prior Education Funding determination.

20 (b) If the Prior Education Funding for any school district
21 exceeds the district's teaching and instruction allotment under
22 section 47.101, the district shall be entitled to the amount of its
23 Prior Education Funding in lieu of the teaching and instruction
24 allotment under section 47.101.

25 (c) The commissioner's determinations under this subchapter
26 are final and not appealable.

27 47.103. Use of Teaching and Instruction Allotment (a) A

1 school district may use the teaching and instruction allotment to
2 which it is entitled under section 47.101 or section 47.102(b) only
3 for purposes of teacher compensation and instructional spending.

4 (b) Subject to the limitation imposed by subsection (a), a
5 school district is permitted to use its teaching and instruction
6 allotment for any purpose related to teacher compensation and/or
7 instructional spending, including, without limitation, to:

8 (1) increase teacher salaries;

9 (2) compensate selected teachers with merit pay;

10 (3) award select teachers with competitive grants;

11 (4) fund special programs to attract or retain
12 talented teachers;

13 (5) fund special programs to attract or retain
14 teachers with unique skills or abilities

15 (6) reduce average class size within the district;

16 (7) provide for remedial education

17 (8) provide special educational services to disabled
18 students

19 (9) provide for English language instruction

20 (c) A district may petition the commissioner for a
21 determination whether a proposed expenditure constitutes spending
22 on teacher compensation or instructional spending. The
23 commissioner's decision under this subsection is binding and not
24 appealable.

25 (d) A district shall set aside for future use any portion of
26 its teaching and instruction allotment not used during the current
27 academic year. Except as provided by section 47.104, such funds

1 shall not be used for any purpose other than teaching and
2 instruction.

3 (e) The commissioner shall adopt rules for the
4 administration of this section.

5 47.104. Application for Waiver (a) A district may apply to
6 the commissioner for a waiver permitting the district to spend a
7 portion of its teaching and instruction allotment for
8 non-instructional purposes.

9 (b) The commissioner may grant a district a waiver for
10 non-instructional spending only if the district was receiving state
11 aid under former Chapter 42, Education Code.

12 SUBCHAPTER C: INSTRUCTIONAL FACILITIES

13 47.201. Definitions In this subchapter:

14 (1) "Instructional facility" means real property, an
15 improvement to real property, or a necessary fixture of an
16 improvement to real property that is used predominantly for
17 teaching the curriculum required under section 28.002;

18 (2) "Very small district" means a school district in
19 which student enrollment was, on average, 40 or fewer students per
20 grade for the prior academic year; and

21 (3) "Small district" means a school district in which
22 student enrollment was, on average, more than 40 and less than 71
23 students per grade for the prior academic year.

24 47.202. Noninstructional Facilities In adopting rules for
25 the administration of this Chapter, the commissioner's rules may
26 limit the amount of an allotment under this subchapter that is to be
27 used to construct, acquire, renovate, or improve an instructional

1 facility that may also be used for noninstructional or
2 extracurricular activities.

3 47.203. Determinations by the Commissioner For each
4 academic year, the commissioner shall determine:

5 (1) which districts qualify as very small school
6 districts; and

7 (2) which districts qualify as small school districts.

8 47.204. Basic Instructional Facilities Allotment (a) For
9 each academic year, a district is entitled to a basic instructional
10 facilities allotment calculated according to the following
11 formula:

12
$$\text{BIFA} = \$3500 \times (\text{ADA} / \text{IACST})$$

13 where:

14 "BIFA" is the basic instructional facilities allotment to
15 which the district is entitled under this section;

16 "ADA" is the district's average daily attendance, as defined
17 by section 47.501; and "IACST" is the district's income adjusted
18 class size target, as defined by subsection (b).

19 (b) In computing the basic instructional facilities
20 allotment under subsection (a), each district's income adjusted
21 class size target (IACST) shall be as follows:

22 District's	IACST for Very	IACST for Small	IACST for Other
23 Median	Small Districts	Districts	Districts
24 Household			
25 Income			
26 1st-10th	12.0	12.5	13.0
27 percentile			
28 11th-20th	13.0	13.5	14.0
29 percentile			

1	21st-30th	14.0	14.5	15.0
2	percentile			
3	31st-40th	15.0	15.5	16.0
4	percentile			
5	41st-50th	16.0	16.25	16.5
6	percentile			
7	51st-60th	16.5	16.75	17.0
8	percentile			
9	61st-70th	17.0	17.5	18.0
10	percentile			
11	71st-80th	18.0	18.5	19.0
12	percentile			
13	81st-90th	19.0	19.5	20.0
14	percentile			
15	91st-100th	20.0	20.5	21.0
16	percentile			

17 (c) For purposes of subsection (b), the commissioner shall
 18 calculate a district's median household income in the same manner
 19 prescribed by section 47.101(e).

20 47.205. Substantial Increase in Enrollment (a) For
 21 purposes of this subsection:

22 (1) "Growth district" means a district that has
 23 experienced a percentage enrollment increase of more than ten
 24 percent (10%) during the preceding 5 years.

25 (2) "Percentage enrollment increase" means the
 26 percentage increase in a district's student enrollment during the
 27 previous five years calculated according to the following formula:

$$28 \quad PEI = (CE - PE) / PE$$

29 where:

30 "PEI" means the district's percentage enrollment increase
 31 for the previous five years;

1 "CE" means the district's current student enrollment; and

2 "PE" means the district's prior enrollment in the year five
3 calendar years prior to the current year.

4 (b) Each year, the commissioner shall determine which
5 districts qualify as growth districts.

6 (c) In addition to the basic instructional facilities
7 allotment calculated under section 47.204(a), each district
8 determined by the commissioner to be a growth district shall be
9 entitled to an additional facilities allotment calculated
10 according to the following formula:

11
$$\text{AFA} = \text{BIFA} \times (\text{PEI} - 0.10)$$

12 where:

13 "AFA" means the district's additional facilities allotment
14 to be awarded pursuant to this section;

15 "BIFA" means the basic instructional facilities allotment
16 for the district calculated pursuant to section 47.204(a); and

17 "PEI" means the district's five-year percentage enrollment
18 increase as defined by subsection (a)(2).

19 47.206. New Instructional Facilities Allotment (a) A
20 school district is entitled to a new instructional facilities
21 allotment as provided by this section for operational expenses
22 associated with opening a new instructional facility.

23 (b) For the first school year in which students attend a new
24 instructional facility, a school district is entitled to an
25 allotment of \$250 for each student in average daily attendance at
26 the facility. For the second school year in which students attend
27 that instructional facility, a school district is entitled to an

1 allotment of \$250 for each additional student in average daily
2 attendance at the facility.

3 (c) For purposes of this section, the number of additional
4 students in average daily attendance at a facility is the
5 difference between the number of students in average daily
6 attendance in the current year at that facility and the number of
7 students in average daily attendance at that facility in the
8 preceding year.

9 (d) The total amount appropriated for allotments under this
10 section may not exceed \$25 million in a school year. If the total
11 amount of allotments to which districts are entitled under this
12 section for a school year exceeds the amount appropriated for
13 allotments under this section, the commissioner shall reduce each
14 district's allotment under this section on a pro rata basis.

15 (e) The commissioner may adopt rules necessary to implement
16 this section.

17 47.207. Use of Instructional Facilities Allotment (a)
18 Districts may use the instructional facilities allotments awarded
19 pursuant to sections 47.204 and 47.205 only for the following
20 purposes:

21 (1) payments for construction, acquisition,
22 renovation, and improvement of an instructional facility;

23 (2) payments of principal and interest on bonds issued
24 solely to construct, acquire, renovate, or improve an instructional
25 facility; or

26 (3) payments under a lease-purchase agreement for an
27 instructional facility.

1 (b) A district shall set aside for future use any funds
2 allocated pursuant to sections 47.204 and 47.205 and not used
3 during the current academic year. Such funds shall not be used for
4 any purpose other than those specified in the previous subsection.

5 (c) The commissioner shall adopt rules for the
6 administration of this section.

7 47.208. Standards The commissioner shall establish
8 standards for adequacy of school facilities. The standards must
9 include requirements related to space, educational adequacy, and
10 construction quality. All new facilities constructed after
11 September 1, 1998, must meet the standards to be eligible to be
12 financed with state or local tax funds.

13 47.209. Sale of Instructional Facility Financed With State
14 Funds (a) If an instructional facility financed by bonds paid with
15 state and local funds under this subchapter is sold before the bonds
16 are fully paid, the school district shall send to the comptroller an
17 amount equal to the district's net proceeds from the sale
18 multiplied by a percentage determined by dividing the amount of
19 state funds used to pay the principal of and interest on the bonds
20 by the total amount of principal and interest paid on the bonds with
21 funds other than the proceeds of the sale.

22 (b) In this section:

23 (1) "net proceeds" means the difference between the
24 total amount received from the sale less:

25 (A) the amount necessary to fully pay the
26 outstanding principal of and interest on the bonds; and

27 (B) the school district's costs of the sale, as

1 approved by the commissioner;

2 (2) "state funds" includes facilities allotments made
3 pursuant to prior Chapter 46, Education Code, prior to the
4 effective date of this Act, and does not include funds allocated to
5 school districts pursuant to this Chapter after the effective date
6 of this Act.

7 47.210. Applicability to Open-Enrollment Charter Schools
8 An open-enrollment charter school is not entitled to an allotment
9 under this subchapter.

10 SUBCHAPTER D: DISTRIBUTION OF FUNDS BY THE COMMISSIONER

11 47.301. Distribution of State Funds (a) Each year the
12 commissioner shall pay to each school district:

13 (1) the teaching and instruction allotment to which
14 the district is entitled pursuant to section 47.101 or 47.102;

15 (2) the facilities allotment to which the district is
16 entitled pursuant to section 47.204(a) and the additional
17 facilities allotment, if any, to which the district is entitled
18 pursuant to section 46.205(c); and

19 (3) the new instructional facilities allotment, if
20 any, to which the district is entitled pursuant to section 47.206.

21 (b) The commissioner shall distribute the allotments set
22 forth in subsection (a) on a quarterly basis. From time to time the
23 commissioner shall request from the comptroller sufficient funds
24 from which to make quarterly distributions to the respective school
25 districts. Upon receiving such request, the comptroller shall make
26 the requested funds available to the commissioner from the Texas
27 Great Teachers & Facilities Fund.

1 SUBCHAPTER E: LOCAL SUPPLEMENTATION

2 47.401 Property Tax Rollback (a) For purposes of this
3 section:

4 (1) "Expected State Aid" for a district means the sum
5 of:

6 (a) the teaching and instruction allotment to
7 which the district will be entitled pursuant to sections 47.101 or
8 47.102;

9 (b) the facilities allotment to which the
10 district will be entitled pursuant section 47.204(a) and the
11 additional facilities allotment, if any, to which the district will
12 be entitled pursuant to section 46.205(c); and

13 (c) the new instructional facilities allotment to which the
14 district will be entitled pursuant to section 47.206.

15 (2) "Prior Education Budget" means the funds the
16 district was entitled to receive under Tier I and Tier II of the
17 former provisions of Chapter 42 of the Education Code, plus funds
18 the district raised from local ad valorem taxes, minus payments
19 made to the state pursuant to prior Chapter 41, Subchapter D,
20 Education Code, for the last full year before enactment of this Act.

21 (3) "Target Education Budget" means one-hundred-ten
22 percent (110%) of the district's Prior Education budget.

23 (b) The commissioner shall calculate each district's
24 Expected State Aid for the 2004-2005 academic year, and shall
25 report the calculated amount to each district no later than March
26 31, 2004.

27 (c) As a precondition to receiving any educational funds

1 pursuant to section 47.301 after January 1, 2005, each district
2 must reduce its ad valorem tax rate as follows:

3 (1) if a district's Expected State Aid for 2004-2005 is
4 greater than the district's Target Education Budget, the district's
5 ad valorem tax must be eliminated;

6 (2) if a district's Expected State Aid for 2004-2005 is
7 less than the district's Target Education Budget, the district's ad
8 valorem tax must be reduced by an amount such that the new tax rate
9 will generate revenue approximately equivalent to the difference
10 between the district's Target Education Budget and Expected State
11 Aid for 2004-2005.

12 (d) A district for which its Expected State Aid is greater
13 than its Prior Education Budget but less than its Target Education
14 Budget is exempted from the requirements of subsection (c).

15 (e) No later than December 31, 2004, each district shall
16 certify to the commissioner either that: (1) it has complied with
17 the requirements of subsection (c), or (2) it is exempt from the
18 requirements of subsection (c).

19 (f) The commissioner shall verify that a district has
20 complied with this section before distributing any funds to the
21 district pursuant to section 47.301 after December 31, 2004.

22 47.402. Local Supplementation After a district has
23 complied with the requirements of section 47.401, the district may
24 levy ad valorem taxes to supplement the state funds distributed
25 pursuant to section 47.301. Such ad valorem taxes may not be levied
26 unless the district complies with the requirements of Chapter 45.

27 SUBCHAPTER F: OTHER PROVISIONS

1 47.501. Average Daily Attendance (a) A district's average
2 daily attendance is equal to the quotient of the sum of attendance
3 for each day of the minimum number of days of instruction as
4 described under section 25.081(a) divided by the minimum number of
5 days of instruction.

6 (b) A school district that experiences a decline of two
7 percent or more in average daily attendance shall be funded on the
8 basis of:

9 (1) the actual average daily attendance of the
10 preceding school year, if the decline is the result of the closing
11 or reduction in personnel of a military base; or

12 (2) subject to Subsection (e), an average daily
13 attendance not to exceed 98 percent of the actual average daily
14 attendance of the preceding school year, if the decline is not the
15 result of the closing or reduction in personnel of a military base.

16 (c) The commissioner shall adjust the average daily
17 attendance of a school district that has a significant percentage
18 of students who are migratory children as defined by 20 U.S.C.
19 section 6399.

20 (d) The commissioner may adjust the average daily
21 attendance of a school district in which a disaster, flood, extreme
22 weather condition, fuel curtailment, or other calamity has a
23 significant effect on the district's attendance.

24 (e) For each school year, the commissioner shall adjust the
25 average daily attendance of school districts that are entitled to
26 funding on the basis of an adjusted average daily attendance under
27 Subsection (b)(2) so that:

1 (1) all districts are funded on the basis of the same
2 percentage of the preceding year's actual average daily attendance;
3 and

4 (2) the total cost to the state does not exceed the
5 amount specifically appropriated for that year for purposes of
6 Subsection (b)(2).

7 47.502. Public Education Information Management System
8 (PEIMS) (a) Each school district shall participate in the Public
9 Education Information Management System (PEIMS) and shall provide
10 through that system information required for the administration of
11 this Act and of other appropriate provisions of this code.

12 (b) Each school district shall use a uniform accounting
13 system adopted by the commissioner for the data required to be
14 reported for the Public Education Information Management System.

15 (c) Annually, the commissioner shall review the Public
16 Education Information Management System and shall repeal or amend
17 rules that require school districts to provide information through
18 the Public Education Information Management System that is not
19 necessary. In reviewing and revising the Public Education
20 Information Management System, the commissioner shall develop
21 rules to ensure that the system:

22 (1) provides useful, accurate, and timely information
23 on student demographics and academic performance, personnel, and
24 school district finances;

25 (2) contains only the data necessary for the
26 legislature and the agency to perform their legally authorized
27 functions in overseeing the public education system; and

1 (3) does not contain any information related to
2 instructional methods, except as required by federal law.

3 47.503. Limit on Administrative Costs (a) The commissioner
4 by rule shall determine annually:

5 (1) an administrative cost ratio for school districts
6 with fewer than 500 students in average daily attendance;

7 (2) an administrative cost ratio for school districts
8 with 500 to 999 students in average daily attendance;

9 (3) an administrative cost ratio for school districts
10 with 1,000 to 4,999 students in average daily attendance;

11 (4) an administrative cost ratio for school districts
12 with 5,000 to 9,999 students in average daily attendance; and

13 (5) an administrative cost ratio for school districts
14 with more than 10,000 students in average daily attendance.

15 (b) The commissioner may adjust the administrative cost
16 ratio of a district to allow for additional administrative costs
17 required by:

18 (1) the sparsity of the district; or

19 (2) students with special needs.

20 (c) Not later than February 1 of each year, the commissioner
21 shall notify all districts of the requirements and standards for
22 determining administrative cost ratios for the following year. Not
23 later than May 1 of each year, agency staff shall conduct a desk
24 audit of prior-year expenditure data available through the Public
25 Education Information Management System (PEIMS) to identify those
26 districts whose administrative cost ratio in the preceding year
27 exceeded their adjusted group standard. Districts with an

1 administrative cost ratio in excess of their adjusted group
2 standard shall be notified not later than May 15 that they have
3 excessive administrative costs and that they are required to reduce
4 these costs to the level of the adjusted group standard for the
5 following school year. Not later than the 60th day after receiving
6 notification, a district shall respond to the commissioner by
7 submitting a description of the district's plan to comply with the
8 standard for the following year or request a waiver from the
9 commissioner explaining why the district cannot comply with the
10 standard. Not later than August 15, the commissioner shall notify
11 responding districts if further action is needed.

12 (d) If a school district fails to reduce administrative
13 costs to the level required by this section, the commissioner shall
14 deduct from a school district's teaching and instruction allotment
15 an amount equal to the amount by which the district's
16 administrative costs exceed the amount permitted by its
17 administrative cost ratio, unless the commissioner has granted a
18 waiver in response to the district's request.

19 (e) The commissioner may grant a waiver to a school district
20 that exceeds its administrative cost ratio if the excess is
21 justified by unusual circumstances.

22 (f) A school district shall include a statement of any
23 amount withheld under Subsection (d) in the district report
24 required by section 39.053.

25 (g) In this section:

26 (1) "Administrative cost ratio" means a school
27 district's administrative costs divided by its instructional

1 costs, expressed as a percentage.

2 (2) "Administrative costs" are defined as operating
3 expenses made from funds other than federal funds associated with
4 managing, planning, directing, coordinating, and evaluating a
5 school district in accordance with Accounting functions
6 21--Instructional Leadership, and 41--General Administration, as
7 described in the Financial Accountability Resource guide, Bulletin
8 679, Module 1: Financial Accounting and Reporting, First Edition,
9 published by the Texas Education Agency.

10 (3) "Instructional costs" are defined as operating
11 expenses made from funds other than federal funds associated with
12 teacher-student instruction in accordance with Accounting
13 functions 11--Instruction, 12--Instructional Resources and Media
14 Services, 13--Curriculum Development and Instructional Staff
15 Development, and 31--Guidance and Counseling Services, as
16 described in the Financial Accountability Resource guide, Bulletin
17 679, Module 1: Financial Accounting and Reporting, First Edition,
18 published by the Texas Education Agency.

19 (4) "Adjusted group standard" is the acceptable
20 administrative cost ratio for each district as determined in
21 accordance with Subsections (a) and (b).

22 47.504 Competitive Grant Program The commissioner shall
23 develop rules for awarding competitive grants to school districts
24 with a below-median average household income. Such competitive
25 grants shall be funded by the Competitive Grant Fund created
26 pursuant to section 403.1035, Government Code.

27 SECTION 6. Section 45.003, Education Code, is amended to

1 read as follows:

2 45.003. Bond and Tax Elections (a) Bonds described by
3 Section 45.001 may not be issued and taxes described by Section
4 45.001, ~~[or]~~ 45.002, or 47.402 may not be levied unless authorized
5 by ~~[a majority of the qualified voters of the district]~~ the
6 percentage of qualified voters of the district specified in
7 subsection (e), voting at an election held for that purpose, at the
8 expense of the district, in accordance with the Election Code,
9 except as provided by this section. Each election must be called by
10 resolution or order of the governing board or commissioners court.
11 The resolution or order must state the date of the election, the
12 proposition or propositions to be submitted and voted on, the
13 polling place or places, and any other matters considered necessary
14 or advisable by the governing board or commissioners court.

15 (b) A proposition submitted to authorize the issuance of
16 bonds must include the question of whether the governing board or
17 commissioners court may levy, pledge, assess, and collect annual ad
18 valorem taxes, on all taxable property in the district, either:

19 (1) sufficient, without limit as to rate or amount, to
20 pay the principal of and interest on the bonds; or

21 (2) sufficient to pay the principal of and interest on
22 the bonds, provided that the annual aggregate bond taxes in the
23 district may never be more than the rate stated in the proposition.

24 (c) If bonds are ever voted in a district pursuant to
25 Subsection (b)(1), then all bonds thereafter proposed must be
26 submitted pursuant to that subsection, and Subsection (b)(2) does
27 not apply to the district.

1 (d) A proposition submitted to authorize the levy of
2 maintenance taxes must include the question of whether the
3 governing board or commissioners court may levy, assess, and
4 collect annual ad valorem taxes for the further maintenance of
5 public schools, at a rate not to exceed the rate, which may be not
6 more than ~~\$1.50~~ \$1.25 on the \$100 valuation of taxable property in
7 the district, stated in the proposition.

8 (e) A proposition put to the district's voters pursuant to
9 subsection (a) shall be deemed approved:

10 (1) for propositions relating to the issuance of bonds
11 pursuant to section 45.001(a)(1), only if the proposition is
12 authorized by a majority of those actually voting in the election;

13 (2) for propositions to authorize an ad valorem tax of
14 not more than \$0.75 on the \$100 valuation of taxable property in the
15 district, only if approved by a majority of those actually voting in
16 the election;

17 (3) for propositions to authorize an ad valorem tax of
18 more than \$0.75 and less than or equal to \$1.00 on the \$100
19 valuation of taxable property in the district, only if approved by
20 at least sixty percent (60%) of those actually voting in the
21 election;

22 (4) for propositions to authorize an ad valorem tax of
23 more than \$1.00 and less than or equal to \$1.25 on the \$100
24 valuation of taxable property in the district, only if approved by
25 at least sixty-seven percent (67%) of those actually voting in the
26 election.

27 SECTION 7. Amend the following sections of the Education

1 Code for conformity: Sections 12.029, 29.001, 29.014, 29.203,
2 37.011, and 56.208.

3 SECTION 8. Amend the following sections of the Government
4 Code for conformity: Sections 317.005, 322.008, 403.093, 403.302,
5 403.303, 404.121, 466.355, 825.405, 1371.001, 1402.143, 1431.001,
6 and 2175.304.

7 SECTION 9. Amend the following sections of the Tax Code for
8 conformity: 6.02, 6.03, 21.01, 21.02, 25.25, 26.08, 312.002,
9 312.210, and 313.026.

10 SECTION 10. Amend the following section of the Utilities
11 Code for conformity: 39.901.

12 SECTION 11. Amend the following sections of the Insurance
13 Code for conformity: Art. 3.50-7, 3.50-8 and 3.50-9.

14 ARTICLE 2- TEXAS GREAT TEACHERS & FACILITIES FUND

15 SECTION 1. Section 403.1035, Chapter 403, Subtitle A, Title
16 4, Government Code is added to read as follows:

17 403.1035. Permanent Fund for Texas Great Teachers &
18 Facilities Program (a) A permanent fund for the implementation of
19 the Texas Great Teachers & Facilities Program is established as a
20 dedicated account in the general revenue fund. The fund shall be
21 referred to as the "Texas Great Teachers & Facilities Fund". The
22 fund is composed of:

23 (1) the balance of the foundation school fund at the
24 time the Texas Great Teachers & Facilities Fund is established;

25 (2) subsequent transfers to the foundation school
26 fund;

27 (3) money transferred to the fund at the direction of

1 the legislature;

2 (4) gifts and grants contributed to the fund;

3 (5) collections of fees, taxes, and other amounts
4 designated as amounts to be transferred to the fund;

5 (6) transfers from special accounts or other funds as
6 amounts designated for the funding of the Texas Great Teachers &
7 Facilities Program;

8 (7) the available earnings of the fund determined in
9 accordance with Section 403.1068.

10 (b) Money in the fund may not be appropriated for any
11 purpose other than to fund the Texas Great Teachers & Facilities
12 Program as provided in Chapter 47, Education Code.

13 (c) The available earnings of the fund may be appropriated
14 to the Commissioner of Education in amounts necessary to fund the
15 Texas Great Teachers & Facilities Program as provided by Chapter
16 47, Education Code.

17 (d) The comptroller may solicit and accept gifts and grants
18 to the fund. A gift or grant to the fund may be appropriated in the
19 same manner as available earnings of the fund, subject to any
20 limitation or requirement placed on the gift or grant by the donor
21 or granting entity.

22 (e) Sections 403.095 and 404.071 do not apply to the fund.

23 (f) The "Education Reserve Account" and the "Competitive
24 Grant Fund" shall be established as special accounts within the
25 Texas Great Teachers & Facilities Fund.

26 (g) On an annual basis, the comptroller shall transfer to
27 the Education Reserve Account all surplus education funds. For

1 purposes of this section "surplus education funds," means any
2 revenue dedicated to the Texas Great Teachers & Facilities Fund
3 during the previous year and not spent during the previous year.

4 (h) In the event the Texas Great Teachers & Facilities Fund
5 is insufficient to make available the funds requested by the
6 Commissioner of Education pursuant to section 47.301(b), Education
7 Code, the comptroller shall make the requested funds available from
8 the Education Reserve Account.

9 (i) The Education Reserve Account shall not exceed seven and
10 one-half percent (7 1/2%) of the revenue dedicated to the Texas
11 Great Teachers & Facilities Fund during the previous year. On an
12 annual basis, the comptroller shall determine whether the funds
13 contained within the Education Reserve Account exceed seven and
14 one-half percent (7 1/2%) of the revenue dedicated to the Texas
15 Great Teachers & Facilities Fund during the previous year, and, if
16 so, the comptroller shall transfer any excess funds to the
17 Competitive Grant Program

18 SECTION 2. Section 403.1068(a), Chapter 403, Subtitle A,
19 Title 4, Government Code is amended to read as follows:

20 403.1068. Management of Certain Funds (a) This section
21 applies only to management of the permanent funds established under
22 Sections 403.1035, 403.105, 403.1055, 403.106, 403.1065, and
23 403.1066.

24 SECTION 3. Subsections (d),(f) and (h), Section 403.093,
25 Subchapter F, Chapter 403, Subtitle A, Title 4, Government Code are
26 amended as follows:

27 403.093. Allocations From General Revenue Fund

1 (d) To the extent not specifically transferred to the Texas
2 Great Teachers & Facilities Fund upon receipt, all net revenues
3 specifically dedicated to the Texas Great Teachers & Facilities
4 Fund from taxes imposed by Chapters 151, 152, 154, 155, 172, 182,
5 and 183, Tax Code, shall be deposited to the credit of the general
6 revenue fund. The comptroller, as a ministerial duty on the 10th
7 day of each month and on the last day of each fiscal year, shall
8 transfer from the general revenue fund to the [~~foundation school~~
9 ~~fund~~] Texas Great Teachers & Facilities Fund amounts computed by
10 the comptroller equal to the amounts required by each chapter and
11 the amount of any additional money necessary to fund the
12 [~~foundation school program~~] Texas Great Teachers & Facilities
13 Program as provided by Chapter [~~42~~] 47, Education Code. [~~The~~
14 ~~comptroller shall make the transfers in installments as necessary~~
15 ~~to comply with Section 42.259, Education Code. An installment must~~
16 ~~be made not earlier than two days before the date an installment to~~
17 ~~school districts is required by Section 42.259, Education Code,~~
18 ~~and must not exceed the amount necessary for that payment.~~]

19 [~~(f) All net revenue from taxes imposed by Chapter 154, Tax~~
20 ~~Code, shall be deposited to the credit of the general revenue fund.~~
21 ~~The comptroller, as a ministerial duty on the 10th day of each month~~
22 ~~and on the last day of each fiscal year, shall transfer from the~~
23 ~~general revenue fund to the proper funds and accounts the amounts~~
24 ~~computed by the comptroller equal to the amounts required by that~~
25 ~~chapter.~~]

26 (h) [~~Expired.~~] All net revenue specifically dedicated to
27 the Texas Great Teachers & Facilities Fund from the sale of tax

1 stamps and funds derived from taxes on distilled spirits, wine,
2 beer, and ale and malt liquor imposed by Chapters 201 and 203,
3 Alcoholic Beverage Code, and from the gas, electric, and water
4 utilities tax fund account, to the extent it is dedicated to the
5 Texas Great Teachers & Facilities Fund, shall be deposited to the
6 credit of the general revenue fund. The comptroller, as a
7 ministerial duty on the 10th day of each month and on the last day of
8 each fiscal year, shall transfer from the general revenue fund to
9 the Texas Great Teachers & Facilities Fund amounts computed by the
10 comptroller equal to the amounts required by each chapter and the
11 account or fund.

12 SECTION 4. Subsections (a) and (b), Section 1402.143,
13 Subchapter H, Chapter 1402, Subtitle G, Title 9, Government Code,
14 are amended to read as follows:

15 1402.143. Deduction From Foundation School Fund Payments

16 (a) Except as provided by Section 1402.144, if a school district
17 fails to make a timely payment of principal and interest due on a
18 loan made to the district under this chapter, the agency shall:

19 (1) deduct the total amount due the board or the fund,
20 including interest and any applicable late payment charge as of the
21 date of notification, from the [~~foundation school fund~~] Texas Great
22 Teachers & Facilities Fund payment next due the district, including
23 any allocation to the district under Chapter [~~42~~] 47, Education
24 Code; and

25 (2) continue making the deductions from subsequent
26 [~~foundation school fund~~] Texas Great Teachers & Facilities Fund
27 payments until the total amount then due has been deducted.

1 (b) The agency shall credit the full amount of a [~~foundation~~
2 ~~school fund~~] Texas Great Teachers & Facilities Fund entitlement to
3 a school district before making the deduction. The amount of the
4 deduction shall then be paid to the credit of the school facilities
5 aid fund or to an account in that fund as the board may direct, on
6 behalf of the district.

7 ARTICLE 3-

8 DEDICATION OF REVENUE, COLLECTIONS, TAXES;

9 IMPOSITION OF ADDITIONAL TAXES

10 ON CERTAIN SALES

11 SECTION 1. Section 205.02(a), Chapter 205, Title 5,
12 Alcoholic Beverage Code, is amended to require that one hundred
13 percent of the net revenue collected from the sale of tax stamps and
14 funds derived from taxes on distilled spirits, wine, beer, and ale
15 and malt liquor be dedicated to the Texas Great Teachers &
16 Facilities Fund read as follows:

17 205.02. Disposition of Receipts

18 [~~Text of (a) as amended by Acts 1984, 68th Leg., 2nd C.S.,~~
19 ~~Chapter. 28, art. II, part B, s12~~ >

20 [~~(a) After allocation of funds to defray administrative~~
21 ~~expenses as provided in the current departmental appropriations~~
22 ~~act, receipts from the sale of tax stamps and funds derived from~~
23 ~~taxes on distilled spirits, wine, beer, and ale and malt liquor~~
24 ~~shall be deposited in the general revenue fund. An amount equal to~~
25 ~~one-fourth of the net revenue shall be transferred to the~~
26 ~~foundation school fund, and an amount equal to three-fourths of the~~
27 ~~net revenue shall be credited to the general revenue fund.~~

1 [~~Text of (a) as amended by Acts 1984, 68th Leg., 2nd C.S.,~~
2 ~~Chapter. 31, art. 2, s 22~~ >]

3 (a) After allocation of funds to defray administrative
4 expenses as provided in the current departmental appropriations
5 act, receipts from the sale of tax stamps and funds derived from
6 taxes on distilled spirits, wine, beer, and ale and malt liquor
7 shall be [~~deposited in the general revenue fund. An amount equal to~~
8 ~~5/24ths of the net revenue shall be transferred to the available~~
9 ~~school fund, an amount equal to 1/24th of the net revenue shall be~~
10 ~~dedicated and transferred to the [foundation school fund] Texas~~
11 ~~Great Teachers & Facilities Fund[, and an amount equal to~~
12 ~~three-fourths of the net revenue shall be credited to the general~~
13 ~~revenue fund.]~~

14 SECTION 2. Subsections (b) and (c), Section 466.355,
15 Subchapter H, Chapter 466, Subtitle E, Title 4, Government Code,
16 are amended to read as follows:

17 466.355. State Lottery Account

18 (b) Money in the state lottery account may be used only for
19 the following purposes and shall be distributed as follows:

20 (1) the payment of prizes to the holders of winning
21 tickets;

22 (2) the payment of costs incurred in the operation and
23 administration of the lottery, including any fees received by a
24 lottery operator, provided that the costs incurred in a fiscal
25 biennium may not exceed an amount equal to 12 percent of the gross
26 revenue accruing from the sale of tickets in that biennium;

27 (3) the establishment of a pooled bond fund, lottery

1 prize reserve fund, unclaimed prize fund, and prize payment
2 account; and

3 (4) the balance, after creation of a reserve
4 sufficient to pay the amounts needed or estimated to be needed under
5 Subdivisions (1) through (3), to be dedicated and transferred to
6 the [~~foundation school fund~~] Texas Great Teachers & Facilities
7 Fund, on or before the 15th day of each month.

8 (c) Each August the comptroller shall:

9 (1) estimate the amount to be transferred to the
10 [~~foundation school fund~~] Texas Great Teachers & Facilities Fund on
11 or before September 15; and

12 (2) notwithstanding Subsection (b)(4), transfer the
13 amount estimated in Subdivision (1) to the [~~foundation school fund~~]
14 Texas Great Teachers & Facilities Fund before August installment
15 payments are made under [~~Section 42.259~~] Chapter 47, Education
16 Code.

17 SECTION 3. Article 4.12, Subchapter A, Chapter Four, Title
18 1, Insurance Code, is amended to read as follows:

19 Art. 4.12. Disposition of Certain Revenue

20 Receipts from the taxes imposed by Articles 4.10, 4.11, and
21 4.11B and Sections 11 and 12 of Article 1.14-1 of this code shall be
22 deposited in the general revenue fund. An amount equal to
23 one-fourth (1/4) of this revenue shall be transferred to the
24 [~~foundation school fund~~] Texas Great Teachers & Facilities Fund,
25 and an amount equal to three-fourths (3/4) of this revenue shall be
26 credited to the general revenue fund.

27 SECTION 4. Title 2, Tax Code is amended, as follows:

1 A. Subtitle E is amended to add an additional tax
2 on certain sales and to dedicate specific portions of the
3 collections of taxes imposed under Chapters 151, 152, 154, 155 to
4 the funding of the Texas Great Teachers & Facilities Program and
5 credited to the Texas Great Teachers & Facilities Fund, as follows:

6 1. Section 151.051(c), Subchapter C, Chapter 151 is added to
7 read as follows:

8 151.051. Sales Tax Imposed (a) A tax is imposed on each
9 sale of a taxable item in this state.

10 (b) The sales tax rate is 6 1/4 percent of the sales price of
11 the taxable item sold.

12 (c) An additional tax at the rate of 2.8 percent of the sales
13 price of the taxable item sold in this state; provided that the
14 additional tax is dedicated solely to funding the Texas Great
15 Teachers & Facilities Program and shall be delivered to the Texas
16 Great Teachers & Facilities Fund.

17 2. Section 151.801(a), Subchapter M, Chapter 151 is amended
18 to read as follows:

19 151.801. Disposition of Proceeds (a) Proceeds from the
20 collections of the taxes imposed by this chapter shall be divided
21 and distributed such that the additional tax imposed by Section
22 151.051(c) of this Chapter shall be dedicated to and deposited to
23 the credit of the Texas Great Teachers & Facilities Fund. Except
24 for the amounts allocated under Subsections (b) and (c), all the
25 remaining proceeds from the collection of the taxes imposed by this
26 chapter to be divided such that an amount equal to tax at the rate of
27 3 percent of the sales price of the total taxable items sold

1 pursuant to this chapter shall be dedicated and credited to the
2 Texas Great Teachers & Facilities Fund; and shall be deposited to
3 the credit of the general revenue fund.

4 3. Section 152.021(c), Subchapter B, Chapter 152, is added
5 to read as follows:

6 152.021. Retail Sales Tax (a) A tax is imposed on every
7 retail sale of every motor vehicle sold in this state. Except as
8 provided by this chapter, the tax is an obligation of and shall be
9 paid by the purchaser of the motor vehicle.

10 (b) The tax rate is 6 1/4 percent of the total
11 consideration.

12 (c) An additional tax at the rate of 2.8 percent of the total
13 consideration; provided that the additional tax is dedicated solely
14 to funding the Texas Great Teachers & Facilities Program and shall
15 be delivered to the Texas Great Teachers & Facilities Fund.

16 4. Section 152.022(c), Subchapter B, Chapter 152, is added
17 to read as follows:

18 152.022. Tax on Motor Vehicle Purchased Outside This State
19 (a) A use tax is imposed on a motor vehicle purchased at retail sale
20 outside this state and used on the public highways of this state by
21 a Texas resident or other person who is domiciled or doing business
22 in this state.

23 (b) The tax rate is 6 1/4 percent of the total
24 consideration.

25 (c) An additional tax at the rate of 2.8 percent of the total
26 consideration; provided that the additional tax is dedicated solely
27 to funding the Texas Great Teachers & Facilities Program and shall

1 be delivered to the Texas Great Teachers & Facilities Fund.

2 5. Section 152.026(e), Subchapter B, Chapter 152, is added
3 to read as follows:

4 152.026. Tax on Gross Rental Receipts (a) A tax is imposed
5 on the gross rental receipts from the rental of a rented motor
6 vehicle.

7 (b) The tax rate is 10 percent of the gross rental receipts
8 from the rental of a rented motor vehicle for 30 days or less and 6
9 1/4 percent of the gross rental receipts from the rental of a rented
10 motor vehicle for longer than 30 days.

11 (c) Except for a destroyed motor vehicle or an unrecovered
12 stolen motor vehicle, the total amount of gross rental receipts tax
13 paid by the owner, as defined by Section 152.001(9)(A) of this code,
14 on a motor vehicle registered under Section 152.061 of this code may
15 not be less than an amount equal to the tax that would be imposed by
16 Section 152.021 or 152.022 of this code but for Subsection (d) of
17 this section.

18 (d) The taxes imposed by Sections 152.021 and 152.022 of
19 this code are not due on a motor vehicle as long as it is registered
20 as a rental vehicle under Section 152.061 of this code.

21 (e) An additional tax is imposed on the rental of a rented
22 motor vehicle at the rate of 2.8 percent of the gross rental
23 receipts from the rental of the rented motor vehicle; provided the
24 additional tax is dedicated solely to funding the Texas Great
25 Teachers & Facilities Program and shall be delivered to the Texas
26 Great Teachers & Facilities Fund.

27 6. Section 152.028(c), Subchapter B, Chapter 152, is added

1 to read as follows:

2 152.028. Use Tax on Motor Vehicle Brought Back Into State

3 (a) A use tax is imposed on the operator of a motor vehicle that was
4 purchased tax-free under Section 152.092 of this code and that is
5 brought back into this state for use on the public highways of this
6 state. The tax is imposed at the time the motor vehicle is brought
7 back into this state.

8 (b) The tax rate is 6 1/4 percent of the total
9 consideration.

10 (c) An additional tax at the rate of 2.8 percent of the total
11 consideration; provided that the additional tax is dedicated solely
12 to funding the Texas Great Teachers & Facilities Program and shall
13 be delivered to the Texas Great Teachers & Facilities Fund.

14 7. Section 152.122, Subchapter G, Chapter 152, is amended to
15 read as follows:

16 152.122. Allocation of Tax The comptroller shall deposit
17 the funds received under Section 152.121 of this code as follows:

18 (1) collections of the additional tax dedicated and
19 credited to the Texas Great Teachers & Facilities Program, provided
20 such collections are transferred to the Texas Great Teachers &
21 Facilities Fund within the time prescribed in Section 403.093,
22 Government Code; [~~1/4 to the credit of the foundation school fund~~];
23 [~~and~~]

24 (2) the remaining funds to be divided such that an
25 amount equal to tax at the rate of 3 percent of total consideration
26 or gross rental receipts on items taxable under this chapter shall
27 be dedicated and credited to the Texas Great Teachers & Facilities

1 Fund; and

2 (3) the funds remaining after the required allocations
3 under Subsection (1) and (2) shall be to the credit of the general
4 revenue fund.

5 8. Section 154.603, Subchapter J, Chapter 154 relating to
6 Cigarette tax is amended to read as follows:

7 154.603. Disposition of Revenue (a) After the deductions
8 for the purposes provided by Section 154.602 of this code, the
9 revenue remaining [~~of the first \$2 of tax received per 1,000~~
10 ~~cigarettes for cigarettes weighing three pounds or less per~~
11 ~~thousand and the first \$4.10 per 1,000 cigarettes of the tax~~
12 ~~received for cigarettes weighing more than three pounds per~~
13 ~~thousand is allocated.~~

14 [~~(1) 18.75 percent to the foundation school fund; and~~

15 [~~(2) 81.25 percent to the general revenue fund.~~

16 [~~(b) The revenue remaining after the deductions for the~~
17 ~~purposes provided by Section 154.602 of this code and allocation~~
18 ~~under Subsection (a) of this section is allocated to the general~~
19 ~~revenue fund.] is dedicated and credited to the Texas Great
20 Teachers & Facilities Fund. [~~(c), (d) Repealed by Acts 1993, 73rd~~
21 ~~Leg., ch. 679, Sec. 68, eff. Sept. 1, 1993.]~~~~

22 9. Section 155.241, Subchapter H, Chapter 155 relating to
23 Cigar and Tobacco Products tax, is amended to read as follows:

24 155.241. Allocation of Tax Revenue collected under this
25 chapter shall be dedicated and deposited to the credit of the
26 [~~general revenue fund] Texas Great Teachers & Facilities Fund.~~

27 B. Subtitle G is amended to dedicate the net

1 revenue collected from certain taxes imposed under Chapter 182 and
2 183 on certain gross receipts and on mixed beverages to the funding
3 of the Texas Great Teachers & Facilities Program and credited to the
4 Texas Great Teachers & Facilities Fund, as follows:

5 1. Section 182.122, Subchapter G, Chapter 182, is amended to
6 read as follows:

7 182.122. Allocation of Tax Revenues collected under this
8 chapter are dedicated and credited to the Texas Great Teachers &
9 Facilities Fund. [~~allocated:~~

10 [~~(1) one-fourth to the foundation school fund; and~~

11 [~~(2) three-fourths to the general revenue fund.~~]

12 2. Section 183.023, Subchapter B, Chapter 183, is amended to
13 read as follows:

14 183.023. Payment The tax due for the preceding month shall
15 accompany the return and shall be payable to the state. The revenue
16 shall be dedicated and to the Texas Great Teachers & Facilities
17 Fund. The comptroller shall deposit the revenue in the Texas Great
18 Teachers & Facilities Fund [~~general revenue fund~~].

19 SECTION 5. This Article takes effect January 1, 2004, but
20 only if the constitutional amendment proposed by the 78th
21 Legislature, Regular Session, relating to establishing a new 2.8%
22 sales and motor vehicle tax dedicated to the Texas Great Teachers &
23 Facilities Fund is approved by the voters. If the proposed
24 constitutional amendment is not approved by the voters, this Act
25 has no effect.

26 ARTICLE 4-

27 MISCELLANEOUS REVISIONS TO REPLACE THE

FOUNDATION SCHOOL FUND

WITH THE

TEXAS GREAT TEACHERS & FACILITIES FUND

SECTION 1. Subsections (6) and (35), Section 7.055(b), Subchapter C, Chapter 7, Subtitle B, Title 2, Education Code, are amended to read as follows:

Section 7.055(b) Commissioner of Education Powers and Duties

(6) The commissioner shall adopt an annual budget for operating the [~~Foundation School Program~~] Texas Great Teachers & Facilities Program as prescribed by Subsection (c).

(35) The commissioner shall perform duties in connection with the [~~Foundation School~~] Texas Great Teachers & Facilities Program as prescribed by Chapter [~~42~~ 47].

SECTION 2. Section 7.055(c), Subchapter C, Chapter 7, Subtitle B, Title 2, Education Code, is amended to read as follows:

Section 7.055(c) Commissioner of Education Powers and Duties

(c) The budget the commissioner adopts under Subsection (b) for operating the [~~Foundation School~~] Texas Great Teachers & Facilities Program must be in accordance with legislative appropriations and provide funds for the administration and operation of the agency and any other necessary expense. The budget must designate any expense of operating the agency or operating a program for which the board has responsibility that is paid from the [~~Foundation School~~] Texas Great Teachers & Facilities Program. The budget must designate program expenses that may be paid out of the [~~foundation school fund~~] Texas Great Teachers & Facilities Fund, other state funds, fees, federal funds, or funds earned under

1 interagency contract. Before adopting the budget, the commissioner
2 must submit the budget to the board for review and, after receiving
3 any comments of the board, present the operating budget to the
4 governor and the Legislative Budget Board. The commissioner shall
5 provide appropriate information on proposed budget expenditures to
6 the comptroller to assure that all payments are paid from the
7 appropriate funds in a timely and efficient manner.

8 SECTION 3. REPEALER. Section 8.123(a), Subchapter D,
9 Chapter 8, Subtitle B, Title 2, Education Code is repealed.

10 SECTION 4. Amend the following articles of the Texas Civil
11 Statutes to replace the foundation school fund with the Texas Great
12 Teachers & Facilities Fund: Art. 249a, 3271a, 581-41, 6573a.

13 SECTION 5. Amend the following sections of the Texas
14 Education Code to replace the foundation school fund with the Texas
15 Great Teachers & Facilities Fund: Sections 8.122, 8.124, 13.285,
16 19.005, 19.007, 19.008, 26.65-App., 29.060, 29.062, 29.256,
17 29.257, 30.002, 30.003, 30.087, 30.102, 39.031, 43.010, 54.213,
18 56.208, Table 1, Table 2.

19 SECTION 6. Amend Section 466.156 of the Texas Government
20 Code to replace the foundation school fund with the Texas Great
21 Teachers & Facilities Fund.

22 SECTION 7. Amend the following sections of the Texas
23 Occupations Code to replace the foundation school fund with the
24 Texas Great Teachers & Facilities Fund: Sections 153.053, 201.153,
25 254.004, 351.153, 501.153, 801.154, 901.406, 1001.206, 1051.205,
26 1101.153, 2153.058.

27 SECTION 8. Amend the following sections of the Texas

1 Property Code to replace the foundation school fund with the Texas
2 Great Teachers & Facilities Fund: Sections 71.202, 74.602.

3 SECTION 9. Amend Section 39.901 of the Texas Utilities Code
4 to replace the foundation school fund with the Texas Great Teachers
5 & Facilities Fund.

6 SECTION 10. Section 181.202, Subchapter E, Chapter 181,
7 Subtitle G, Title 2, Tax Code, is amended to read as follows:

8 181.202. Allocation of Tax Revenue One-fourth of the
9 revenue from the tax imposed by this chapter shall be deposited to
10 the credit of the [~~foundation school fund~~] Texas Great Teachers
11 Fund and three-fourths to the general revenue fund.

12 SECTION 11. Section 191.122, Subchapter G, Chapter 191,
13 Subtitle H, Title 2, Tax Code is amended to read as follows:

14 191.122. Allocation of Tax One-fourth of the revenue
15 collected under this chapter shall be deposited to the credit of the
16 [~~foundation school fund~~] Texas Great Teachers Fund and
17 three-fourths to the credit of the general revenue fund.

18 SECTION 12. Section 191.145, Subchapter H, Chapter 191,
19 Subtitle H, Title 2, Tax Code, is amended to read as follows:

20 191.145. Distribution of Tax The supreme court shall
21 forward tax received under this subchapter to the state for
22 deposit:

23 (1) twenty-five percent of the taxes shall be
24 deposited to the credit of the [~~foundation school fund~~] Texas Great
25 Teachers Fund; and

26 (2) seventy-five percent of the taxes shall be
27 deposited to the credit of the general revenue fund.

1 SECTION 13. Section 201.404, Subchapter I, Chapter 201,
2 Subtitle I, Title 2, Tax Code, is amended to read as follows:

3 201.404. Allocation of Revenue After deducting the amount
4 required to be deposited by Section 201.403 of this code, the
5 comptroller shall deposit one-fourth of the revenue collected from
6 the tax imposed by this chapter to the credit of the [~~foundation~~
7 ~~school fund~~] Texas Great Teachers Fund and three-fourths to the
8 general revenue fund.

9 SECTION 14. Section 202.353, Subchapter H, Chapter 202,
10 Subtitle I, Title 2, Tax Code, is amended to read as follows:

11 202.353. Allocation of Revenue After deducting the amount
12 required to be deposited by Section 202.352 of this code, the
13 comptroller shall deposit one-fourth of the revenue collected from
14 the tax imposed by this chapter to the credit of the [~~foundation~~
15 ~~school fund~~] Texas Great Teachers Fund and three-fourths to the
16 general revenue fund.

17 SECTION 15. Section 203.152, Subchapter D, Chapter 203,
18 Subtitle I, Title 2, Tax Code is amended to read as follows:

19 203.152. Allocation of Revenue One-fourth of the revenue
20 collected from the tax imposed by this chapter shall be deposited to
21 the credit of the [~~foundation school fund~~] Texas Great Teachers
22 Fund and three-fourths to the general revenue fund.

23 ARTICLE 5-

24 AMENDMENTS TO CONFORM THE FOUNDATION SCHOOL PROGRAM

25 TO THE

26 TEXAS GREAT TEACHERS & FACILITIES PROGRAM

27 SECTION 1. Amend the following sections of the Texas

1 Education Code to implement the Texas Great Teachers & Facilities
2 Program: 7.102, 8.121, 11.201, 11.351, 21.402, 21.410, 21.411,
3 25.037, 25.089, 28.006, 28.0211, 29.087, 34.009, 37.0061, 37.011.

4 ARTICLE 6- AMENDMENTS TO CONFORM THE AVAILABLE SCHOOL FUND
5 FOR THE IMPLEMENTATION OF THE
6 TEXAS GREAT TEACHERS & FACILITIES PROGRAM

7 SECTION 1. Amendments to require that the Available School
8 Fund be distributed to the Texas Great Teachers & Facilities Fund as
9 necessary to fund the Texas Great Teachers & Facilities Program.

10 SECTION 2. Amend the following sections of the Texas
11 Agriculture Code to conform the Available School Fund for the
12 implementation of the Texas Great Teachers & Facilities Program:
13 Sections 146.068, 148.042.

14 SECTION 3. Amend the following articles of the Texas Civil
15 Statutes to conform the Available School Fund for the
16 implementation of the Texas Great Teachers & Facilities Program:
17 Sections 1652, 1653, 1709, 2685a, 2685b, 2685b-1, 2687d, 2688h,
18 2700a, 2700d-4, 2700d-11, 2700d-17, 2700d-18, 2700d-22, 2700d-23,
19 2700d-28, 2700d-32, 2700d-35, 2700d-37.

20 SECTION 4. Amend the following sections of the Texas
21 Education Code to conform the Available School Fund for the
22 implementation of the Texas Great Teachers & Facilities Program:
23 Sections 7.102, 11.351, 17.09-App., 17.72-App., 17.83-App.,
24 19.124-App., 25.001, 25.037, 25.040, 29.153, 29.203, 29.901,
25 30.003, 30.004, 30.025, 30.056, 30.101, 30.102, 31.021, 37.0061,
26 43.001, 43.002, 43.003, 43.0031, 43.0032, 43.0033, 43.0034,
27 43.004, 43.005, 43.006, 43.007, 43.008, 43.009, 43.010, 43.011,

1 43.012, 43.013, 43.014, 43.015, 43.016, 43.017, 43.018, 43.019,
2 45.004, 45.105, 45.106, Table 1, Table 2.

3 SECTION 5. Amend Section 403.035 of the Texas Government
4 Code to conform the Available School Fund for the implementation of
5 the Texas Great Teachers & Facilities Program.

6 SECTION 6. Amend section 533.001 of the Texas Health &
7 Safety Code to conform the Available School Fund for the
8 implementation of the Texas Great Teachers & Facilities Program.

9 SECTION 7. Amend Section 403.002 of the Texas Labor Code to
10 conform the Available School Fund for the implementation of the
11 Texas Great Teachers & Facilities Program.

12 SECTION 8. Amend the following sections of the Texas Local
13 Government Code to conform the Available School Fund for the
14 implementation of the Texas Great Teachers & Facilities Program:
15 Sections 71.035, 115.001, 153.001.

16 SECTION 9. Amend the following sections of the Texas
17 Natural Resources Code to conform the Available School Fund for the
18 implementation of the Texas Great Teachers & Facilities Program:
19 Sections 31.301, 33.016, 51.069, 51.130, 51.300, 51.401, 52.137,
20 52.297, 53.155.

21 SECTION 10. Amend the following sections of the Texas Tax
22 Code to conform the Available School Fund for the implementation of
23 the Texas Great Teachers & Facilities Program: Sections 11.11,
24 101.009, 153.501, 153.502, 153.503, 153.504, 153.505, 154.601.

25 SECTION 11. Amend Section 20.002 of the Texas
26 Transportation Code to conform the Available School Fund for the
27 implementation of the Texas Great Teachers & Facilities Program.

1 ARTICLE 7 EFFECTIVE DATE

2 SECTION 1. This Act takes effect January 1, 2004, but only
3 if the following constitutional amendment proposed by the 78th
4 Legislature, Regular Session, 2003, is approved by the voters:

5 (i) the constitutional amendment relating
6 to establishing a new 2.8% sales and motor vehicle tax dedicated to
7 the Texas Great Teachers & Facilities Fund.

8 If the above constitutional amendment is not approved by the
9 voters, this Act has no effect.