

By: Shapleigh

S.B. No. 962

A BILL TO BE ENTITLED

1 AN ACT

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

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

6 SECTION 1. Sections 43.001 and 43.002, Education Code, are
7 amended to read as follows:

8 Sec. 43.001. COMPOSITION OF PERMANENT SCHOOL FUND AND
9 AVAILABLE SCHOOL FUND. (a) The permanent school fund, which is a
10 perpetual endowment for the public schools of this state, consists
11 of:

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

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

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

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

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

23 (6) all income from the mineral development of
24 permanent school fund land, including income from mineral

1 development of riverbeds and other submerged land;

2 (7) the interest and dividends arising from any
3 securities or funds belonging to the permanent school fund;

4 (8) all interest derivable from the proceeds of the
5 sale of land set apart for the permanent school fund; and

6 (9) all money derived from the lease of land belonging
7 to the permanent school fund.

8 (b) The available school fund, which shall be apportioned
9 annually to each school district [~~county~~] according to its
10 scholastic population, consists of:

11 (1) the distributions to the fund from the permanent
12 school fund as provided by Section 5, Article VII, Texas
13 Constitution;

14 ~~(2) [the interest and dividends arising from any~~
15 ~~securities or funds belonging to the permanent school fund;~~

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

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

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

23 (3) ~~[(5)]~~ one-fourth of revenue derived from state
24 gasoline and special fuels excise taxes as provided by law; and

25 (4) ~~[(6)]~~ all other appropriations to the available
26 school fund made by the legislature for public school purposes.

27 (c) The term "scholastic population" in Subsection (b) or

1 any other law governing the apportionment, distribution, and
2 transfer of the available school fund means all students of school
3 age enrolled in average daily attendance the preceding school year
4 in the public elementary and high school grades of a school district
5 in [~~districts within or under the jurisdiction of a county of~~] this
6 state.

7 Sec. 43.002. TRANSFERS FROM PERMANENT SCHOOL FUND AND
8 GENERAL REVENUE FUND TO AVAILABLE FUND. (a) On the first working
9 day of each month in a state fiscal year, the comptroller shall
10 transfer from the permanent school fund to the available school
11 fund an amount equal to one-twelfth of the annual distribution from
12 the permanent school fund to the available school fund for the
13 fiscal year as determined by the State Board of Education under
14 Section 5, Article VII, Texas Constitution, and by the General
15 Appropriations Act.

16 (a-1) Notwithstanding Subsection (a), for the fiscal year
17 beginning September 1, 2003, the comptroller shall transfer from
18 the permanent school fund to the available school fund:

19 (1) on January 2, 2004, an amount equal to
20 five-twelfths of the annual distribution from the permanent school
21 fund to the available school fund for that fiscal year as provided
22 by Section 5, Article VII, Texas Constitution, and by the General
23 Appropriations Act; and

24 (2) on the first working day of each month after
25 January 2004, an amount equal to one-twelfth of the annual
26 distribution from the permanent school fund to the available school
27 fund for that fiscal year as provided by Section 5, Article VII,

1 Texas Constitution, and by the General Appropriations Act.

2 (a-2) Subsection (a-1) and this subsection expire September
3 1, 2004.

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

18 SECTION 2. This Act takes effect January 1, 2004, but only
19 if the constitutional amendment proposed by the 78th Legislature,
20 Regular Session, 2003, relating to distributions from the permanent
21 school fund, is approved by the voters. If the proposed
22 constitutional amendment is not approved by the voters, this Act
23 has no effect.