

By: Bivins

S.B. No. 1307

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the treatment for school finance purposes of ad valorem
3 taxes levied against certain property owned by debtors in
4 bankruptcy proceedings.

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

6 SECTION 1. Section 42.302, Education Code, is amended by
7 amending Subsection (b) and adding Subsection (f) to read as
8 follows:

9 (b) In computing the district enrichment tax rate of a
10 school district, the total amount of maintenance and operations
11 taxes collected by the school district does not include the amount
12 of:

13 (1) the district's local fund assignment under Section
14 42.252; ~~or~~

15 (2) taxes paid into a tax increment fund under Chapter
16 311, Tax Code; or

17 (3) delinquent taxes collected that were previously
18 considered to have been collected under Subsection (f).

19 (f) For purposes of this section, school district taxes
20 levied against property that cannot be collected because the
21 property owner is a debtor in a bankruptcy proceeding under Title
22 11, United States Code, are considered to be collected in the year
23 in which the taxes are levied, if the taxable value of the property
24 exceeds four percent of the district's total taxable value of

1 property. The commissioner in consultation with the comptroller
2 shall adopt rules for determining whether related or affiliated
3 entities that are debtors in one or more bankruptcy proceedings are
4 to be considered as a single property owner for purposes of this
5 subsection.

6 SECTION 2. This Act takes effect September 1, 2003.