

By: Keffer of Dallas

H.B. No. 98

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the use of current and future state budget surpluses to  
3 reduce local school district property tax rates; making an  
4 appropriation.

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

6 SECTION 1. (a) The amount of \$6.15 billion is appropriated  
7 out of the general revenue fund to the credit of the available  
8 school fund for the state fiscal biennium ending August 31, 2007,  
9 and that same amount is appropriated out of the available school  
10 fund to the Texas Education Agency for the state fiscal biennium  
11 ending August 31, 2007, for the purpose of reducing local school  
12 district maintenance and operations tax rates in accordance with  
13 Subsection (b).

14 (b) The Texas Education Agency, as soon as possible after  
15 the effective date of this Act, shall develop and adopt a plan for  
16 the distribution of the money appropriated by Subsection (a). The  
17 commissioner may expend and distribute the money only:

18 (1) in accordance with a final plan for the  
19 distribution of the money; and

20 (2) with the prior approval of the Legislative Budget  
21 Board and the governor.

22 SECTION 2. Subchapter A, Chapter 42, Education Code, is  
23 amended by adding Section 42.008 to read as follows:

24 Sec. 42.008. USE OF STATE BUDGET SURPLUSES FOR SCHOOL

1 DISTRICT PROPERTY TAX RELIEF. (a) Not later than the 90th day of  
2 each state fiscal biennium, the comptroller shall determine the  
3 amount of the unencumbered positive balance of general revenues on  
4 the last day of the preceding biennium. On making that  
5 determination, the comptroller shall transfer one-half of the  
6 amount determined into a separate fund in the state treasury known  
7 as the school district property tax relief fund. For purposes of  
8 this subsection, general revenues are considered encumbered on the  
9 last day of a state fiscal biennium only to the extent that general  
10 revenues are subject to payment for particular identifiable and  
11 legally enforceable obligations of this state that were incurred on  
12 or before that day.

13 (b) Money in the school district property tax relief fund  
14 may be used only for the purpose of reducing local school district  
15 maintenance and operations tax rates in the manner provided by this  
16 section.

17 (c) The school district property tax relief fund is exempt  
18 from the application of Sections 403.095 and 404.071, Government  
19 Code. Interest and income from the deposit and investment of money  
20 in the fund are allocated to the fund monthly.

21 (d) In any state fiscal biennium, the commissioner of  
22 education may expend and distribute money appropriated from the  
23 school district property tax relief fund only:

24 (1) in accordance with a final plan for the  
25 distribution of the money; and

26 (2) with the prior approval of the Legislative Budget  
27 Board and the governor.

1       (e) Not later than the 90th day of each state fiscal  
2 biennium, the commissioner of education shall prepare and adopt a  
3 plan for the distribution of the money appropriated to the Texas  
4 Education Agency from the school district property tax relief fund  
5 for that biennium and send the proposed plan to the governor and the  
6 Legislative Budget Board for review and comment.

7       SECTION 3. This Act takes effect immediately if it receives  
8 a vote of two-thirds of all the members elected to each house, as  
9 provided by Section 39, Article III, Texas Constitution. If this  
10 Act does not receive the vote necessary for immediate effect, this  
11 Act takes effect on the 91st day after the last day of the  
12 legislative session.