

By: Oliveira

H.B. No. 689

A BILL TO BE ENTITLED

AN ACT

relating to funding for public education instructional facilities.

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

SECTION 1. Section 46.003, Education Code, is amended by amending Subsections (a) and (b) and adding Subsection (i) to read as follows:

(a) For each year, except as provided by Section ~~[Sections]~~ 46.005 ~~[and 46.006]~~, a school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort, up to the maximum rate under Subsection (b), to pay the principal of and interest on eligible bonds issued to construct, acquire, renovate, or improve an instructional facility. The amount of state support is determined by the formula:

$$\text{FYA} = (\text{FYL} \times \text{ADA} \times \text{BTR} \times 100) - (\text{BTR} \times (\text{DPV}/100))$$

where:

"FYA" is the guaranteed facilities yield amount of state funds allocated to the district for the year;

"FYL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is the amount of district tax revenue per cent of tax effort available to a school district at the 98th percentile in wealth per student, as determined by the commissioner ~~[\$35 or a greater amount for any year provided by appropriation]~~;

"ADA" is the greater of the number of students in average

daily attendance, as determined under Section 42.005, in the district or 400;

"BTR" is the district's bond tax rate for the current year, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 42.2521, divided by 100; and

"DPV" is the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 42.2521.

(b) The bond tax rate under Subsection (a) may not exceed the lesser of:

(1) the rate that would be necessary for the current year, using state funds under Subsection (a), to make payments of principal and interest on the bonds for which the tax is pledged; or

(2) \$0.15 for each \$100 of taxable value of property in the district.

(i) In this section, "wealth per student" means a school district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 42.2521, divided by the district's average daily attendance as determined under Section 42.005.

SECTION 2. Chapter 46, Education Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. ASSISTANCE WITH OTHER DEBT

Sec. 46.081. STATE PAYMENT OF CERTAIN DEBT. If a school

1 district's total bond tax rate for the 2004 tax year exceeded \$0.15
2 for each \$100 of taxable value of property in the district for the
3 2005-2006 school year and each subsequent school year, the district
4 is entitled to additional state assistance in the amount necessary
5 to reduce the district's tax rate for payment of bonds outstanding
6 on January 1, 2005, to \$0.15 for each \$100 of taxable value of
7 property.

8 Sec. 46.082. PAYMENT OF ASSISTANCE. Section 46.009 applies
9 to the payment of assistance under this subchapter.

10 SECTION 3. Section 46.006, Education Code, is repealed.

11 SECTION 4. This Act takes effect September 1, 2005.