BILL ANALYSIS

BACKGROUND AND PURPOSE

As more fully described in the analysis section below, currently certain provisions of law relating to eligibility for state and local funding for school bonds are tied to the 2004-2005 school year.

The purpose of this bill is to update those provisions of law so that eligibility for such funding is tied to the 2006-2007 school year.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Current law provides that bonds, including bonds issued under Section 45.006, Education Code, are eligible to be paid with state and local funds under Subchapter B (ASSISTANCE WITH PAYMENT OF EXISTING DEBT) of Chapter 46, Education Code, if:

- a school district made payments on the bonds during the 2004-2005 school year or taxes levied to pay the principal of and interest on the bonds were included in the district's audited debt service collections for that school year; and
- the district does not receive state assistance under Subchapter A (INSTRUCTIONAL FACILITIES ALLOTMENT) of Chapter 46, Education Code, for payment of the principal and interest on the bonds.

This bill amends the above provision by striking "2004-2005" and substituting "2006-2007."

Furthermore, current law provides that if the amount required to pay the principal of and interest on eligible bonds in a school year is less than the amount of payments made by the district on the bonds during the 2004-2005 school year or the district's audited debt service collections for that school year, the district may not receive aid in excess of the amount that, when added to the district's local revenue for the school year, equals the amount required to pay the principal of and interest on the bonds.

This bill amends the above provision by striking "2004-2005" and substituting "2006-2007."

EFFECTIVE DATE

September 1, 2007.