

BILL ANALYSIS

S.C.R. 20
By: Ogden
Appropriations
Committee Report (Unamended)

BACKGROUND AND PURPOSE

House Bill 1 (79th, Third Called Session) provided for an increase in state aid to school districts for the purpose of reducing school district maintenance and operations taxes by 11.33 percent for the 2006 tax year and 33.33 percent for the 2007 tax year, with the understanding that further state aid for the purpose of reducing school district taxes for maintenance and operations would be forthcoming in subsequent years. The provision in House Bill 1 for substantially increasing the state's share of public school funding reversed a long-term trend of increasing reliance on local property taxes.

House Bill 1 called for a reduction in school district property tax bills in Texas by an estimated \$7 billion annually in fiscal years 2008 and 2009. Funding the school district property tax relief mechanism provided by House Bill 1 is essential to the promotion of long-term economic growth in Texas.

Senate Bill 2 (80th, Regular Session) or similar legislation, makes appropriations for the purpose of implementing the school district property tax rate reduction mechanism established by House Bill 1. Appropriations made by Senate Bill 2 are separate from and in addition to appropriations made by the general appropriations bill. Appropriations made by the general appropriations bill are subject to the constitutional spending limit for state tax revenues not dedicated by the constitution, and appropriations made from those sources in the general appropriations bill are less than the amount authorized by Section 22(a), Article VIII, Texas Constitution.

RULEMAKING AUTHORITY

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

ANALYSIS

Senate Concurrent Resolution 20 establishes a legislative finding that the existing need for lower school district property taxes constitutes an emergency for the people of Texas.

Senate Concurrent Resolution 20 allows the 80th Legislature to appropriate state tax revenues not dedicated by the Texas Constitution for fiscal years 2008 and 2009, in an amount not to exceed \$14,191,100,000 more than the amount authorized by Section 22(a), Article VIII, Texas Constitution, with \$14,191,100,000 being the amount appropriated for the biennium by Senate Bill 2 (80th, Regular Session) or similar legislation making appropriations for the purpose of funding school district property tax rate reductions in accordance with Section 42.2516 of the Education Code, as added by House Bill 1 (79th, Third Called Session).