

AN ACT

relating to the equalization of property wealth in certain school districts.

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

SECTION 1. Subchapter A, Chapter 41, Education Code, is amended by adding Section 41.0041 to read as follows:

Sec. 41.0041. EFFECT OF ADDITIONAL STATE AID FOR TAX REDUCTION. (a) Notwithstanding any other provision of this chapter, if a school district's wealth per student exceeds the equalized wealth level for the first time in the 2006-2007 or a later school year, the commissioner may consider the district to have reduced its wealth per student to the equalized wealth level for any school year as provided by this section.

(b) When the commissioner initially identifies a school district under Section 41.004 as having a wealth per student for a school year that exceeds the equalized wealth level, the commissioner shall estimate:

(1) the amount of state revenue to which the district is entitled under Section 42.2516 for that school year; and

(2) the cost to the district to purchase attendance credits under Subchapter D in an amount sufficient to reduce the district's wealth per student to the equalized wealth level for that school year.

(c) If the commissioner determines that the amount

1 described by Subsection (b)(1) exceeds the amount described by
2 Subsection (b)(2), the commissioner shall notify the district of
3 the commissioner's determination. In lieu of exercising an option
4 described by Section 41.003, the district's board of trustees may
5 authorize the commissioner to withhold from the state revenue to
6 which the district is entitled under Section 42.2516 an amount
7 equal to the amount described by Subsection (b)(2).

8 (d) In calculating the amount of state revenue to be
9 withheld from a school district under this section, the
10 commissioner shall calculate the cost for the district to reduce
11 the district's wealth per student to the equalized wealth level
12 using the final attendance and tax rate data for the school year and
13 shall award the district any available credit or discount under
14 Subchapter D as if the district had exercised the option under
15 Section 41.003(3) in a timely manner. If the final amount
16 calculated for the cost for the district to reduce the district's
17 wealth per student to the equalized wealth level for a school year
18 exceeds the amount of state revenue to which the district is
19 entitled under Section 42.2516 for that year:

20 (1) the commissioner shall:

21 (A) withhold the entire amount of state revenue
22 to which the district is entitled under Section 42.2516 for that
23 year; and

24 (B) withhold the additional amount of the cost
25 for the district to reduce the district's wealth per student to the
26 equalized wealth level for that year from the state revenue to which
27 the district is entitled under Section 42.2516 for a subsequent

1 school year; and

2 (2) the district is not required to take any further
3 action to reduce its wealth per student for that year.

4 (e) An action by the board of trustees of a school district
5 authorizing the commissioner to withhold state revenue from the
6 district under this section is valid without voter authorization.

7 SECTION 2. 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 September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 3226 was passed by the House on April 25, 2007, by the following vote: Yeas 138, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3226 was passed by the Senate on May 17, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor