

1-1 By: Branch, et al. (Senate Sponsor - West) H.B. No. 3226  
1-2 (In the Senate - Received from the House April 26, 2007;  
1-3 April 27, 2007, read first time and referred to Committee on  
1-4 Education; May 8, 2007, reported favorably by the following vote:  
1-5 Yeas 5, Nays 0; May 8, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the equalization of property wealth in certain school  
1-9 districts.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter A, Chapter 41, Education Code, is  
1-12 amended by adding Section 41.0041 to read as follows:

1-13 Sec. 41.0041. EFFECT OF ADDITIONAL STATE AID FOR TAX  
1-14 REDUCTION. (a) Notwithstanding any other provision of this  
1-15 chapter, if a school district's wealth per student exceeds the  
1-16 equalized wealth level for the first time in the 2006-2007 or a  
1-17 later school year, the commissioner may consider the district to  
1-18 have reduced its wealth per student to the equalized wealth level  
1-19 for any school year as provided by this section.

1-20 (b) When the commissioner initially identifies a school  
1-21 district under Section 41.004 as having a wealth per student for a  
1-22 school year that exceeds the equalized wealth level, the  
1-23 commissioner shall estimate:

1-24 (1) the amount of state revenue to which the district  
1-25 is entitled under Section 42.2516 for that school year; and

1-26 (2) the cost to the district to purchase attendance  
1-27 credits under Subchapter D in an amount sufficient to reduce the  
1-28 district's wealth per student to the equalized wealth level for  
1-29 that school year.

1-30 (c) If the commissioner determines that the amount  
1-31 described by Subsection (b)(1) exceeds the amount described by  
1-32 Subsection (b)(2), the commissioner shall notify the district of  
1-33 the commissioner's determination. In lieu of exercising an option  
1-34 described by Section 41.003, the district's board of trustees may  
1-35 authorize the commissioner to withhold from the state revenue to  
1-36 which the district is entitled under Section 42.2516 an amount  
1-37 equal to the amount described by Subsection (b)(2).

1-38 (d) In calculating the amount of state revenue to be  
1-39 withheld from a school district under this section, the  
1-40 commissioner shall calculate the cost for the district to reduce  
1-41 the district's wealth per student to the equalized wealth level  
1-42 using the final attendance and tax rate data for the school year and  
1-43 shall award the district any available credit or discount under  
1-44 Subchapter D as if the district had exercised the option under  
1-45 Section 41.003(3) in a timely manner. If the final amount  
1-46 calculated for the cost for the district to reduce the district's  
1-47 wealth per student to the equalized wealth level for a school year  
1-48 exceeds the amount of state revenue to which the district is  
1-49 entitled under Section 42.2516 for that year:

1-50 (1) the commissioner shall:

1-51 (A) withhold the entire amount of state revenue  
1-52 to which the district is entitled under Section 42.2516 for that  
1-53 year; and

1-54 (B) withhold the additional amount of the cost  
1-55 for the district to reduce the district's wealth per student to the  
1-56 equalized wealth level for that year from the state revenue to which  
1-57 the district is entitled under Section 42.2516 for a subsequent  
1-58 school year; and

1-59 (2) the district is not required to take any further  
1-60 action to reduce its wealth per student for that year.

1-61 (e) An action by the board of trustees of a school district  
1-62 authorizing the commissioner to withhold state revenue from the  
1-63 district under this section is valid without voter authorization.

1-64 SECTION 2. This Act takes effect immediately if it receives

2-1 a vote of two-thirds of all the members elected to each house, as  
2-2 provided by Section 39, Article III, Texas Constitution. If this  
2-3 Act does not receive the vote necessary for immediate effect, this  
2-4 Act takes effect September 1, 2007.

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