

By: Shapiro, Lucio, Ogden

S.B. No. 1827

A BILL TO BE ENTITLED

AN ACT

relating to the financing of school district instructional facilities.

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

SECTION 1. Section 45.003, Education Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) A proposition to authorize bonds described by Section 45.001 to finance instructional facilities must be submitted separately from any other proposition that seeks to authorize bonds to finance other district facilities. This subsection does not prohibit, after voter authorization is obtained, the combination of any amounts authorized into a single bond issuance. The commissioner shall adopt rules necessary to administer this subsection, including rules that define "instructional facility" for purposes of this subsection.

SECTION 2. The heading to Subchapter A, Chapter 46, Education Code, is amended to read as follows:

SUBCHAPTER A. SHORT-TERM INSTRUCTIONAL FACILITIES ALLOTMENT

SECTION 3. The heading to Section 46.003, Education Code, is amended to read as follows:

Sec. 46.003. [~~SCHOOL FACILITIES~~] ALLOTMENT.

SECTION 4. Section 46.003, Education Code, is amended by amending Subsection (h) and adding Subsection (i) to read as follows:

1 (h) To receive state assistance under this subchapter, a
2 school district must apply to the commissioner in accordance with
3 rules adopted by the commissioner before issuing bonds that will be
4 paid with state assistance. Until the bonds are fully paid, ~~or~~
5 the instructional facility is sold, or the school district becomes
6 eligible to receive assistance with payment of the bonds under
7 Subchapter B:

8 (1) a school district is entitled to continue
9 receiving state assistance under this subchapter without
10 reapplying to the commissioner; and

11 (2) the guaranteed level of state and local funds per
12 student per cent of tax effort applicable to the bonds may not be
13 reduced below the level provided for the year in which the bonds
14 were issued.

15 (i) Notwithstanding any other provision of this chapter,
16 the commissioner shall ensure that a school district that becomes
17 eligible for state assistance under Subchapter B with payment of
18 bonds for which the district initially received state assistance
19 under this subchapter continues to receive state assistance under
20 this subchapter as necessary to result in a total guaranteed level
21 of state and local funds per student per cent of tax effort equal to
22 the level provided under this subchapter for the year in which the
23 bonds were issued.

24 SECTION 5. Subchapter A, Chapter 46, Education Code, is
25 amended by adding Section 46.0041 to read as follows:

26 Sec. 46.0041. CERTAIN STATE ASSISTANCE RELATED TO
27 LEASE-PURCHASE AGREEMENTS. (a) A school district receiving state

1 assistance in connection with a lease-purchase agreement under
2 Section 46.004, as that section existed on January 1, 2007, is
3 entitled to receive state assistance in connection with the
4 agreement until the district completes the district's share of the
5 payments under the agreement.

6 (b) This section expires September 1, 2032.

7 SECTION 6. Section 46.006, Education Code, is amended by
8 adding Subsection (c-1) and amending Subsection (d) to read as
9 follows:

10 (c-1) A district's wealth per student is reduced by 10
11 percent for purposes of this section if the project for which the
12 district seeks assistance involves the acquisition, construction,
13 renovation, or other improvement of a scientific laboratory or
14 similar facility to be used for science instruction. The reduction
15 is in addition to any reduction under Subsection (a), (b), or (c)
16 and is computed before the district's wealth per student is reduced
17 under those subsections, if applicable.

18 (d) The commissioner shall adjust the rankings after making
19 the reductions in wealth per student required by Subsections (a),
20 (b), ~~and~~ (c), and (c-1).

21 SECTION 7. The heading to Section 46.011, Education Code,
22 is amended to read as follows:

23 Sec. 46.011. SALE OF INSTRUCTIONAL FACILITY FINANCED WITH
24 SHORT-TERM INSTRUCTIONAL FACILITIES ALLOTMENT.

25 SECTION 8. Section 46.032(a), Education Code, is amended to
26 read as follows:

27 (a) Each school district is guaranteed a specified amount

1 per student in state and local funds for each cent of tax effort to
2 pay the principal of and interest on eligible bonds. The amount of
3 state support, subject only to the maximum amount under Section
4 46.034, is determined by the formula:

5
$$\text{EDA} = (\text{EDGL} \times \text{ADA} \times \text{EDTR} \times 100) - (\text{EDTR} \times (\text{DPV}/100))$$

6 where:

7 "EDA" is the amount of state funds to be allocated to the
8 district for assistance with existing debt;

9 "EDGL" is the dollar amount guaranteed level of state and
10 local funds per student per cent of tax effort, which is \$36 [~~\$35~~]
11 or a greater amount for any year provided by appropriation;

12 "ADA" is the number of students in average daily attendance,
13 as determined under Section 42.005, in the district;

14 "EDTR" is the existing debt tax rate of the district, which is
15 determined by dividing the amount budgeted by the district for
16 payment of eligible bonds by the quotient of the district's taxable
17 value of property as determined under Subchapter M, Chapter 403,
18 Government Code, or, if applicable, under Section 42.2521, divided
19 by 100; and

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

23 SECTION 9. Section 46.033, Education Code, is amended to
24 read as follows:

25 Sec. 46.033. ELIGIBLE BONDS. Bonds, including bonds issued
26 under Section 45.006, are eligible to be paid with state and local
27 funds under this subchapter if:

1 (1) the district made payments on the bonds during the
2 final [2004-2005] school year of the preceding state fiscal
3 biennium;

4 (2) [~~or~~] taxes levied to pay the principal of and
5 interest on the bonds were included in the district's audited debt
6 service collections for that school year; or [and]

7 (3) [~~(2)~~] the district received [~~does not receive~~]
8 state assistance under Subchapter A for payment of [~~the~~] principal
9 and interest on [~~the~~] bonds during the final school year of the
10 preceding state fiscal biennium.

11 SECTION 10. Section 46.034(c), Education Code, is amended
12 to read as follows:

13 (c) If the amount required to pay the principal of and
14 interest on eligible bonds in a school year is less than the amount
15 of payments made by the district on the bonds during the final
16 [2004-2005] school year of the state fiscal biennium preceding the
17 biennium in which the district first receives assistance under this
18 subchapter for the payment of principal of and interest on the bonds
19 or the district's audited debt service collections for that school
20 year, the district may not receive aid in excess of the amount that,
21 when added to the district's local revenue for the school year,
22 equals the amount required to pay the principal of and interest on
23 the bonds.

24 SECTION 11. Section 46.004, Education Code, is repealed.

25 SECTION 12. The repeal of Section 46.004, Education Code,
26 by this Act does not affect the validity or terms of a
27 lease-purchase agreement entered into by a district for which the

1 district received state assistance under that section.

2 SECTION 13. This Act takes effect September 1, 2007.