

By: Zaffirini

S.B. No. 1863

A BILL TO BE ENTITLED

AN ACT

relating to the limitation on the rate of school district enrichment taxes eligible for equalization under the foundation school program.

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

SECTION 1. Sections 42.302(a), (a-1), and (a-3), Education Code, are amended to read as follows:

(a) Each school district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the district's local fund assignment up to the maximum level specified in this subchapter. The amount of state support~~[, subject only to the maximum amount under Section 42.303,]~~ is determined by the formula:

$$GYA = (GL \times WADA \times DTR \times 100) - LR$$

where:

"GYA" is the guaranteed yield amount of state funds to be allocated to the district;

"GL" is the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort, which is an amount described by Subsection (a-1) or a greater amount for any year provided by appropriation;

"WADA" is the number of students in weighted average daily attendance, which is calculated by dividing the sum of the school district's allotments under Subchapters B and C, less any allotment

1 to the district for transportation, any allotment under Section
2 42.158, and 50 percent of the adjustment under Section 42.102, by
3 the basic allotment for the applicable year;

4 "DTR" is the district enrichment tax rate of the school
5 district, which is determined by subtracting the amounts specified
6 by Subsection (b) from the total amount of maintenance and
7 operations taxes collected by the school district for the
8 applicable school year and dividing the difference by the quotient
9 of the district's taxable value of property as determined under
10 Subchapter M, Chapter 403, Government Code, or, if applicable,
11 under Section 42.2521, divided by 100; and

12 "LR" is the local revenue, which is determined by multiplying
13 "DTR" by the quotient of the district's taxable value of property as
14 determined under Subchapter M, Chapter 403, Government Code, or, if
15 applicable, under Section 42.2521, divided by 100.

16 (a-1) In this section, "wealth per student" has the meaning
17 assigned by Section 41.001. For purposes of Subsection (a), the
18 dollar amount guaranteed level of state and local funds per
19 weighted student per cent of tax effort ("GL") for a school district
20 is:

21 (1) the amount of district tax revenue per weighted
22 student per cent of tax effort available to a district at the 88th
23 percentile in wealth per student, as determined by the commissioner
24 in cooperation with the Legislative Budget Board, for the
25 district's maintenance and operations tax effort equal to or less
26 than the rate equal to the product of the state compression
27 percentage, as determined under Section 42.2516, multiplied by the

1 maintenance and operations tax rate adopted by the district for the
2 2005 tax year;

3 (2) the amount of district tax revenue per weighted
4 student per cent of tax effort available to the Austin Independent
5 School District, as determined by the commissioner in cooperation
6 with the Legislative Budget Board, for the first six cents by which
7 the district's maintenance and operations tax rate exceeds the rate
8 equal to the product of the state compression percentage, as
9 determined under Section 42.2516 ~~[and notwithstanding the~~
10 ~~limitation on district enrichment tax rate ("DTR") under Section~~
11 ~~42.303]~~, multiplied by the maintenance and operations tax rate
12 adopted by the district for the 2005 tax year; and

13 (3) \$31.95, for the district's maintenance and
14 operations tax effort that exceeds the amount of tax effort
15 described by Subdivision (2).

16 (a-3) Subsection (a-1) applies beginning with the 2008-2009
17 school year. For the 2006-2007 and 2007-2008 school years, the
18 dollar amount guaranteed level of state and local funds per
19 weighted student per cent of tax effort ("GL") for a school district
20 is the level specified by Subsection (a-1), except that:

21 (1) Subsection (a-1)(2) applies only to the first four
22 cents by which the district's maintenance and operations tax rate
23 exceeds the rate equal to the product of the state compression
24 percentage, as determined under Section 42.2516, multiplied by the
25 maintenance and operations tax rate adopted by the district for the
26 2005 tax year; and

27 (2) Subsection (a-1)(3) applies to the district's

1 maintenance and operations tax effort that exceeds the rate
2 described by Subdivision (1) [~~and~~

3 [~~(3) the limitation on district enrichment tax rate~~
4 ~~("DTR") under Section 42.303 does not apply to the district's~~
5 ~~maintenance and operations tax effort described by Subdivision~~
6 ~~(1)]~~.

7 SECTION 2. The following provisions of the Education Code
8 are repealed:

9 (1) Section 41.159(b);

10 (2) Section 42.302(a-2); and

11 (3) Section 42.303.

12 SECTION 3. During the 2007-2008 school year, the
13 commissioner of education shall provide funding, in the manner
14 provided by Section 42.253(i), Education Code, to school districts
15 under the Foundation School Program that includes any funding to
16 which the district would have been entitled under the law as amended
17 by this Act had that law been in effect for the 2006-2007 school
18 year.

19 SECTION 4. This Act takes effect September 1, 2007.