

SENATE AMENDMENTS

2nd Printing

By: Chisum, Hartnett

H.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to making appropriations to the Texas Education Agency for the purpose of school district property tax rate reductions.

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

SECTION 1. (a) In addition to other amounts appropriated for the Foundation School Program for all or part of the state fiscal biennium ending August 31, 2009, the following amounts are appropriated to the Texas Education Agency under the Foundation School Program for the purpose of funding school district property tax rate reductions in accordance with Section 42.2516, Education Code:

(1) for the state fiscal year ending August 31, 2008:

(A) all amounts in the property tax relief fund (an estimated amount of \$4,231,466,000) are appropriated for this purpose; and

(B) if the amounts available from the property tax relief fund for that fiscal year are less than \$6,956,400,000, the additional amount necessary for the total appropriation under this subdivision to equal \$6,956,400,000 (an estimated amount of \$2,724,934,000) is appropriated from the foundation school fund for this purpose; and

(2) for the state fiscal year ending August 31, 2009:

(A) all amounts in the property tax relief fund (an estimated amount of \$3,846,492,000) are appropriated for this

1 purpose; and

2 (B) if the amounts available from the property
3 tax relief fund for that fiscal year are less than \$7,234,700,000,
4 the additional amount necessary for the total appropriation under
5 this subdivision to equal \$7,234,700,000 (an estimated amount of
6 \$3,388,208,000) is appropriated from the foundation school fund for
7 this purpose.

8 (b) In addition to the amounts appropriated under
9 Subsection (a)(2) of this section, any unexpended balance of the
10 amount appropriated for the state fiscal year ending August 31,
11 2008, under Subsection (a)(1) of this section is appropriated to
12 the Texas Education Agency for the purpose described by Subsection
13 (a) of this section for the state fiscal year ending August 31,
14 2009.

15 (c) In the event there are insufficient amounts in the
16 property tax relief fund and the foundation school fund to fund the
17 entire appropriation under Subsection (a)(1) of this section for
18 the state fiscal year ending August 31, 2008, the commissioner of
19 education may, with the prior approval of the governor and the
20 Legislative Budget Board, transfer amounts appropriated under
21 Subsection (a)(2) of this section for the state fiscal year ending
22 August 31, 2009, in an amount not to exceed the amount necessary to
23 cover the shortfall, and spend the transferred amounts for the
24 purpose described by Subsection (a) of this section during the
25 state fiscal year ending August 31, 2008. The comptroller shall:

26 (1) transfer money from the general revenue fund or
27 other available sources into the foundation school fund as

1 necessary to accomplish an approved transfer of appropriations
2 between fiscal years under this subsection; and

3 (2) reduce the amount that may be appropriated under
4 Subsection (a)(2) of this section from the foundation school fund
5 accordingly.

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

ADOPTED

MAY 22 2007

Atay Spaw
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY:

Will Williams
(Williams)

1 Amend H.B. No. 2 (senate committee printing) by adding the
2 following appropriately numbered new SECTION after existing SECTION
3 1 of the bill and renumbering the other existing SECTION of the
4 bill accordingly:

5 SECTION _____. (a) On August 31, 2008, the comptroller of
6 public accounts shall transfer into the property tax relief fund an
7 amount of unappropriated general revenue available for
8 certification equal to \$2 billion, except that:

9 (1) if the amount of unappropriated general revenue
10 available for certification in the state treasury on August 31,
11 2008, is greater than \$2 billion, the comptroller shall transfer
12 into the property tax relief fund on that date an amount of general
13 revenue equal to the lesser of \$3 billion or the amount of
14 unappropriated general revenue available for certification in the
15 state treasury on that date; and

16 (2) if the amount of unappropriated general revenue
17 available for certification in the state treasury on August 31,
18 2008, is less than \$2 billion, the comptroller shall transfer into
19 the property tax relief fund on that date all unappropriated
20 general revenue available for certification in the state treasury
21 on that date.

22 (b) Notwithstanding Section 1 of this Act, money transferred
23 under this section is not appropriated by this Act and may not be

1 appropriated for expenditure during the state fiscal biennium
2 ending August 31, 2009.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 9, 2007

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2 by Chisum (Relating to making appropriations to the Texas Education Agency for the purpose of school district property tax rate reductions.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2, As Engrossed: a negative impact of (\$6,113,142,000) through the biennium ending August 31, 2009.

This bill makes an appropriation of \$8,077,958,000 from the Property Tax Relief Fund and an appropriation of \$6,113,142,000 from the Foundation School Fund.

Appropriations:

Fiscal Year	Appropriation out of <i>Property Tax Relief Fund</i> 304	Appropriation out of <i>FOUNDATION SCHOOL FUND</i> 193
2008	\$4,231,466,000	\$2,724,934,000
2009	\$3,846,492,000	\$3,388,208,000

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$2,724,934,000)
2009	(\$3,388,208,000)
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Property Tax Relief Fund</i> 304	Probable Savings/(Cost) from <i>FOUNDATION SCHOOL FUND</i> 193
2008	(\$4,231,466,000)	(\$2,724,934,000)
2009	(\$3,846,492,000)	(\$3,388,208,000)
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0

Fiscal Analysis

The bill provides to the Texas Education Agency a two-year appropriation of funds to implement the local school district property tax rate reduction provisions contained in House Bill 1, 79th Legislature, 3rd Called Session. The bill does not amend general law.

Methodology

The appropriation amounts specified in the bill are the estimated amounts necessary to provide a one-third reduction in local school district property tax rates as described by House Bill 1, 79th Legislature, 3rd Called Session. The amounts appropriated from the Property Tax Relief Fund (\$4.2 billion in fiscal year 2008 and \$3.8 billion in fiscal year 2009) reflect the total amount estimated by the Comptroller of Public Accounts as available in that Fund for appropriation in the 2008-09 biennium. The balance of the cost to provide the tax rate reduction is appropriated out of General Revenue, Fund 193, Foundation School Fund. These amounts are estimated to be \$2.7 billion in fiscal year 2008 and \$3.4 billion in fiscal year 2009.

Local Government Impact

The bill makes an appropriation of funds to provide state aid to local school districts.

Source Agencies:

LBB Staff: JOB, CT, UP

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 12, 2007

TO: Honorable Warren Chisum, Chair, House Committee on Appropriations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2 by Chisum (Relating to making appropriations to the Texas Education Agency for the purpose of school district property tax rate reductions.), **As Introduced**

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This bill makes an appropriation of \$8,077,958,000 from the Property Tax Relief Fund and an appropriation of \$6,113,142,000 from the Foundation School Fund.

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2008	(\$2,724,934,000)
2009	(\$3,388,208,000)
2010	\$0
2011	\$0
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All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Property Tax Relief Fund 304	Probable Savings/(Cost) from FOUNDATION SCHOOL FUND 193
2008	(\$4,231,466,000)	(\$2,724,934,000)
2009	(\$3,846,492,000)	(\$3,388,208,000)
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