

By: Van de Putte

S.B. No. 2374

A BILL TO BE ENTITLED

1 AN ACT
2 relating to state assistance to fund public school instructional
3 facilities in fast-growing school districts.

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

5 SECTION 1. Section 46.003(a), Education Code, is amended to
6 read as follows:

7 (a) For each year, except as provided by Sections 46.005 and
8 46.006, a school district is guaranteed a specified amount per
9 student in state and local funds for each cent of tax effort, up to
10 the maximum rate under Subsection (b), to pay the principal of and
11 interest on eligible bonds issued to construct, acquire, renovate,
12 or improve an instructional facility. The amount of state support
13 is determined by the formula:

14
$$FYA = (FYL \times ADA \times BTR \times 100) - (BTR \times (DPV/100))$$

15 where:

16 "FYA" is the guaranteed facilities yield amount of state
17 funds allocated to the district for the year;

18 "FYL" is the dollar amount guaranteed level of state and
19 local funds per student per cent of tax effort, which is \$35 or a
20 greater amount for any year provided by appropriation or provided
21 for under Section 46.0031;

22 "ADA" is the greater of the number of students in average
23 daily attendance, as determined under Section 42.005, in the
24 district or 400;

1 "BTR" is the district's bond tax rate for the current year,
2 which is determined by dividing the amount budgeted by the district
3 for payment of eligible bonds by the quotient of the district's
4 taxable value of property as determined under Subchapter M, Chapter
5 403, Government Code, or, if applicable, Section 42.2521, divided
6 by 100; and

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

10 SECTION 2. Subchapter A, Chapter 46, Education Code, is
11 amended by adding Section 46.0031 to read as follows:

12 Sec. 46.0031. INCREASED ALLOTMENT AMOUNT FOR INSTRUCTIONAL
13 FACILITIES IN FAST-GROWING SCHOOL DISTRICTS. (a) This section
14 applies to state support to pay the principal and interest only on
15 eligible bonds as provided by Section 46.0031(d) that are issued by
16 fast-growing school districts.

17 (b) For the purposes of this section, a fast-growing school
18 district is a school district that has enrollment growth of 10
19 percent or more over the preceding five-year period.

20 (c) For a bond issue to which this section applies, the
21 dollar amount guaranteed level of state and local funds per student
22 per cent of tax effort ("FYL") is an amount equal to \$50 or a greater
23 amount for any year provided by appropriation.

24 (d) Bonds are eligible to be paid with state and local funds
25 under this subchapter if:

26 (1) a school district is classified as fast-growing
27 under Subsection (b); and

1 (2) a school district applies in the 2008-09 school
2 year or subsequent school years to the commissioner in accordance
3 with rules adopted by the commissioner before issuing bonds that
4 will be paid with state assistance; and

5 (3) the district does not receive state assistance
6 under Subchapter B for payment of the principal and interest on the
7 bonds.

8 (e) A school district may use state funds received under
9 this section to pay the principal of and interest on refunding bonds
10 that were issued under the provisions of this section.

11 (f) Once bonds are determined to be eligible under this
12 section, a school district receives funding under Section remains
13 eligible for that funding level regardless of whether the school
14 district continues to meet the requirements of subsection (b).

15 SECTION 3. Section 46.032(a), Education Code, is amended to
16 read as follows:

17 (a) Each school district is guaranteed a specified amount
18 per student in state and local funds for each cent of tax effort to
19 pay the principal of and interest on eligible bonds. The amount of
20 state support, subject only to the maximum amount under Section
21 46.034, is determined by the formula:

$$22 \quad \text{EDA} = (\text{EDGL} \times \text{ADA} \times \text{EDTR} \times 100) - (\text{EDTR} \times (\text{DPV}/100))$$

23 where:

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

26 "EDGL" is the dollar amount guaranteed level of state and
27 local funds per student per cent of tax effort, which is \$35 or a

1 greater amount for any year provided by appropriation or provided
2 for under Section 46.0321;

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

5 "EDTR" is the existing debt tax rate of the district, which is
6 determined by dividing the amount budgeted by the district for
7 payment of eligible bonds by the quotient of the district's taxable
8 value of property as determined under Subchapter M, Chapter 403,
9 Government Code, or, if applicable, under Section 42.2521, divided
10 by 100; and

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

14 SECTION 4. Subchapter B, Chapter 46, Education Code, is
15 amended by adding Section 46.0321 to read as follows:

16 Sec. 46.0321. INCREASED ASSISTANCE FOR EXISTING DEBT IN
17 FAST-GROWING SCHOOL DISTRICTS. (a) This section applies to state
18 support to pay the principal and interest only on eligible bonds as
19 provided by Section 46.0031(d) issued by fast-growing school
20 districts.

21 (b) For the purposes of this section, a fast-growing school
22 district is a school district that has enrollment growth of 10
23 percent or more over the preceding five-year period.

24 (c) For eligible debt to which this section applies, the
25 dollar amount guaranteed level of state and local funds per student
26 per cent of tax effort ("FYL") under Section 46.032(a) is an amount
27 equal to \$50 or a greater amount for any year provided by

1 appropriation.

2 (d) Bonds are eligible to be paid with state and local funds
3 under this subchapter if:

4 (1) the district made payments on the bonds during the
5 2008-09 school year or subsequent school years or taxes levied to
6 pay the principal of and interest on the bonds were included in the
7 district's audited debt service collections for that school year or
8 subsequent school years; and

9 (2) the district does not receive state assistance
10 under Subchapter A for payment of the principal and interest on the
11 bonds.

12 (e) A school district may use state funds received under
13 this section to pay the principal of and interest on refunding bonds
14 for bonds that were initially eligible under the provisions of this
15 section.

16 (f) Once bonds are determined to be eligible under this
17 section, a school district receives funding under this section
18 remains eligible for that funding level regardless of whether the
19 school district continues to meet the requirements of subsection
20 (b).

21 SECTION 5. Section 46.033, Education Code, is amended to
22 read as follows:

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

26 (1) the district made payments on the bonds during the
27 [~~2006-2007~~]second school year of the previous state biennium or

1 taxes levied to pay the principal of and interest on the bonds were
2 included in the district's audited debt service collections for
3 that school year; and

4 (2) the district does not receive state assistance
5 under Subchapter A for payment of the principal and interest on the
6 bonds.

7 SECTION 6. Section 46.034(a), Education Code, is amended to
8 read as follows:

9 Sec. 46.034. LIMITS ON ASSISTANCE. (a) The existing debt
10 tax rate ("EDTR") under Section 46.032 may not exceed [~~\$0.29~~] \$0.50
11 per \$100 of valuation, or a greater amount for any year provided by
12 appropriation.

13 SECTION 7. This Act takes effect September 1, 2009.