

By: Hochberg

H.B. No. 2485

Substitute the following for H.B. No. 2485:

By: Eissler

C.S.H.B. No. 2485

A BILL TO BE ENTITLED

AN ACT

relating to public school finance.

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

SECTION 1. Sections 7.062(a) and (c), Education Code, are amended to read as follows:

(a) In this section, "wealth per student" means a school district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, [~~or, if applicable, Section 42.2521,~~] divided by the district's average daily attendance as determined under Section 42.005.

(c) Except as otherwise provided by this subsection, if the commissioner certifies that the amount appropriated for a state fiscal year for purposes of Subchapters A and B, Chapter 46, exceeds the amount to which school districts are entitled under those subchapters for that year, the commissioner shall use the excess funds, in an amount not to exceed \$20 million in any state fiscal year, for the purpose of making grants under this section. The use of excess funds under this subsection has priority over any provision of Chapter 42 that permits or directs the use of excess foundation school program funds, including Section [~~Sections 42.2517, 42.2521, 42.2522, and~~] 42.2531. The commissioner is required to use excess funds as provided by this subsection only if the commissioner is not required to reduce the total amount of state funds allocated to school districts under Section 42.253(h).

1 SECTION 2. Section 12.106(a), Education Code, is amended to
2 read as follows:

3 (a) A charter holder is entitled to receive for the
4 open-enrollment charter school funding under Chapter 42 equal to
5 the ~~[greater of:~~

6 ~~[(1) the amount of funding per student in weighted~~
7 ~~average daily attendance, excluding enrichment funding under~~
8 ~~Sections 42.302(a-1)(2) and (3), as they existed on January 1,~~
9 ~~2009, that would have been received for the school during the~~
10 ~~2009-2010 school year under Chapter 42 as it existed on January 1,~~
11 ~~2009, and an additional amount of \$120 for each student in weighted~~
12 ~~average daily attendance; or~~

13 ~~[(2) the]~~ amount of funding per student in weighted
14 average daily attendance, excluding enrichment funding under
15 Section 42.302(a), to which the charter holder would be entitled
16 for the school under Chapter 42 if the school were a school district
17 without a tier one local share for purposes of Section 42.253 ~~[and~~
18 ~~without any local revenue for purposes of Section 42.2516].~~

19 SECTION 3. Section 21.402, Education Code, is amended by
20 amending Subsection (a) and adding Subsection (d-1) to read as
21 follows:

22 (a) Except as provided by Subsection (d), (e), or (f), a
23 school district must pay each classroom teacher, full-time
24 librarian, full-time counselor certified under Subchapter B, or
25 full-time school nurse not less than the minimum monthly salary,
26 based on the employee's level of experience in addition to other
27 factors, as determined by commissioner rule, determined by the

1 following formula:

2
$$MS = SF \times FS$$

3 where:

4 "MS" is the minimum monthly salary;

5 "SF" is the applicable salary factor specified by Subsection
6 (c); and

7 "FS" is the amount, as determined by the commissioner under
8 Subsection (b), of state and local funds per weighted student [~~7~~
9 ~~including funds provided under Section 42.2516,~~] available to a
10 district eligible to receive state assistance under Section 42.302
11 with a maintenance and operations tax rate per \$100 of taxable value
12 of \$1.06 [~~equal to the product of the state compression percentage,~~
13 ~~as determined under Section 42.2516, multiplied by \$1.50~~], except
14 that the amount of state and local funds per weighted student does
15 not include the amount attributable to the increase in the
16 guaranteed level made by Chapter 1187, Acts of the 77th
17 Legislature, Regular Session, 2001.

18 (d-1) Subsection (d) does not apply to any school year in
19 which the total amount of state and local funding provided under the
20 Foundation School Program for school districts and open-enrollment
21 charter schools is less than the total amount of state and local
22 funding provided under the Foundation School Program for school
23 districts and open-enrollment charter schools for the 2010-2011
24 school year, as determined by the commissioner not later than June 1
25 of each year. Notwithstanding Section 21.001, the determination
26 may not be made by a person other than the commissioner.

27 SECTION 4. Section 28.014(d), Education Code, is amended to

1 read as follows:

2 (d) The agency, in coordination with the Texas Higher
3 Education Coordinating Board, shall adopt a series of questions to
4 be included in an end-of-course assessment instrument administered
5 under Subsection (c) to be used for purposes of Section
6 51.3062. The questions must be developed in a manner consistent
7 with any college readiness standards adopted under Section
8 [~~Sections 39.233 and~~] 51.3062.

9 SECTION 5. Sections 29.918(a) and (b), Education Code, are
10 amended to read as follows:

11 (a) Notwithstanding Section [~~39.234 or~~] 42.152, a school
12 district or open-enrollment charter school with a high dropout
13 rate, as determined by the commissioner, must submit a plan to the
14 commissioner describing the manner in which the district or charter
15 school intends to use the compensatory education allotment under
16 Section 42.152 [~~and the high school allotment under Section 42.160~~]
17 for developing and implementing research-based strategies for
18 dropout prevention. The district or charter school shall submit
19 the plan not later than December 1 of each school year preceding the
20 school year in which the district or charter school will receive the
21 compensatory education allotment [~~or high school allotment~~] to
22 which the plan applies.

23 (b) A school district or open-enrollment charter school to
24 which this section applies may not spend or obligate more than 25
25 percent of the district's or charter school's compensatory
26 education allotment [~~or high school allotment~~] unless the
27 commissioner approves the plan submitted under Subsection

1 (a). The commissioner shall complete an initial review of the
2 district's or charter school's plan not later than March 1 of the
3 school year preceding the school year in which the district or
4 charter school will receive the compensatory education allotment
5 [~~or high school allotment~~] to which the plan applies.

6 SECTION 6. Subchapter A, Chapter 41, Education Code, is
7 amended by adding Section 41.0011 to read as follows:

8 Sec. 41.0011. REFERENCES TO TAXABLE VALUE OF DISTRICT
9 PROPERTY. A reference in this chapter to the taxable value of
10 property in a district, as determined under Subchapter M, Chapter
11 403, Government Code, refers to the value for the current year.

12 SECTION 7. Section 41.002(a), Education Code, is amended to
13 read as follows:

14 (a) A school district may not have a wealth per student that
15 exceeds:

16 (1) the wealth per student that generates the amount
17 of maintenance and operations tax revenue per weighted student
18 available to a district with maintenance and operations tax revenue
19 per cent of tax effort equal to the [~~maximum~~] amount provided per
20 cent under Section 42.101, for the district's maintenance and
21 operations tax effort equal to or less than \$1.06 [~~the rate equal to~~
22 ~~the product of the state compression percentage, as determined~~
23 ~~under Section 42.2516, multiplied by the maintenance and operations~~
24 ~~tax rate adopted by the district for the 2005 tax year~~]; or

25 (2) the wealth per student that generates the amount
26 of maintenance and operations tax revenue per weighted student per
27 cent of tax effort available to a district as a result of the

1 guaranteed level provided by Section 42.302 [~~available to the~~
2 ~~Austin Independent School District, as determined by the~~
3 ~~commissioner in cooperation with the Legislative Budget Board,~~] for
4 the [~~first six cents by which the~~] district's maintenance and
5 operations tax effort that [~~rate~~] exceeds \$1.06 [~~the rate equal to~~
6 ~~the product of the state compression percentage, as determined~~
7 ~~under Section 42.2516, multiplied by the maintenance and operations~~
8 ~~tax rate adopted by the district for the 2005 tax year, subject to~~
9 ~~Section 41.093(b-1); or~~

10 [~~(3) \$319,500, for the district's maintenance and~~
11 ~~operations tax effort that exceeds the first six cents by which the~~
12 ~~district's maintenance and operations tax effort exceeds the rate~~
13 ~~equal to the product of the state compression percentage, as~~
14 ~~determined under Section 42.2516, multiplied by the maintenance and~~
15 ~~operations tax rate adopted by the district for the 2005 tax year].~~

16 SECTION 8. Section 41.093(a), Education Code, is amended to
17 read as follows:

18 (a) The [~~Subject to Subsection (b-1), the~~] cost of each
19 credit is an amount equal to the greater of:

20 (1) the amount of the district's maintenance and
21 operations tax revenue per student in weighted average daily
22 attendance for the school year for which the contract is executed;
23 or

24 (2) the amount of the statewide district average of
25 maintenance and operations tax revenue per student in weighted
26 average daily attendance for the school year preceding the school
27 year for which the contract is executed.

1 SECTION 9. Section 41.099(a), Education Code, is amended to
2 read as follows:

3 (a) Sections [~~41.002(e),~~] 41.094 and [~~7~~] 41.097[~~and~~
4 ~~41.098~~] apply only to a district that:

5 (1) executes an agreement to purchase all attendance
6 credits necessary to reduce the district's wealth per student to
7 the equalized wealth level;

8 (2) executes an agreement to purchase attendance
9 credits and an agreement under Subchapter E to contract for the
10 education of nonresident students who transfer to and are educated
11 in the district but who are not charged tuition; or

12 (3) executes an agreement under Subchapter E to
13 contract for the education of nonresident students:

14 (A) to an extent that does not provide more than
15 10 percent of the reduction in wealth per student required for the
16 district to achieve a wealth per student that is equal to or less
17 than the equalized wealth level; and

18 (B) under which all revenue paid by the district
19 to other districts, in excess of the reduction in state aid that
20 results from counting the weighted average daily attendance of the
21 students served in the contracting district, is required to be used
22 for funding a consortium of at least three districts in a county
23 with a population of less than 40,000 that is formed to support a
24 technology initiative.

25 SECTION 10. Subchapter A, Chapter 42, Education Code, is
26 amended by adding Sections 42.009 and 42.010 to read as follows:

27 Sec. 42.009. REFERENCES TO TAXABLE VALUE OF DISTRICT

1 PROPERTY. A reference in this chapter to the taxable value of
2 property in a district, as determined under Subchapter M, Chapter
3 403, Government Code, refers to the value for the current year.

4 Sec. 42.010. LIMITATION ON REVENUE REDUCTIONS. (a) This
5 section applies only to a school district that, as a result of the
6 changes in law made by H.B. 2485, Acts of the 82nd Legislature,
7 Regular Session, 2011, is entitled to an amount of state and local
8 funding for maintenance and operations per student in weighted
9 average daily attendance for the 2011-2012 or 2012-2013 school year
10 that is more than \$500 less than the amount of state and local
11 funding for maintenance and operations per student in weighted
12 average daily attendance to which the district would be entitled
13 for the applicable school year under Chapter 41 and this chapter, as
14 those chapters existed on January 1, 2011.

15 (b) For the 2011-2012 school year, a school district to
16 which this section applies is entitled to additional state revenue
17 as necessary to ensure that the district's reduction in state and
18 local maintenance and operations revenue per student in weighted
19 average daily attendance resulting from the changes in law made by
20 H.B. 2485, Acts of the 82nd Legislature, Regular Session, 2011,
21 does not exceed the sum of \$500 and one-third of the difference
22 between the loss in revenue per student that would otherwise occur
23 and \$500.

24 (c) For the 2012-2013 school year, a school district to
25 which this section applies is entitled to additional state revenue
26 as necessary to ensure that district's reduction in state and local
27 maintenance and operations revenue per student in weighted average

1 daily attendance resulting from the changes in law made by H.B.
2 2485, Acts of the 82nd Legislature, Regular Session, 2011, does not
3 exceed the sum of \$500 and two-thirds of the difference between the
4 loss in revenue per student that would otherwise occur and \$500.

5 (d) For purposes of this section, the number of students in
6 weighted average daily attendance is determined in accordance with
7 this chapter as it existed on January 1, 2011.

8 (e) This section expires September 1, 2013.

9 SECTION 11. Section 42.101, Education Code, is amended by
10 amending Subsections (a) and (a-1) and adding Subsection (a-3) to
11 read as follows:

12 (a) For each student in average daily attendance, not
13 including the time students spend each day in special education
14 programs in an instructional arrangement other than mainstream [~~or~~
15 ~~career and technology education programs~~], for which an additional
16 allotment is made under Subchapter C, a district is entitled to an
17 allotment equal to [~~the lesser of \$4,765 or~~] the amount that results
18 from the following formula:

19
$$A = \underline{\$4,720} [\underline{\$4,765}] \times \underline{DT1R} \times \underline{SPVG} [(\underline{DCR/MCR})]$$

20 where:

21 "A" is the allotment to which a district is entitled;

22 "DT1R" is the district's tier one tax rate, which is the tax
23 rate required under Section 42.252; and

24 "SPVG" is the statewide property value growth factor, which
25 is the greater of:

26 (1) one; or

27 (2) the quotient of the average statewide property

1 value per weighted student for the preceding school year divided by
2 the average statewide property value per weighted student for the
3 2011-2012 school year [~~"DCR" is the district's compressed tax rate,~~
4 ~~which is the product of the state compression percentage, as~~
5 ~~determined under Section 42.2516, multiplied by the maintenance and~~
6 ~~operations tax rate adopted by the district for the 2005 tax year,~~
7 ~~and~~

8 [~~"MCR" is the state maximum compressed tax rate, which is the~~
9 ~~product of the state compression percentage, as determined under~~
10 ~~Section 42.2516, multiplied by \$1.50].~~

11 (a-1) Notwithstanding any other provision of this section,
12 "SPVG" for purposes of Subsection (a) is equal to one for the
13 2011-2012 and 2012-2013 school years [~~Subsection (a) applies~~
14 ~~beginning with the 2013-2014 school year. For the 2009-2010~~
15 ~~through 2012-2013 school years, Subsection (a) applies, except each~~
16 ~~reference to \$4,765 in that subsection is replaced with an amount~~
17 ~~equal to the greater of:~~

18 [~~(1) \$4,765, or~~

19 [~~(2) the amount equal to the product of .0165 and the~~
20 ~~average statewide property value per weighted student].~~

21 (a-3) For purposes of Subsection (a), the commissioner
22 shall determine the average statewide property value per weighted
23 student for the preceding school year not later than June 1. The
24 commissioner's determination made at the time required under this
25 subsection is final for purposes of determining the amount of the
26 basic allotment.

27 SECTION 12. Section 42.152(a), Education Code, is amended

1 to read as follows:

2 (a) For each student who is educationally disadvantaged or
3 who is a student who does not have a disability and resides in a
4 residential placement facility in a district in which the student's
5 parent or legal guardian does not reside, a district is entitled to
6 an annual allotment equal to the adjusted basic allotment
7 multiplied by 0.22 [~~0.2~~], and by 2.41 for each full-time equivalent
8 student who is in a remedial and support program under Section
9 29.081 because the student is pregnant.

10 SECTION 13. Section 42.153(a), Education Code, is amended
11 to read as follows:

12 (a) For each student in average daily attendance in a
13 bilingual education or special language program under Subchapter B,
14 Chapter 29, a district is entitled to an annual allotment equal to
15 the adjusted basic allotment multiplied by 0.11 [~~0.1~~].

16 SECTION 14. Sections 42.154(a), (a-1), and (c), Education
17 Code, are amended to read as follows:

18 (a) For each full-time equivalent student in average daily
19 attendance in an approved career and technology education program
20 in grades nine through 12 or in career and technology education
21 programs for students with disabilities in grades seven through 12,
22 a district is entitled to:

23 (1) an annual allotment equal to the adjusted basic
24 allotment multiplied by a weight of 0.15 [~~1.35~~]; and

25 (2) \$50, if the student is enrolled in:

26 (A) two or more advanced career and technology
27 education classes for a total of three or more credits; or

1 (B) an advanced course as part of a tech-prep
2 program under Subchapter T, Chapter 61.

3 (a-1) Notwithstanding any other provision of this section,
4 the commissioner shall develop and implement a pilot program under
5 which a school district is entitled to additional funding for each
6 student receiving career and technology instruction in grade eight.
7 The commissioner shall select not more than five school districts
8 for participation in the pilot program. In selecting school
9 districts for participation, the commissioner shall consider
10 school districts that can provide services under the program at the
11 least cost. For each full-time equivalent student in grade eight in
12 average daily attendance in an approved career and technology
13 education program, a school district participating in the program
14 under this subsection is entitled to an annual allotment equal to
15 the adjusted basic allotment multiplied by a weight of 0.15 [~~1.35~~].
16 Funds allocated under this subsection [~~, other than an indirect cost~~
17 ~~allotment established under State Board of Education rule,~~] must be
18 used in providing career and technology programs in grade eight
19 under Sections 29.182, 29.183, and 29.184. A school district is
20 entitled to an allotment under this subsection for each school year
21 through the completion of the 2011-2012 school year. Not later than
22 January 1, 2013, the agency shall prepare and deliver to each member
23 of the legislature a report describing the effectiveness of the
24 pilot program described by this subsection. This subsection
25 expires February 1, 2013.

26 (c) Funds allocated under this section [~~, other than an~~
27 ~~indirect cost allotment established under State Board of Education~~

1 ~~rule,~~] must be used in providing career and technology education
2 programs in grades nine through 12 or career and technology
3 education programs for students with disabilities in grades seven
4 through 12 under Sections 29.182, 29.183, and 29.184.

5 SECTION 15. Sections 42.159(c), (d), (f), and (h),
6 Education Code, are amended to read as follows:

7 (c) A juvenile probation department or state agency is
8 entitled to receive state funding comparable to the funding
9 described by Subsection (d) [~~(b)(2)~~] for students under the
10 supervision of the department or agency.

11 (d) For each student who successfully completes an
12 electronic course that satisfies a curriculum requirement for
13 graduation adopted under Section 28.025 and~~]~~ is provided through
14 the state virtual school network, [~~and exceeds a normal course~~
15 ~~load,~~] including an electronic course offered during the summer,
16 the school district or open-enrollment charter school that provided
17 the course may be entitled to an allotment in an amount determined
18 by the commissioner based on the amount of funds appropriated for
19 purposes of this subsection.

20 (f) The commissioner may not provide partial funding under
21 this section to a school district or open-enrollment charter school
22 under Subsection [~~(b) or~~] (d) on the basis of a student who
23 successfully completes one or more modules of an electronic course
24 but does not successfully complete the entire course.

25 (h) The commissioner shall adopt rules necessary to
26 implement this section. The rules must include provisions:

27 (1) requiring a school district or open-enrollment

1 charter school that receives funding for an electronic course under
2 Subsection (d) to reduce the amount of any fee charged for the
3 course in accordance with Section 30A.155 by an amount equal to the
4 amount of funding provided under Subsection (d);

5 (2) prohibiting a school district or open-enrollment
6 charter school that receives funding for an electronic course under
7 Subsection (d) from charging a fee for the course in accordance with
8 Section 30A.155 that is higher than would otherwise be charged; and

9 (3) addressing division and distribution of the
10 allotment described by Subsection (d) [~~(b)(2)~~] in circumstances in
11 which a student transfers from one school district, school, or
12 other educational setting to another after beginning enrollment in
13 an electronic course.

14 SECTION 16. Section 42.252, Education Code, is amended by
15 amending Subsection (a) and adding Subsection (a-1) to read as
16 follows:

17 (a) Each school district's share of the Foundation School
18 Program is determined by the following formula:

$$LFA = TR \times DPV$$

19 where:

20 "LFA" is the school district's local share;

21 "TR" is a tax rate [~~which~~] for each hundred dollars of
22 valuation [~~is an effective tax rate of the amount~~] equal to [~~the~~
23 ~~product of the state compression percentage, as determined under~~
24 ~~Section 42.2516, multiplied by~~] the lesser of:

25 (1) \$1.06 [~~\$1.50~~]; or

26 (2) the district's effective maintenance and

1 operations tax rate [~~adopted by the district for the 2005 tax year~~];
2 and

3 "DPV" is the taxable value of property in the school district
4 for the current [~~preceding~~] tax year determined under Subchapter M,
5 Chapter 403, Government Code.

6 (a-1) For purposes of Subsection (a), a district's
7 effective maintenance and operations tax rate is determined by
8 dividing the total amount of maintenance and operations taxes
9 collected for the applicable school year by the quotient of the
10 district's taxable value of property as determined under Subchapter
11 M, Chapter 403, Government Code, divided by 100.

12 SECTION 17. Sections 42.259(c), (d), and (f), Education
13 Code, are amended to read as follows:

14 (c) Payments from the foundation school fund to each
15 category 2 school district shall be made as follows:

16 (1) 22 percent of the yearly entitlement of the
17 district shall be paid in an installment to be made on or before the
18 25th day of September of a fiscal year;

19 (2) 18 percent of the yearly entitlement of the
20 district shall be paid in an installment to be made on or before the
21 25th day of October;

22 (3) 9.5 percent of the yearly entitlement of the
23 district shall be paid in an installment to be made on or before the
24 25th day of November;

25 (4) 7.5 percent of the yearly entitlement of the
26 district shall be paid in an installment to be made on or before the
27 25th day of April;

1 (5) five percent of the yearly entitlement of the
2 district shall be paid in an installment to be made on or before the
3 25th day of May;

4 (6) 10 percent of the yearly entitlement of the
5 district shall be paid in an installment to be made on or before the
6 25th day of June;

7 (7) 13 percent of the yearly entitlement of the
8 district shall be paid in an installment to be made on or before the
9 25th day of July; and

10 (8) 15 percent of the yearly entitlement of the
11 district shall be paid in an installment to be made after the 5th
12 day of September and not later than the 10th day of September of the
13 calendar year following the calendar year of the payment made under
14 Subdivision (1) [~~on or before the 25th day of August~~].

15 (d) Payments from the foundation school fund to each
16 category 3 school district shall be made as follows:

17 (1) 45 percent of the yearly entitlement of the
18 district shall be paid in an installment to be made on or before the
19 25th day of September of a fiscal year;

20 (2) 35 percent of the yearly entitlement of the
21 district shall be paid in an installment to be made on or before the
22 25th day of October; and

23 (3) 20 percent of the yearly entitlement of the
24 district shall be paid in an installment to be made after the 5th
25 day of September and not later than the 10th day of September of the
26 calendar year following the calendar year of the payment made under
27 Subdivision (1) [~~on or before the 25th day of August~~].

1 (f) Except as provided by Subsection (c)(8) or (d)(3), any
2 ~~[Any]~~ previously unpaid additional funds from prior fiscal years
3 owed to a district shall be paid to the district together with the
4 September payment of the current fiscal year entitlement.

5 SECTION 18. Section 42.260(b), Education Code, is amended
6 to read as follows:

7 (b) For each year, the commissioner shall certify to each
8 school district or participating charter school the amount of ~~[+~~

9 ~~[(1)]~~ additional funds to which the district or school
10 is entitled due to the increase made by H.B. No. 3343, Acts of the
11 77th Legislature, Regular Session, 2001, to:

12 (1) ~~[(A)]~~ the equalized wealth level under Section
13 41.002; or

14 (2) ~~[(B)]~~ the guaranteed level of state and local
15 funds per weighted student per cent of tax effort under Section
16 42.302 ~~[, or~~

17 ~~[(2) additional state aid to which the district or~~
18 ~~school is entitled under Section 42.2513].~~

19 SECTION 19. Section 42.302(a), Education Code, is amended
20 to read as follows:

21 (a) Each school district is guaranteed a specified amount
22 per weighted student in state and local funds for each cent of tax
23 effort over that required for the district's local fund assignment
24 up to the maximum level specified in this subchapter. The amount
25 of state support, subject only to the maximum amount under Section
26 42.303, is determined by the formula:

27
$$\text{GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

1 where:

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

4 "GL" is the dollar amount guaranteed level of state and local
5 funds per weighted student per cent of tax effort, which is \$45.30
6 ~~[an amount described by Subsection (a-1)]~~ or a greater amount for
7 any year provided by appropriation;

8 "WADA" is the number of students in weighted average daily
9 attendance, which is calculated by dividing the sum of the school
10 district's allotments under Subchapters B and C, less any allotment
11 to the district for transportation, any allotment under Section
12 42.158 or ~~[7]~~ 42.159, ~~[or 42.160,]~~ and 50 percent of the adjustment
13 under Section 42.102, by the basic allotment for the applicable
14 year;

15 "DTR" is the district enrichment tax rate of the school
16 district, which is determined by subtracting the amounts specified
17 by Subsection (b) from the total amount of maintenance and
18 operations taxes collected by the school district for the
19 applicable school year and dividing the difference by the quotient
20 of the district's taxable value of property as determined under
21 Subchapter M, Chapter 403, Government Code, ~~[or, if applicable,~~
22 ~~under Section 42.2521,]~~ divided by 100; and

23 "LR" is the local revenue, which is determined by multiplying
24 "DTR" by the quotient of the district's taxable value of property as
25 determined under Subchapter M, Chapter 403, Government Code, ~~[or~~
26 ~~if applicable, under Section 42.2521,]~~ divided by 100.

27 SECTION 20. Sections 45.003(d) and (f), Education Code, are

1 amended to read as follows:

2 (d) A proposition submitted to authorize the levy of
3 maintenance taxes must include the question of whether the
4 governing board or commissioners court may levy, assess, and
5 collect annual ad valorem taxes for the further maintenance of
6 public schools, at a rate not to exceed the rate stated in the
7 proposition. For any year, the maintenance tax rate per \$100 of
8 taxable value adopted by the district may not exceed \$1.17 [~~the rate~~
9 ~~equal to the sum of \$0.17 and the product of the state compression~~
10 ~~percentage, as determined under Section 42.2516, multiplied by~~
11 ~~\$1.50~~].

12 (f) Notwithstanding any other law, a district that levied a
13 maintenance tax for the 2005 tax year at a rate greater than \$1.50
14 per \$100 of taxable value in the district as permitted by special
15 law may not levy a maintenance tax at a rate that exceeds the rate
16 per \$100 of taxable value that is equal to the sum of \$0.17 and 66.67
17 percent of [~~the product of the state compression percentage, as~~
18 ~~determined under Section 42.2516, multiplied by~~] the rate of the
19 maintenance tax levied by the district for the 2005 tax year.

20 SECTION 21. Section 46.003(a), Education Code, is amended
21 to read as follows:

22 (a) For each year, except as provided by Sections 46.005 and
23 46.006, a school district is guaranteed a specified amount per
24 student in state and local funds for each cent of tax effort, up to
25 the maximum rate under Subsection (b), to pay the principal of and
26 interest on eligible bonds issued to construct, acquire, renovate,
27 or improve an instructional facility. The amount of state support

1 is determined by the formula:

2
$$\text{FYA} = (\text{FYL} \times \text{ADA} \times \text{BTR} \times 100) - (\text{BTR} \times (\text{DPV}/100))$$

3 where:

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

6 "FYL" is the dollar amount guaranteed level of state and
7 local funds per student per cent of tax effort, which is \$35 or a
8 greater amount for any year provided by appropriation;

9 "ADA" is the greater of the number of students in average
10 daily attendance, as determined under Section 42.005, in the
11 district or 400;

12 "BTR" is the district's bond tax rate for the current year,
13 which is determined by dividing the amount budgeted by the district
14 for payment of eligible bonds by the quotient of the district's
15 taxable value of property as determined under Subchapter M, Chapter
16 403, Government Code, [~~or, if applicable, Section 42.2521,~~] divided
17 by 100; and

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

21 SECTION 22. Section 46.032(a), Education Code, is amended
22 to read as follows:

23 (a) Each school district is guaranteed a specified amount
24 per student in state and local funds for each cent of tax effort to
25 pay the principal of and interest on eligible bonds. The amount of
26 state support, subject only to the maximum amount under Section
27 46.034, is determined by the formula:

1 $EDA = (EDGL \times ADA \times EDTR \times 100) - (EDTR \times (DPV/100))$

2 where:

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

5 "EDGL" is the dollar amount guaranteed level of state and
6 local funds per student per cent of tax effort, which is \$35 or a
7 greater amount for any year provided by appropriation;

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

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

16 "DPV" is the district's taxable value of property as
17 determined under Subchapter M, Chapter 403, Government Code [~~or,~~
18 ~~if applicable, under Section 42.2521~~].

19 SECTION 23. Section 403.302(d), Government Code, as amended
20 by Chapters 1186 (H.B. 3676) and 1328 (H.B. 3646), Acts of the 81st
21 Legislature, Regular Session, 2009, is reenacted and amended to
22 read as follows:

23 (d) For the purposes of this section, "taxable value" means
24 the market value of all taxable property less:

25 (1) the total dollar amount of any residence homestead
26 exemptions lawfully granted under Section 11.13(b) or (c), Tax
27 Code, in the year that is the subject of the study for each school

1 district;

2 (2) [~~one-half of the total dollar amount of any~~
3 ~~residence homestead exemptions granted under Section 11.13(n), Tax~~
4 ~~Code, in the year that is the subject of the study for each school~~
5 ~~district,~~

6 [~~(3)~~] the total dollar amount of any exemptions
7 granted before May 31, 1993, within a reinvestment zone under
8 agreements authorized by Chapter 312, Tax Code;

9 (3) [~~(4)~~] subject to Subsection (e), the total dollar
10 amount of any captured appraised value of property that:

11 (A) is within a reinvestment zone created on or
12 before May 31, 1999, or is proposed to be included within the
13 boundaries of a reinvestment zone as the boundaries of the zone and
14 the proposed portion of tax increment paid into the tax increment
15 fund by a school district are described in a written notification
16 provided by the municipality or the board of directors of the zone
17 to the governing bodies of the other taxing units in the manner
18 provided by Section 311.003(e), Tax Code, before May 31, 1999, and
19 within the boundaries of the zone as those boundaries existed on
20 September 1, 1999, including subsequent improvements to the
21 property regardless of when made;

22 (B) generates taxes paid into a tax increment
23 fund created under Chapter 311, Tax Code, under a reinvestment zone
24 financing plan approved under Section 311.011(d), Tax Code, on or
25 before September 1, 1999; and

26 (C) is eligible for tax increment financing under
27 Chapter 311, Tax Code;

1 (4) [~~(5)~~] the total dollar amount of any captured
2 appraised value of property that:

3 (A) is within a reinvestment zone:

4 (i) created on or before December 31, 2008,
5 by a municipality with a population of less than 18,000; and

6 (ii) the project plan for which includes
7 the alteration, remodeling, repair, or reconstruction of a
8 structure that is included on the National Register of Historic
9 Places and requires that a portion of the tax increment of the zone
10 be used for the improvement or construction of related facilities
11 or for affordable housing;

12 (B) generates school district taxes that are paid
13 into a tax increment fund created under Chapter 311, Tax Code; and

14 (C) is eligible for tax increment financing under
15 Chapter 311, Tax Code;

16 (5) [~~(6)~~] the total dollar amount of any exemptions
17 granted under Section 11.251 or 11.253, Tax Code;

18 (6) [~~(7)~~] the difference between the comptroller's
19 estimate of the market value and the productivity value of land that
20 qualifies for appraisal on the basis of its productive capacity,
21 except that the productivity value estimated by the comptroller may
22 not exceed the fair market value of the land;

23 (7) [~~(8)~~] the portion of the appraised value of
24 residence homesteads of individuals who receive a tax limitation
25 under Section 11.26, Tax Code, on which school district taxes are
26 not imposed in the year that is the subject of the study, calculated
27 as if the residence homesteads were appraised at the full value

1 required by law;

2 (8) [~~(9)~~] a portion of the market value of property
3 not otherwise fully taxable by the district at market value because
4 of:

5 (A) action required by statute or the
6 constitution of this state that, if the tax rate adopted by the
7 district is applied to it, produces an amount equal to the
8 difference between the tax that the district would have imposed on
9 the property if the property were fully taxable at market value and
10 the tax that the district is actually authorized to impose on the
11 property, if this subsection does not otherwise require that
12 portion to be deducted; or

13 (B) action taken by the district under Subchapter
14 B or C, Chapter 313, Tax Code, before the expiration of the
15 subchapter;

16 (9) [~~(10)~~] the market value of all tangible personal
17 property, other than manufactured homes, owned by a family or
18 individual and not held or used for the production of income;

19 (10) [~~(11)~~] the appraised value of property the
20 collection of delinquent taxes on which is deferred under Section
21 33.06, Tax Code;

22 (11) [~~(12)~~] the portion of the appraised value of
23 property the collection of delinquent taxes on which is deferred
24 under Section 33.065, Tax Code; and

25 (12) [~~(13)~~] the amount by which the market value of a
26 residence homestead to which Section 23.23, Tax Code, applies
27 exceeds the appraised value of that property as calculated under

1 that section.

2 SECTION 24. Sections 403.302(e) and (i), Government Code,
3 are amended to read as follows:

4 (e) The total dollar amount deducted in each year as
5 required by Subsection (d)(3) [~~(d)(4)~~] in a reinvestment zone
6 created after January 1, 1999, may not exceed the captured
7 appraised value estimated for that year as required by Section
8 311.011(c)(8), Tax Code, in the reinvestment zone financing plan
9 approved under Section 311.011(d), Tax Code, before September 1,
10 1999. The number of years for which the total dollar amount may be
11 deducted under Subsection (d)(3) [~~(d)(4)~~] shall for any zone,
12 including those created on or before January 1, 1999, be limited to
13 the duration of the zone as specified as required by Section
14 311.011(c)(9), Tax Code, in the reinvestment zone financing plan
15 approved under Section 311.011(d), Tax Code, before September 1,
16 1999. The total dollar amount deducted under Subsection (d)(3)
17 [~~(d)(4)~~] for any zone, including those created on or before January
18 1, 1999, may not be increased by any reinvestment zone financing
19 plan amendments that occur after August 31, 1999. The total dollar
20 amount deducted under Subsection (d)(3) [~~(d)(4)~~] for any zone,
21 including those created on or before January 1, 1999, may not be
22 increased by a change made after August 31, 1999, in the portion of
23 the tax increment retained by the school district.

24 (i) If the comptroller determines in the study that the
25 market value of property in a school district as determined by the
26 appraisal district that appraises property for the school district,
27 less the total of the amounts and values listed in Subsection (d) as

1 determined by that appraisal district, is valid, the comptroller,
2 in determining the taxable value of property in the school district
3 under Subsection (d), shall for purposes of Subsection (d)(12)
4 [~~(d)(13)~~] subtract from the market value as determined by the
5 appraisal district of residence homesteads to which Section 23.23,
6 Tax Code, applies the amount by which that amount exceeds the
7 appraised value of those properties as calculated by the appraisal
8 district under Section 23.23, Tax Code. If the comptroller
9 determines in the study that the market value of property in a
10 school district as determined by the appraisal district that
11 appraises property for the school district, less the total of the
12 amounts and values listed in Subsection (d) as determined by that
13 appraisal district, is not valid, the comptroller, in determining
14 the taxable value of property in the school district under
15 Subsection (d), shall for purposes of Subsection (d)(12) [~~(d)(13)~~]
16 subtract from the market value as estimated by the comptroller of
17 residence homesteads to which Section 23.23, Tax Code, applies the
18 amount by which that amount exceeds the appraised value of those
19 properties as calculated by the appraisal district under Section
20 23.23, Tax Code.

21 SECTION 25. Section 403.302(m), Government Code, as added
22 by Chapter 1186 (H.B. 3676), Acts of the 81st Legislature, Regular
23 Session, 2009, is amended to read as follows:

24 (m) Subsection (d)(8) [~~(d)(10)~~] does not apply to property
25 that was the subject of an application under Subchapter B or C,
26 Chapter 313, Tax Code, made after May 1, 2009, that the comptroller
27 recommended should be disapproved.

1 SECTION 26. Sections 26.08(i) and (n), Tax Code, are
2 amended to read as follows:

3 (i) For purposes of this section, the effective maintenance
4 and operations tax rate of a school district is the tax rate that,
5 applied to the current total value for the district, would impose
6 taxes in an amount that, when added to state funds that would be
7 distributed to the district under Chapter 42, Education Code, for
8 the school year beginning in the current tax year using that tax
9 rate, [~~including state funds that will be distributed to the~~
10 ~~district in that school year under Section 42.2516, Education~~
11 ~~Code,~~] would provide the same amount of state funds distributed
12 under Chapter 42, Education Code, [~~including state funds~~
13 ~~distributed under Section 42.2516, Education Code,~~] and
14 maintenance and operations taxes of the district per student in
15 weighted average daily attendance for that school year that would
16 have been available to the district in the preceding year if the
17 funding elements for Chapters 41 and 42, Education Code, for the
18 current year had been in effect for the preceding year.

19 (n) For purposes of this section, the rollback tax rate of a
20 school district whose maintenance and operations tax rate for the
21 2005 tax year was \$1.50 or less per \$100 of taxable value is[+

22 [~~(1) for the 2006 tax year, the sum of the rate that is~~
23 ~~equal to 88.67 percent of the maintenance and operations tax rate~~
24 ~~adopted by the district for the 2005 tax year, the rate of \$0.04 per~~
25 ~~\$100 of taxable value, and the district's current debt rate, and~~

26 [~~(2) for the 2007 and subsequent tax years,~~] the lesser
27 of the following:

1 (1) [~~(A)~~] the sum of the following:

2 (A) [~~(i)~~] ~~the rate per \$100 of taxable value that~~
3 ~~is equal to the product of the state compression percentage, as~~
4 ~~determined under Section 42.2516, Education Code, for the current~~
5 ~~year and \$1.50;~~

6 [~~(ii)~~] the rate of \$1.04 [~~\$0.04~~] per \$100 of
7 taxable value;

8 (B) [~~(iii)~~] the rate that is equal to the sum of
9 the differences for the 2006 and each subsequent tax year between
10 the adopted tax rate of the district for that year if the rate was
11 approved at an election under this section and the rollback tax rate
12 of the district for that year; and

13 (C) [~~(iv)~~] the district's current debt rate; or

14 (2) [~~(B)~~] the sum of the following:

15 (A) [~~(i)~~] the effective maintenance and
16 operations tax rate of the district [~~as computed under Subsection~~
17 ~~(i) or (k), as applicable];~~

18 (B) [~~(ii)~~] the rate of \$0.04 per \$100 of taxable
19 value [~~that is equal to the product of the state compression~~
20 ~~percentage, as determined under Section 42.2516, Education Code,~~
21 ~~for the current year and \$0.06]; and~~

22 (C) [~~(iii)~~] the district's current debt rate.

23 SECTION 27. (a) Sections 22.107, 29.097(g), 29.098(e),
24 29.203(b) and (g), 39.233, 39.234, 41.002(b), (e), (f), and (g),
25 41.0041, 41.093(b-1), 41.098, 42.008, 42.157, 42.159(a)(2) and
26 (b), 42.160, 42.2513, 42.2516, 42.25161, 42.2517, 42.2521,
27 42.2522, 42.2523(c), 42.2524(g), 42.253(c-1), 42.261, and

1 42.302(a-1), (a-2), and (f), Education Code, are repealed.

2 (b) Sections 403.302(k) and 466.355(c), Government Code,
3 are repealed.

4 (c) Sections 26.08(i-1) and (j), Tax Code, are repealed.

5 SECTION 28. The changes made by this Act to Section 42.259,
6 Education Code, apply only to a payment from the foundation school
7 fund that is made on or after the effective date of this Act. A
8 payment to a school district from the foundation school fund that is
9 made before that date is governed by Section 42.259, Education
10 Code, as it existed before amendment by this Act, and the former law
11 is continued in effect for that purpose.

12 SECTION 29. To the extent of any conflict, this Act prevails
13 over another Act of the 82nd Legislature, Regular Session, 2011,
14 relating to nonsubstantive additions to and corrections in enacted
15 codes.

16 SECTION 30. This Act takes effect September 1, 2011.