

By: Shapiro

S.B. No. 22

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. Subchapter A, Chapter 42, Education Code, is amended by adding Section 42.009 to read as follows:

Sec. 42.009. LIMITATION ON REVENUE DECREASES.

(a) Notwithstanding any other provision of this title, a school district is entitled to receive in any school year an amount of state and local maintenance and operations revenue per student in weighted average daily attendance that is not more than _____ percent less than the amount of state and local maintenance and operations revenue per student in weighted average daily attendance received by the district during the preceding school year.

(b) Enrichment revenue to which a school district is entitled under Section 42.302 is not included for purposes of determining the amount a school district is entitled to receive under this section.

(c) The commissioner shall make adjustments to amounts due to a school district under this chapter or amounts required for a district to comply with Chapter 41 as necessary to comply with the amount a district is entitled to receive under this section.

(d) A determination by the commissioner under this section is final and may not be appealed.

SECTION 2. Section 42.101(a), Education Code, is amended to

1 read as follows:

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

9
$$A = \$______ [\del{\$4,765}] \times (DCR/MCR)$$

10 where:

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

12 "DCR" is the district's compressed tax rate, which is the
13 product of the state compression percentage, as determined under
14 Section 42.2516, multiplied by the maintenance and operations tax
15 rate adopted by the district for the 2005 tax year; and

16 "MCR" is the state maximum compressed tax rate, which is the
17 product of the state compression percentage, as determined under
18 Section 42.2516, multiplied by \$1.50.

19 SECTION 3. Section 42.2516, Education Code, is amended by
20 adding Subsections (b-2) and (b-3) to read as follows:

21 (b-2) If a school district adopts a maintenance and
22 operations tax rate that is below the rate equal to the product of
23 the state compression percentage multiplied by the maintenance and
24 operations tax rate adopted by the district for the 2005 tax year,
25 the commissioner shall reduce the district's entitlement under this
26 section in proportion to the amount by which the adopted rate is
27 less than the rate equal to the product of the state compression

1 percentage multiplied by the rate adopted by the district for the
2 2005 tax year.

3 (b-3) The commissioner shall reduce by _____ percent the
4 total amount of state and local revenue per student in weighted
5 average daily attendance to which a school district is entitled
6 under Subsection (b)(1).

7 SECTION 4. Section 42.253(h), Education Code, is amended to
8 read as follows:

9 (h) If the amount appropriated for the Foundation School
10 Program for the second year of a state fiscal biennium is less than
11 the amount to which school districts are entitled for that year, the
12 commissioner shall certify the amount of the difference to the
13 Legislative Budget Board not later than January 1 of the second year
14 of the state fiscal biennium. The Legislative Budget Board shall
15 propose to the legislature that the certified amount be transferred
16 to the foundation school fund from the economic stabilization fund
17 and appropriated for the purpose of increases in allocations under
18 this subsection. If the legislature fails during the regular
19 session to enact the proposed transfer and appropriation and there
20 are not funds available under Subsection (j), the commissioner
21 shall reduce the total amount of state funds allocated to each
22 district by an amount determined by applying to each district,
23 including a district receiving funds under Section 42.2516, the
24 same percentage reduction so that the total amount of the reduction
25 to all districts [~~a method under which the application of the same~~
26 ~~number of cents of increase in tax rate in all districts applied to~~
27 ~~the taxable value of property of each district, as determined under~~

1 ~~Subchapter M, Chapter 403, Government Code,~~] results in an amount
2 ~~[a total levy]~~ equal to the total reduction. The following fiscal
3 year, a district's entitlement under this section is increased by
4 an amount equal to the reduction made under this subsection.

5 SECTION 5. Section 44.004, Education Code, is amended by
6 adding Subsection (g-1) to read as follows:

7 (g-1) If the rate calculated under Section
8 44.004(c)(5)(A)(ii)(b) decreases after the publication of the
9 notice required by this section, the president is not required to
10 publish another notice or call another meeting to discuss and adopt
11 the budget and the proposed lower tax rate.

12 SECTION 6. Section 26.05(a), Tax Code, is amended to read as
13 follows:

14 (a) The governing body of each taxing unit, before the later
15 of September 30 or the 60th day after the date the certified
16 appraisal roll is received by the taxing unit, shall adopt a tax
17 rate for the current tax year and shall notify the assessor for the
18 unit of the rate adopted. The tax rate consists of two components,
19 each of which must be approved separately. The components are:

20 (1) for a taxing unit other than a school district, the
21 rate that, if applied to the total taxable value, will impose the
22 total amount published under Section 26.04(e)(3)(C), less any
23 amount of additional sales and use tax revenue that will be used to
24 pay debt service, or, for a school district, the rate calculated
25 ~~[published]~~ under Section 44.004(c)(5)(A)(ii)(b), Education Code;
26 and

27 (2) the rate that, if applied to the total taxable

1 value, will impose the amount of taxes needed to fund maintenance
2 and operation expenditures of the unit for the next year.

3 SECTION 7. Sections 42.101(a-1) and (a-2), Education Code,
4 are repealed.

5 SECTION 8. The changes in law made by this Act to Chapter
6 42, Education Code, apply beginning with the 2011-2012 school year.

7 SECTION 9. The change in law made by Section 44.004(g-1),
8 Education Code, as added by this Act, applies beginning with
9 adoption of a tax rate for the 2011 tax year.

10 SECTION 10. This Act takes effect immediately if it
11 receives a vote of two-thirds of all the members elected to each
12 house, as provided by Section 39, Article III, Texas Constitution.
13 If this Act does not receive the vote necessary for immediate
14 effect, this Act takes effect September 1, 2011.