

By: West

S.B. No. 1616

A BILL TO BE ENTITLED

AN ACT

relating to authorizing a school district to establish a higher education scholarship endowment; authorizing a tax.

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

SECTION 1. Subchapter A, Chapter 45, Education Code, is amended by adding Section 45.007 to read as follows:

Sec. 45.007. SCHOOL DISTRICT SCHOLARSHIP ENDOWMENT. (a) A school district may impose an ad valorem tax in accordance with this section for the purposes of establishing an endowment to fund higher education scholarships for eligible students of the district. A tax imposed under this section may not exceed three cents per \$100 of valuation.

(b) A tax under this section must be approved by the voters at an election called by the board of trustees for that purpose. The ballot shall be printed to permit voting for or against the proposition: "Authorizing the board of trustees of (name of school district) to impose an ad valorem tax not to exceed (proposed maximum rate) cents per \$100 of taxable property for the purpose of providing higher education scholarships to students of the district."

(c) A tax imposed under this section shall be accounted for separately from other revenues of the district and may be used only for the purpose of funding higher education scholarships for students who graduate from high school in the school district. The

1 board of trustees may invest the taxes collected and use the
2 investment income to pay reasonable costs of administering the
3 scholarship endowment program.

4 (d) The board of trustees shall determine the amount of a
5 scholarship provided from funds under this section. When
6 determining the amount of a scholarship provided to an eligible
7 student, the board may consider:

8 (1) the number of years the student attended school in
9 the district;

10 (2) the cost of the higher education program in which
11 the student enrolls;

12 (3) the student's academic record and family
13 resources;

14 (4) available matching funds; or

15 (5) any other criteria established by the board.

16 (e) A scholarship program under this section may not include
17 consideration of race, religion, ethnicity, gender, or disability.

18 (f) The board of trustees may create a nonprofit corporation
19 to administer a scholarship program under this section. The board
20 must retain the authority to appoint or remove the trustees of a
21 nonprofit corporation established under this subsection.

22 (g) A tax under this section is not considered part of the
23 school district's maintenance and operations tax for purposes of:

24 (1) the maximum tax rate of the district under Section
25 45.003;

26 (2) the district's tax rate requiring an election
27 under Section 26.08, Tax Code; or

1 (3) the district's state funding or equalized wealth
2 level under Chapter 41 or 42.

3 SECTION 2. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2013.