

By: Rinaldi

H.B. No. 945

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the repeal of provisions requiring school districts to  
3 reduce their wealth per student to the equalized wealth level.

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

5 SECTION 1. Section 12.013(b), Education Code, is amended to  
6 read as follows:

7 (b) A home-rule school district is subject to:

8 (1) a provision of this title establishing a criminal  
9 offense;

10 (2) a provision of this title relating to limitations  
11 on liability; and

12 (3) a prohibition, restriction, or requirement, as  
13 applicable, imposed by this title or a rule adopted under this  
14 title, relating to:

15 (A) the Public Education Information Management  
16 System (PEIMS) to the extent necessary to monitor compliance with  
17 this subchapter as determined by the commissioner;

18 (B) educator certification under Chapter 21 and  
19 educator rights under Sections 21.407, 21.408, and 22.001;

20 (C) criminal history records under Subchapter C,  
21 Chapter 22;

22 (D) student admissions under Section 25.001;

23 (E) school attendance under Sections 25.085,  
24 25.086, and 25.087;

1 (F) inter-district or inter-county transfers of  
2 students under Subchapter B, Chapter 25;

3 (G) elementary class size limits under Section  
4 25.112, in the case of any campus in the district that fails to  
5 satisfy any standard under Section 39.054(e);

6 (H) high school graduation under Section 28.025;

7 (I) special education programs under Subchapter  
8 A, Chapter 29;

9 (J) bilingual education under Subchapter B,  
10 Chapter 29;

11 (K) prekindergarten programs under Subchapter E,  
12 Chapter 29;

13 (L) safety provisions relating to the  
14 transportation of students under Sections 34.002, 34.003, 34.004,  
15 and 34.008;

16 (M) computation and distribution of state aid  
17 under Chapters 31, 42, and 43;

18 (N) extracurricular activities under Section  
19 33.081;

20 (O) health and safety under Chapter 38;

21 (P) public school accountability under  
22 Subchapters B, C, D, E, and J, Chapter 39;

23 (Q) ~~[equalized wealth under Chapter 41,~~

24 ~~(R)]~~ a bond or other obligation or tax rate  
25 under Chapters 42, 43, and 45; and

26 (R) ~~(S)~~ purchasing under Chapter 44.

27 SECTION 2. Section 12.029(b), Education Code, is amended to

1 read as follows:

2 (b) If [~~Except as provided by Subchapter H, Chapter 41, if~~]  
3 two or more school districts having different status, one of which  
4 is home-rule school district status, consolidate into a single  
5 district, the petition under Section 13.003 initiating the  
6 consolidation must state the status for the consolidated district.  
7 The ballot shall be printed to permit voting for or against the  
8 proposition: "Consolidation of (names of school districts) into a  
9 single school district governed as (status of school district  
10 specified in the petition)."

11 SECTION 3. Section 21.410(h), Education Code, is amended to  
12 read as follows:

13 (h) A grant a school district receives under this section is  
14 in addition to any funding the district receives under Chapter 42.  
15 The commissioner shall distribute funds under this section with the  
16 Foundation School Program payment to which the district is entitled  
17 as soon as practicable after the end of the school year as  
18 determined by the commissioner. [~~A district to which Chapter 41  
19 applies is entitled to the grants paid under this section.~~] The  
20 commissioner shall determine the timing of the distribution of  
21 grants to a district that does not receive Foundation School  
22 Program payments.

23 SECTION 4. Section 21.411(h), Education Code, is amended to  
24 read as follows:

25 (h) A grant a school district receives under this section is  
26 in addition to any funding the district receives under Chapter 42.  
27 The commissioner shall distribute funds under this section with the

1 Foundation School Program payment to which the district is entitled  
2 as soon as practicable after the end of the school year as  
3 determined by the commissioner. [~~A district to which Chapter 41~~  
4 ~~applies is entitled to the grants paid under this section.~~] The  
5 commissioner shall determine the timing of the distribution of  
6 grants to a district that does not receive Foundation School  
7 Program payments.

8 SECTION 5. Section 21.412(h), Education Code, is amended to  
9 read as follows:

10 (h) A grant a school district receives under this section is  
11 in addition to any funding the district receives under Chapter 42.  
12 The commissioner shall distribute funds under this section with the  
13 Foundation School Program payment to which the district is entitled  
14 as soon as practicable after the end of the school year as  
15 determined by the commissioner. [~~A district to which Chapter 41~~  
16 ~~applies is entitled to the grants paid under this section.~~] The  
17 commissioner shall determine the timing of the distribution of  
18 grants to a district that does not receive Foundation School  
19 Program payments.

20 SECTION 6. Section 21.413(h), Education Code, is amended to  
21 read as follows:

22 (h) A grant a school district receives under this section is  
23 in addition to any funding the district receives under Chapter 42.  
24 The commissioner shall distribute funds under this section with the  
25 Foundation School Program payment to which the district is entitled  
26 as soon as practicable after the end of the school year as  
27 determined by the commissioner. [~~A district to which Chapter 41~~

1 ~~applies is entitled to the grants paid under this section.]~~ The  
2 commissioner shall determine the timing of the distribution of  
3 grants to a district that does not receive Foundation School  
4 Program payments.

5 SECTION 7. Section 29.203(b), Education Code, is amended to  
6 read as follows:

7 (b) A school district is entitled to the allotment provided  
8 by Section 42.157 for each eligible student using a public  
9 education grant. ~~[If the district has a wealth per student greater  
10 than the guaranteed wealth level but less than the equalized wealth  
11 level, a school district is entitled under rules adopted by the  
12 commissioner to additional state aid in an amount equal to the  
13 difference between the cost to the district of providing services  
14 to a student using a public education grant and the sum of the state  
15 aid received because of the allotment under Section 42.157 and  
16 money from the available school fund attributable to the student.]~~

17 SECTION 8. Section 37.0061, Education Code, is amended to  
18 read as follows:

19 Sec. 37.0061. FUNDING FOR ALTERNATIVE EDUCATION SERVICES IN  
20 JUVENILE RESIDENTIAL FACILITIES. A school district that provides  
21 education services to pre-adjudicated and post-adjudicated  
22 students who are confined by court order in a juvenile residential  
23 facility operated by a juvenile board is entitled to count such  
24 students in the district's average daily attendance for purposes of  
25 receipt of state funds under the Foundation School Program. ~~[If the  
26 district has a wealth per student greater than the guaranteed  
27 wealth level but less than the equalized wealth level, the district~~

1 ~~in which the student is enrolled on the date a court orders the~~  
2 ~~student to be confined to a juvenile residential facility shall~~  
3 ~~transfer to the district providing education services an amount~~  
4 ~~equal to the difference between the average Foundation School~~  
5 ~~Program costs per student of the district providing education~~  
6 ~~services and the sum of the state aid and the money from the~~  
7 ~~available school fund received by the district that is attributable~~  
8 ~~to the student for the portion of the school year for which the~~  
9 ~~district provides education services to the student.]~~

10 SECTION 9. Section 42.009(b), Education Code, is amended to  
11 read as follows:

12 (b) In making the determinations regarding funding levels  
13 required by Subsection (a), the commissioner shall:

14 (1) make adjustments as necessary to reflect changes  
15 in a school district's maintenance and operations tax rate; and

16 (2) ~~[for a district required to take action under~~  
17 ~~Chapter 41 to reduce its wealth per student to the equalized wealth~~  
18 ~~level, base the determinations on the district's net funding levels~~  
19 ~~after deducting any amounts required to be expended by the district~~  
20 ~~to comply with Chapter 41; and~~

21 ~~[(3)]~~ determine a district's weighted average daily  
22 attendance in accordance with this chapter as it existed on January  
23 1, 2011.

24 SECTION 10. Section 42.158(e), Education Code, is amended  
25 to read as follows:

26 (e) ~~[A school district that is required to take action under~~  
27 ~~Chapter 41 to reduce its wealth per student to the equalized wealth~~

1 ~~level is entitled to a credit, in the amount of the allotments to~~  
2 ~~which the district is entitled under this section, against the~~  
3 ~~total amount required under Section 41.093 for the district to~~  
4 ~~purchase attendance credits.]~~ A school district that is otherwise  
5 ineligible for state aid under this chapter is entitled to receive  
6 allotments under this section.

7 SECTION 11. Section 42.160(b), Education Code, is amended  
8 to read as follows:

9 (b) [~~A school district that is required to take action under~~  
10 ~~Chapter 41 to reduce its wealth per student to the equalized wealth~~  
11 ~~level is entitled to a credit, in the amount of the allotments to~~  
12 ~~which the district is entitled under this section, against the~~  
13 ~~total amount required under Section 41.093 for the district to~~  
14 ~~purchase attendance credits.]~~ A school district that is otherwise  
15 ineligible for state aid under this chapter is entitled to receive  
16 allotments under this section.

17 SECTION 12. Sections 42.2516(e) and (f-2), Education Code,  
18 are amended to read as follows:

19 (e) For purposes of determining the total amount of state  
20 and local revenue to which a district is entitled under Subsection  
21 (b)(1), the commissioner shall determine the amount of state and  
22 local revenue per student in weighted average daily attendance to  
23 which the district would have been entitled during the 2009-2010  
24 school year under Chapter 41 and this chapter, as they existed on  
25 January 1, 2009, and multiply that amount by the number of students  
26 in weighted average daily attendance as determined in accordance  
27 with the changes to [~~Chapter 41 and~~] this chapter, including the

1 repeal of former Section 42.103(e), made by H.B. No. 3646, Acts of  
2 the 81st Legislature, Regular Session, 2009.

3 (f-2) The rules adopted by the commissioner under  
4 Subsection (f-1) must:

5 (1) require the commissioner to determine, as if this  
6 section did not exist, the effect under [~~Chapter 41 and~~] this  
7 chapter of a school district's action described by Subsection  
8 (f-1)(1), (2), (3), or (4) on the total state revenue to which the  
9 district would be entitled [~~or the cost to the district of~~  
10 ~~purchasing sufficient attendance credits to reduce the district's~~  
11 ~~wealth per student to the equalized wealth level~~]; and

12 (2) require an increase or reduction in the amount of  
13 state revenue to which a school district is entitled under  
14 Subsection (b)(1) that is substantially equivalent to any change in  
15 total state revenue [~~or the cost of purchasing attendance credits~~]  
16 that would apply to the district if this section did not exist.

17 SECTION 13. Section 42.2521(a), Education Code, is amended  
18 to read as follows:

19 (a) For purposes of Chapter [~~Chapters 41 and~~] 46 and this  
20 chapter, and to the extent money specifically authorized to be used  
21 under this section is available, the commissioner shall adjust the  
22 taxable value of property in a school district that, due to factors  
23 beyond the control of the board of trustees, experiences a rapid  
24 decline in the tax base used in calculating taxable values in excess  
25 of four percent of the tax base used in the preceding year.

26 SECTION 14. Section 42.2523(a), Education Code, is amended  
27 to read as follows:

1 (a) For purposes of Chapter [~~Chapters 41 and~~] 46 and this  
2 chapter, the commissioner shall adjust the taxable value of  
3 property of a school district all or part of which is located in an  
4 area declared a disaster area by the governor under Chapter 418,  
5 Government Code, as necessary to ensure that the district receives  
6 funding based as soon as possible on property values as affected by  
7 the disaster.

8 SECTION 15. Sections 42.2524(c) and (d), Education Code,  
9 are amended to read as follows:

10 (c) The commissioner may provide reimbursement under this  
11 section only if funds are available for that purpose [~~as follows:~~

12 [~~(1) reimbursement for a school district not required~~  
13 ~~to take action under Chapter 41 may be provided]~~ from:

14 (1) [~~(A)~~] amounts appropriated for that purpose,  
15 including amounts appropriated for those districts for that purpose  
16 to the disaster contingency fund established under Section 418.073,  
17 Government Code; or

18 (2) [~~(B)~~] Foundation School Program funds available  
19 for that purpose, based on a determination by the commissioner that  
20 the amount appropriated for the Foundation School Program,  
21 including the facilities component as provided by Chapter 46,  
22 exceeds the amount to which districts are entitled under this  
23 chapter and Chapter 46[~~, and~~

24 [~~(2) reimbursement for a school district required to~~  
25 ~~take action under Chapter 41 may be provided from funds described by~~  
26 ~~Subdivision (1)(B) if funds remain available after fully~~  
27 ~~reimbursing each school district described by Subdivision (1) for~~

1 ~~its disaster remediation costs~~].

2 (d) If the amount of money available for purposes of  
3 reimbursing school districts [~~not required to take action under~~  
4 ~~Chapter 41~~] is not sufficient to fully reimburse each district's  
5 disaster remediation costs, the commissioner shall reduce the  
6 amount of assistance provided to each of those districts  
7 proportionately. [~~If the amount of money available for purposes of~~  
8 ~~reimbursing school districts required to take action under Chapter~~  
9 ~~41 is not sufficient to fully reimburse each district's disaster~~  
10 ~~remediation costs, the commissioner shall reduce the amount of~~  
11 ~~assistance provided to each of those districts proportionately.~~]

12 SECTION 16. Section 42.253(h), Education Code, as effective  
13 until September 1, 2017, is amended to read as follows:

14 (h) If the amount appropriated for the Foundation School  
15 Program for the second year of a state fiscal biennium is less than  
16 the amount to which school districts and open-enrollment charter  
17 schools are entitled for that year, the commissioner shall certify  
18 the amount of the difference to the Legislative Budget Board not  
19 later than January 1 of the second year of the state fiscal  
20 biennium. The Legislative Budget Board shall propose to the  
21 legislature that the certified amount be transferred to the  
22 foundation school fund from the economic stabilization fund and  
23 appropriated for the purpose of increases in allocations under this  
24 subsection. If the legislature fails during the regular session to  
25 enact the proposed transfer and appropriation and there are not  
26 funds available under Subsection (j), the commissioner shall adjust  
27 the total amounts due to each school district and open-enrollment

1 charter school under this chapter [~~and the total amounts necessary~~  
2 ~~for each school district to comply with the requirements of Chapter~~  
3 ~~41]~~ by an amount determined by applying to each district and school,  
4 including a district receiving funds under Section 42.2516, the  
5 same percentage adjustment to the total amount of state and local  
6 revenue due to the district or school under this chapter [~~and~~  
7 ~~Chapter 41]~~ so that the total amount of the adjustment to all  
8 districts and schools results in an amount equal to the total  
9 adjustment necessary. The following fiscal year[+]

10           [~~(1)~~] a district's or school's entitlement under this  
11 section is increased by an amount equal to the adjustment made  
12 under this subsection[+, and

13           [~~(2)~~ ~~the amount necessary for a district to comply~~  
14 ~~with the requirements of Chapter 41 is reduced by an amount~~  
15 ~~necessary to ensure the district's full recovery of the adjustment~~  
16 ~~made under this subsection].~~

17           SECTION 17. Section 42.253(h), Education Code, as effective  
18 September 1, 2017, is amended to read as follows:

19           (h) If the amount appropriated for the Foundation School  
20 Program for the second year of a state fiscal biennium is less than  
21 the amount to which school districts and open-enrollment charter  
22 schools are entitled for that year, the commissioner shall certify  
23 the amount of the difference to the Legislative Budget Board not  
24 later than January 1 of the second year of the state fiscal  
25 biennium. The Legislative Budget Board shall propose to the  
26 legislature that the certified amount be transferred to the  
27 foundation school fund from the economic stabilization fund and

1 appropriated for the purpose of increases in allocations under this  
2 subsection. If the legislature fails during the regular session to  
3 enact the proposed transfer and appropriation and there are not  
4 funds available under Subsection (j), the commissioner shall adjust  
5 the total amounts due to each school district and open-enrollment  
6 charter school under this chapter [~~and the total amounts necessary~~  
7 ~~for each school district to comply with the requirements of Chapter~~  
8 ~~41]~~ by an amount determined by applying to each district and school  
9 the same percentage adjustment to the total amount of state and  
10 local revenue due to the district or school under this chapter [~~and~~  
11 ~~Chapter 41]~~ so that the total amount of the adjustment to all  
12 districts and schools results in an amount equal to the total  
13 adjustment necessary. The following fiscal year[+]

14 [~~(1)~~] a district's or school's entitlement under this  
15 section is increased by an amount equal to the adjustment made  
16 under this subsection[~~, and~~

17 [~~(2) the amount necessary for a district to comply~~  
18 ~~with the requirements of Chapter 41 is reduced by an amount~~  
19 ~~necessary to ensure a district's full recovery of the adjustment~~  
20 ~~made under this subsection].~~

21 SECTION 18. Sections 42.2531(a), (b), and (c), Education  
22 Code, are amended to read as follows:

23 (a) The commissioner may make adjustments to amounts due to  
24 a school district under this chapter or Chapter 46[~~, or to amounts~~  
25 ~~necessary for a district to comply with the requirements of Chapter~~  
26 ~~41]~~ as provided by this section.

27 (b) A school district that has a major taxpayer, as

1 determined by the commissioner, that because of a protest of the  
2 valuation of the taxpayer's property fails to pay all or a portion  
3 of the ad valorem taxes due to the district may apply to the  
4 commissioner to have the district's taxable value of property or ad  
5 valorem tax collections adjusted for purposes of this chapter or  
6 Chapter [~~41-or~~] 46. The commissioner may make the adjustment only  
7 to the extent the commissioner determines that making the  
8 adjustment will not:

9           (1) in the fiscal year in which the adjustment is made,  
10 cause the amount to which school districts are entitled under this  
11 chapter to exceed the amount appropriated for purposes of the  
12 Foundation School Program for that year; and

13           (2) if the adjustment is made in the first year of a  
14 state fiscal biennium, cause the amount to which school districts  
15 are entitled under this chapter for the second year of the biennium  
16 to exceed the amount appropriated for purposes of the Foundation  
17 School Program for that year.

18           (c) The commissioner shall recover the benefit of any  
19 adjustment made under this section by making offsetting adjustments  
20 in the school district's taxable value of property or ad valorem tax  
21 collections for purposes of this chapter or Chapter [~~41-or~~] 46 on a  
22 final determination of the taxable value of property that was the  
23 basis of the original adjustment, or in the second school year  
24 following the year in which the adjustment is made, whichever is  
25 earlier.

26           SECTION 19. Section [42.258\(a-1\)](#), Education Code, is amended  
27 to read as follows:

1 (a-1) Notwithstanding Subsection (a), the agency may  
2 recover an overallocation of state funds over a period not to exceed  
3 the subsequent five school years if the commissioner determines  
4 that the overallocation was the result of exceptional circumstances  
5 reasonably caused by statutory changes to former Chapter 41,  
6 Chapter ~~[or]~~ 46, or this chapter and related reporting  
7 requirements.

8 SECTION 20. Section 42.260(b), Education Code, is amended  
9 to read as follows:

10 (b) For each year, the commissioner shall certify to each  
11 school district or participating charter school the amount of  
12 ~~[additional funds to which the district or school is entitled due to~~  
13 ~~the increase made by H.B. No. 3343, Acts of the 77th Legislature,~~  
14 ~~Regular Session, 2001, to:~~

15 ~~[(1) the equalized wealth level under Section 41.002;~~  
16 ~~or~~

17 ~~[(2)]~~ the guaranteed level of state and local funds  
18 per weighted student per cent of tax effort under Section 42.302.

19 SECTION 21. Section 42.302(a-1), Education Code, is amended  
20 to read as follows:

21 (a-1) ~~[In this section, "wealth per student" has the meaning~~  
22 ~~assigned by Section 41.001.]~~ For purposes of Subsection (a), the  
23 dollar amount guaranteed level of state and local funds per  
24 weighted student per cent of tax effort ("GL") for a school district  
25 is:

26 (1) the greater of the amount of district tax revenue  
27 per weighted student per cent of tax effort that would be available

1 to the Austin Independent School District, as determined by the  
2 commissioner in cooperation with the Legislative Budget Board, if  
3 the reduction of the limitation on tax increases as provided by  
4 Section 11.26(a-1), (a-2), or (a-3), Tax Code, did not apply, or the  
5 amount of district tax revenue per weighted student per cent of tax  
6 effort used for purposes of this subdivision in the preceding  
7 school year, for the first six cents by which the district's  
8 maintenance and operations tax rate exceeds the rate equal to the  
9 product of the state compression percentage, as determined under  
10 Section 42.2516, multiplied by the maintenance and operations tax  
11 rate adopted by the district for the 2005 tax year; and

12 (2) \$31.95, for the district's maintenance and  
13 operations tax effort that exceeds the amount of tax effort  
14 described by Subdivision (1).

15 SECTION 22. Section 45.251(2), Education Code, is amended  
16 to read as follows:

17 (2) "Foundation School Program" means the program  
18 established under Chapters ~~[41]~~ 42~~[7]~~ and 46, or any successor  
19 program of state appropriated funding for school districts in this  
20 state.

21 SECTION 23. Section 45.261(a), Education Code, is amended  
22 to read as follows:

23 (a) If the commissioner orders payment from the money  
24 appropriated to the Foundation School Program on behalf of a school  
25 district ~~[that is not required to reduce its wealth per student~~  
26 ~~under Chapter 41]~~, the commissioner shall direct the comptroller to  
27 withhold the amount paid from the first state money payable to the

1 district. If the commissioner orders payment from the money  
2 appropriated to the Foundation School Program on behalf of a school  
3 district that is not entitled to state assistance under Chapter 42  
4 ~~[required to reduce its wealth per student under Chapter 41]~~, the  
5 commissioner shall order ~~[increase amounts due from]~~ the district  
6 to remit to the commissioner an ~~[under that chapter in a total]~~  
7 amount equal to the amount of payments made on behalf of the  
8 district under this subchapter. Amounts withheld or received  
9 under this subsection shall be used for the Foundation School  
10 Program.

11 SECTION 24. Section 403.302(a), Government Code, is amended  
12 to read as follows:

13 (a) The comptroller shall conduct a study using comparable  
14 sales and generally accepted auditing and sampling techniques to  
15 determine the total taxable value of all property in each school  
16 district. The study shall determine the taxable value of all  
17 property and of each category of property in the district and the  
18 productivity value of all land that qualifies for appraisal on the  
19 basis of its productive capacity and for which the owner has applied  
20 for and received a productivity appraisal. ~~[The comptroller shall~~  
21 ~~make appropriate adjustments in the study to account for actions~~  
22 ~~taken under Chapter 41, Education Code.]~~

23 SECTION 25. Section 21.01, Tax Code, is amended to read as  
24 follows:

25 Sec. 21.01. REAL PROPERTY. Real property is taxable by a  
26 taxing unit if located in the unit on January 1~~[, except as provided~~  
27 ~~by Chapter 41, Education Code]~~.

1           SECTION 26. Section 21.02(a), Tax Code, is amended to read  
2 as follows:

3           (a) Except as provided by Subsection [~~Subsections (b) and~~  
4 (e) and by Sections 21.021, 21.04, and 21.05, tangible personal  
5 property is taxable by a taxing unit if:

6           (1) it is located in the unit on January 1 for more  
7 than a temporary period;

8           (2) it normally is located in the unit, even though it  
9 is outside the unit on January 1, if it is outside the unit only  
10 temporarily;

11           (3) it normally is returned to the unit between uses  
12 elsewhere and is not located in any one place for more than a  
13 temporary period; or

14           (4) the owner resides (for property not used for  
15 business purposes) or maintains the owner's principal place of  
16 business in this state (for property used for business purposes) in  
17 the unit and the property is taxable in this state but does not have  
18 a taxable situs pursuant to Subdivisions (1) through (3) of this  
19 subsection.

20           SECTION 27. Section 26.08(i), Tax Code, as effective until  
21 September 1, 2017, is amended to read as follows:

22           (i) For purposes of this section, the effective maintenance  
23 and operations tax rate of a school district is the tax rate that,  
24 applied to the current total value for the district, would impose  
25 taxes in an amount that, when added to state funds that would be  
26 distributed to the district under Chapter 42, Education Code, for  
27 the school year beginning in the current tax year using that tax

1 rate, including state funds that will be distributed to the  
2 district in that school year under Section 42.2516, Education Code,  
3 would provide the same amount of state funds distributed under  
4 Chapter 42, Education Code, including state funds distributed under  
5 Section 42.2516, Education Code, and maintenance and operations  
6 taxes of the district per student in weighted average daily  
7 attendance for that school year that would have been available to  
8 the district in the preceding year if the funding elements for  
9 Chapter [~~Chapters 41 and~~] 42, Education Code, for the current year  
10 had been in effect for the preceding year.

11 SECTION 28. Section 26.08(i), Tax Code, as effective  
12 September 1, 2017, is amended to read as follows:

13 (i) For purposes of this section, the effective maintenance  
14 and operations tax rate of a school district is the tax rate that,  
15 applied to the current total value for the district, would impose  
16 taxes in an amount that, when added to state funds that would be  
17 distributed to the district under Chapter 42, Education Code, for  
18 the school year beginning in the current tax year using that tax  
19 rate, would provide the same amount of state funds distributed  
20 under Chapter 42, Education Code, and maintenance and operations  
21 taxes of the district per student in weighted average daily  
22 attendance for that school year that would have been available to  
23 the district in the preceding year if the funding elements for  
24 Chapter [~~Chapters 41 and~~] 42, Education Code, for the current year  
25 had been in effect for the preceding year.

26 SECTION 29. Section 26.08(i-1), Tax Code, as effective  
27 until September 1, 2017, is amended to read as follows:

1           (i-1) For purposes of Subsection [~~Subsections~~] (i) [~~and~~  
2 ~~(k)~~], any change from the preceding school year to the current  
3 school year in the amount of state funds distributed to a school  
4 district under Section [42.2516](#), Education Code, is not considered  
5 to be a change in a funding element for Chapter 42, Education Code.  
6 The amount of state funds distributed under Chapter 42, Education  
7 Code, and maintenance and operations taxes of the district per  
8 student in weighted average daily attendance for that school year  
9 that would have been available to the district in the preceding year  
10 if the funding elements for Chapter [~~Chapters 41 and~~] 42, Education  
11 Code, for the current year had been in effect for the preceding year  
12 is computed on the basis of the amount actually distributed to the  
13 district under Section [42.2516](#), Education Code, in the preceding  
14 school year.

15           SECTION 30. Section [312.210](#)(b), Tax Code, is amended to  
16 read as follows:

17           (b) A tax abatement agreement with the owner of real  
18 property or tangible personal property that is located in the  
19 reinvestment zone described by Subsection (a) and in a school  
20 district [~~that has a wealth per student that does not exceed the~~  
21 ~~equalized wealth level~~] must exempt from taxation:

22                   (1) the portion of the value of the property in the  
23 amount specified in the joint agreement among the municipality,  
24 county, and junior college district; and

25                   (2) an amount equal to 10 percent of the maximum  
26 portion of the value of the property that may under Section  
27 [312.204](#)(a) be otherwise exempted from taxation.

1 SECTION 31. The following laws are repealed:

2 (1) Chapter 41, Education Code;

3 (2) Sections 7.055(b)(34), 8.056, 29.203(g),  
4 42.2516(f), and 42.2524(f), Education Code; and

5 (3) Sections 21.02(b) and (c), 25.25(k), and  
6 312.210(c), Tax Code.

7 SECTION 32. This Act takes effect September 1, 2015.