By: Lucio III   H.B. No. 2765

A BILL TO BE ENTITLED

1   AN ACT

2 relating to property tax relief, the school facilities allotment

3 and the existing debt allotment under the Foundation School

4 Program.

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

6   SECTION 1. Section 46.003(a), Education Code, is amended to

7 read as follows:

8   Sec. 46.003. SCHOOL FACILITIES ALLOTMENT. (a) For each

9 year, except as provided by Sections 46.005 and 46.006, a school

10 district is guaranteed a specified amount [per student] in state

11 and local funds [for each cent of tax effort, up to the maximum rate

12 under Subsection (b),] to pay the principal of and interest on

13 eligible bonds issued to construct, acquire, renovate, or improve

14 an instructional facility. The amount of state support is

15 determined by the formula:

16   FYA = EBP X (1 - (DYL/FYL)

17   [FYA = (FYL X ADA X BTR X 100) - (BTR X (DPV/100))]

18 where:

19   "FYA" is the guaranteed facilities yield amount of state

20 funds allocated to the district for the year;

21   "FYL" is the dollar amount guaranteed level of state and

22 local funds per student per cent of tax effort, which is $35 or a

23 greater amount for any year provided by appropriation;

24   "ADA" is the greater of the number of students in average

1 daily attendance, as determined under Section 42.005, in the

2 district or 400;

3 "EBP" ["BTR"] is the [district's bond tax rate for the

4 current year, which is determined by dividing the] amount budgeted

5 by the district for payment of eligible bonds [by the quotient of

6 the district's taxable value of property as determined under

7 Subchapter M, Chapter 403, Government Code, or, if applicable,

8 under Section 42.2521, divided by 100]; and

9 "DYL" ["DPV"] is the district's yield per penny per student

10 which is determined by dividing the taxable value of property as

11 determined under Subchapter M, Chapter 403, Government Code, or, if

12 applicable, Section 42.2521, by the product of the district's ADA

13 and 10,000.

14 SECTION 2. Section 46.032(a), Education Code, is amended to

15 read as follows:

16 Sec. 46.032. ALLOTMENT.   (a) Each school district is

17 guaranteed a specified amount per student in state and local funds

18 for each cent of tax effort to pay the principal of and interest on

19 eligible bonds. The amount of state support, subject only to the

20 maximum amount under Section 46.034, is determined by the formula:

21 $$EDA = EDBP \times (1 - (DYL/EDGL)$$

22 $$[EDA = (EDGL \times ADA \times EDTR \times 100) - (EDTR \times (DPV/100))]$$

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;

2   "ADA" is the number of students in average daily attendance,

3 as determined under Section 42.005, in the district;

4   "EDBP" ["EDTR"] is the [existing debt tax rate of the

5 district, which is determined by dividing the] amount budgeted by

6 the district for payment of eligible bonds by the quotient of the

7 district's taxable value of property as determined under Subchapter

8 M, Chapter 403, Government Code, or, if applicable, under Section

9 42.2521, divided by 100]; and

10   "DYL" ["DPV"] is the district's yield per penny per student

11 which is determined by dividing the taxable value of property as

12 determined under Subchapter M, Chapter 403, Government Code, or, if

13 applicable, Section 42.2521, by the product of the district's ADA

14 and 10,000.

15   SECTION 3.   Section 46.034(c), Education Code, is amended to

16 read as follows:

17   (c) If the amount required to pay the principal of and

18 interest on eligible bonds in a school year is less than the amount

19 of payments made by the district on the bonds during the final

20 school year of the preceding state fiscal biennium or the

21 district's audited debt service collections for that school year,

22 the district may not receive aid in excess of the amount that, when

23 added to the district's local revenue for the school year, equals

24 the amount required to pay the principal of and interest on the

25 bonds.

26   SECTION 4.   The following provisions of the Education Code

27 are repealed:

1   (1) Sections 46.003(b), (c) and (d);

2   (2) Sections 46.032(b), (c) and (d); and

3   (3) Sections 46.034(a), (b) and (b-1).

4   SECTION 5. A school district must use all revenues derived

5 from the changes to Chapter 46, Education Code, provided by this Act

6 to reduce the district's tax rate for bonded indebtedness or to

7 reduce the maturity of previously issued bonds. The commissioner

8 shall adopt rules regarding the operation and enforcement of this

9 provision.

10   SECTION 6. This Act takes effect immediately if it receives

11 a vote of two-thirds of all the members elected to each house, as

12 provided by Section 39, Article III, Texas Constitution. If this

13 Act does not receive the vote necessary for immediate effect, this

14 Act takes effect September 1, 2015.