

By: Watson

S.B. No. 246

A BILL TO BE ENTITLED

AN ACT

relating to the basic allotment and the equalized wealth level under the Foundation School Program.

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

SECTION 1. Section 42.101, Education Code, as effective September 1, 2015, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Except as provided by Subsection (a-1), for ~~[For]~~ each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to an allotment equal to \$5,040 ~~[the lesser of \$4,765 or the amount that results from the following formula:~~

$$[A - \$4,765 \times (DCR/MCR)]$$

~~[where:~~

~~["A" is the allotment to which a district is entitled,~~

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

~~["MCR" is the state maximum compressed tax rate, which is the product of the state compression percentage, as determined under~~

Section ~~42.2516~~, multiplied by \$1.50].

(a-1) A school district with a maintenance and operations tax rate less than the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50 is entitled to a proportion of the allotment provided under Subsection (a) or (b) equal to the proportion that the district's maintenance and operations tax rate bears to the tax rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50.

SECTION 2. Section 42.252(a), Education Code, is amended to read as follows:

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

$$\text{LFA} = \text{TR} \times \text{DPV}$$

where:

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

"TR" is a tax rate which for each hundred dollars of valuation is an effective tax rate of the lesser of:

(1) the amount equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by ~~[the lesser of:~~

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

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

"DPV" is the taxable value of property in the school district for the preceding tax year determined under Subchapter M, Chapter 403, Government Code.

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1 SECTION 3. This Act takes effect September 1, 2015.