

By: Taylor of Galveston, et al.  
(Aycock)

S.B. No. 945

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to funding under the public school finance system for a  
3 school district with a compressed tax rate below the state maximum  
4 compressed tax rate.

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

6 SECTION 1. Section 41.002(a), Education Code, is amended to  
7 read as follows:

8 (a) A school district may not have a wealth per student that  
9 exceeds:

10 (1) the wealth per student that generates the amount  
11 of maintenance and operations tax revenue per weighted student  
12 available to a district with maintenance and operations tax revenue  
13 per cent of tax effort equal to the maximum amount provided per cent  
14 under Section 42.101(a) or (b), for the district's maintenance and  
15 operations tax effort equal to or less than the rate equal to the  
16 sum of the product of the state compression percentage, as  
17 determined under Section 42.2516, multiplied by the maintenance and  
18 operations tax rate adopted by the district for the 2005 tax year  
19 and any additional tax effort included in calculating the  
20 district's compressed tax rate under Section 42.101(a-1);

21 (2) the wealth per student that generates the amount  
22 of maintenance and operations tax revenue per weighted student  
23 available to the Austin Independent School District, as determined  
24 by the commissioner in cooperation with the Legislative Budget

1 Board, for the first six cents by which the district's maintenance  
2 and operations tax rate exceeds the rate equal to the sum of the  
3 product of the state compression percentage, as determined under  
4 Section 42.2516, multiplied by the maintenance and operations tax  
5 rate adopted by the district for the 2005 tax year and any  
6 additional tax effort included in calculating the district's  
7 compressed tax rate under Section 42.101(a-1), subject to Section  
8 41.093(b-1); or

9 (3) \$319,500, for the district's maintenance and  
10 operations tax effort that exceeds the amount of tax effort  
11 described by Subdivision (2) [~~first six cents by which the~~  
12 ~~district's maintenance and operations tax effort exceeds the rate~~  
13 ~~equal to the product of the state compression percentage, as~~  
14 ~~determined under Section 42.2516, multiplied by the maintenance and~~  
15 ~~operations tax rate adopted by the district for the 2005 tax year].~~

16 SECTION 2. Section 41.093(b-1), Education Code, is amended  
17 to read as follows:

18 (b-1) If the guaranteed level of state and local funds per  
19 weighted student per cent of tax effort under Section  
20 42.302(a-1)(1) for which state funds are appropriated for a school  
21 year is an amount at least equal to the amount of revenue per  
22 weighted student per cent of tax effort available to the Austin  
23 Independent School District, as determined by the commissioner in  
24 cooperation with the Legislative Budget Board, the commissioner, in  
25 computing the amounts described by Subsections (a)(1) and (2) and  
26 determining the cost of an attendance credit, shall exclude  
27 maintenance and operations tax revenue resulting from the tax rate

1 described by Section 41.002(a)(2) [~~first six cents by which a~~  
2 ~~district's maintenance and operations tax rate exceeds the rate~~  
3 ~~equal to the product of the state compression percentage, as~~  
4 ~~determined under Section 42.2516, multiplied by the maintenance and~~  
5 ~~operations tax rate adopted by the district for the 2005 tax year~~].

6 SECTION 3. Section 42.101, Education Code, as effective  
7 September 1, 2015, is amended by adding Subsections (a-1), (a-2),  
8 and (c) to read as follows:

9 (a-1) Notwithstanding Subsection (a), for a school district  
10 that adopted a maintenance and operations tax rate for the 2005 tax  
11 year below the maximum rate permitted by law for that year, the  
12 district's compressed tax rate ("DCR") includes the portion of the  
13 district's current maintenance and operations tax rate in excess of  
14 the first six cents above the district's compressed tax rate, as  
15 defined by Subsection (a), until the district's compressed tax rate  
16 computed in accordance with this subsection is equal to the state  
17 maximum compressed tax rate ("MCR").

18 (a-2) Subsection (a-1) applies beginning with the 2017-2018  
19 school year. For the 2015-2016 and 2016-2017 school years, the  
20 board of trustees of a school district that adopted a maintenance  
21 and operations tax rate for the 2005 tax year below the maximum rate  
22 permitted by law for that year may choose to apply Subsection (a-1)  
23 to the calculation of the district's compressed tax rate ("DCR"). A  
24 board of trustees that chooses to apply Subsection (a-1) must  
25 notify the commissioner of the decision in writing not later than  
26 September 1 of the affected school year. This subsection expires  
27 September 1, 2018.

1       (c) This subsection applies to a school district for which  
2 the compressed tax rate ("DCR") is determined in accordance with  
3 Subsection (a-1). Any reduction in the district's adopted  
4 maintenance and operations tax rate is applied to the following  
5 components of the district's tax rate in the order specified:

6           (1) tax effort described by Section 42.302(a-1)(2);

7           (2) tax effort described by Section 42.302(a-1)(1);

8 and

9           (3) tax effort included in the determination of the  
10 district's compressed tax rate ("DCR") under Subsection (a-1).

11       SECTION 4. Section 42.2516, Education Code, is amended by  
12 adding Subsection (c-1) to read as follows:

13       (c-1) Revenue generated by the portion of a district's  
14 maintenance and operations tax rate included in calculating the  
15 district's compressed tax rate under Section 42.101(a-1) and local  
16 share under Section 42.252(a-1) is included in determining the  
17 amount to which a district is entitled under this section, but may  
18 not increase the total amount of revenue per weighted student to  
19 which the district is entitled under this section. This subsection  
20 expires September 1, 2017.

21       SECTION 5. Section 42.252, Education Code, is amended by  
22 adding Subsection (a-1) to read as follows:

23       (a-1) Notwithstanding Subsection (a), for a school district  
24 that adopted a maintenance and operations tax rate for the 2005 tax  
25 year below the maximum rate permitted by law for that year, the  
26 district's tax rate ("TR") includes the tax effort included in  
27 calculating the district's compressed tax rate under Section

1 42.101(a-1).

2 SECTION 6. Section 42.302(a-1), Education Code, is amended  
3 to read as follows:

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

9 (1) the greater of the amount of district tax revenue  
10 per weighted student per cent of tax effort that would be available  
11 to the Austin Independent School District, as determined by the  
12 commissioner in cooperation with the Legislative Budget Board, if  
13 the reduction of the limitation on tax increases as provided by  
14 Section 11.26(a-1), (a-2), or (a-3), Tax Code, did not apply, or the  
15 amount of district tax revenue per weighted student per cent of tax  
16 effort used for purposes of this subdivision in the preceding  
17 school year, for the first six cents by which the district's  
18 maintenance and operations tax rate exceeds the rate equal to the  
19 sum of the product of the state compression percentage, as  
20 determined under Section 42.2516, multiplied by the maintenance and  
21 operations tax rate adopted by the district for the 2005 tax year  
22 and any additional tax effort included in calculating the  
23 district's compressed tax rate under Section 42.101(a-1); and

24 (2) \$31.95, for the district's maintenance and  
25 operations tax effort that exceeds the amount of tax effort  
26 described by Subdivision (1).

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