

By: Taylor of Galveston

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 product of the  
3 state compression percentage, as determined under Section 42.2516,  
4 multiplied by the maintenance and operations tax rate adopted by  
5 the district for the 2005 tax year, subject to Section 41.093(b-1);  
6 or

7 (3) \$319,500, for the district's maintenance and  
8 operations tax effort that exceeds the first six cents by which the  
9 district's maintenance and operations tax effort exceeds the rate  
10 equal to the product of the state compression percentage, as  
11 determined under Section 42.2516, multiplied by the maintenance and  
12 operations tax rate adopted by the district for the 2005 tax year,  
13 less any additional tax effort included in calculating the  
14 district's compressed tax rate under Section 42.101(a-1).

15 SECTION 2. Section 42.101, Education Code, is amended by  
16 adding Subsections (a-1) and (a-2) to read as follows:

17 (a-1) Notwithstanding Subsection (a), for a school district  
18 that adopted a maintenance and operations tax rate for the 2005 tax  
19 year below the maximum rate permitted by law for that year, the  
20 district's compressed tax rate ("DCR") includes the portion of the  
21 district's current maintenance and operations tax rate in excess of  
22 the first six cents above the district's compressed tax rate, as  
23 defined by Subsection (a), until the district's compressed tax rate  
24 computed in accordance with this subsection is equal to the state  
25 maximum compressed tax rate ("MCR").

26 (a-2) Subsection (a-1) applies beginning with the 2017-2018  
27 school year. For the 2015-2016 and 2016-2017 school years, the

1 board of trustees of a school district that adopted a maintenance  
2 and operations tax rate for the 2005 tax year below the maximum rate  
3 permitted by law for that year may choose to apply Subsection (a-1)  
4 to the calculation of the district's compressed tax rate ("DCR"). A  
5 board of trustees that chooses to apply Subsection (a-1) must  
6 notify the commissioner of the decision in writing not later than  
7 September 1 of the affected school year. This subsection expires  
8 September 1, 2018.

9 SECTION 3. Section 42.2516, Education Code, is amended by  
10 adding Subsection (c-1) to read as follows:

11 (c-1) Revenue generated by the portion of a district's  
12 maintenance and operations tax rate included in calculating the  
13 district's compressed tax rate under Section 42.101(a-1) and local  
14 share under Section 42.252(a-1) is included in determining the  
15 amount to which a district is entitled under this section. This  
16 subsection expires September 1, 2017.

17 SECTION 4. Section 42.252, Education Code, is amended by  
18 adding Subsection (a-1) to read as follows:

19 (a-1) Notwithstanding Subsection (a), for a school district  
20 that adopted a maintenance and operations tax rate for the 2005 tax  
21 year below the maximum rate permitted by law for that year, the  
22 district's tax rate ("TR") includes the tax effort included in  
23 calculating the district's compressed tax rate under Section  
24 42.101(a-1).

25 SECTION 5. Section 42.302(a-1), Education Code, is amended  
26 to read as follows:

27 (a-1) [~~In this section, "wealth per student" has the meaning~~

1 ~~assigned by Section 41.001.~~] For purposes of Subsection (a), the  
2 dollar amount guaranteed level of state and local funds per  
3 weighted student per cent of tax effort ("GL") for a school district  
4 is:

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

18           (2) \$31.95, for the district's maintenance and  
19 operations tax effort that exceeds the amount of tax effort  
20 described by Subdivision (1), less any additional tax effort  
21 included in calculating the district's compressed tax rate under  
22 Section 42.101(a-1).

23           SECTION 6. This Act takes effect September 1, 2015.