

By: King of Hemphill

H.B. No. 387

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the extension of additional state aid for tax reduction  
3 provided to certain school districts.

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

5 ARTICLE 1. EXTENSION OF ADDITIONAL STATE AID FOR TAX REDUCTION

6 SECTION 1.01. Section 42.2516, Education Code, is amended  
7 by amending Subsections (b) and (c-1) and adding Subsections (j),  
8 (k), (l), and (m) to read as follows:

9 (b) Notwithstanding any other provision of this title, but  
10 subject to Subsections (j), (k), (l), and (m), a school district  
11 that imposes a maintenance and operations tax at a rate at least  
12 equal to the product of the state compression percentage multiplied  
13 by the maintenance and operations tax rate adopted by the district  
14 for the 2005 tax year is entitled to at least the amount of state  
15 revenue necessary to provide the district with the sum of:

16 (1) the percentage specified by Subsection (i) of the  
17 amount, as calculated under Subsection (e), of state and local  
18 revenue per student in weighted average daily attendance for  
19 maintenance and operations that the district would have received  
20 during the 2009-2010 school year under Chapter 41 and this chapter,  
21 as those chapters existed on January 1, 2009, at a maintenance and  
22 operations tax rate equal to the product of the state compression  
23 percentage for that year multiplied by the maintenance and  
24 operations tax rate adopted by the district for the 2005 tax year;

1           (2) the percentage specified by Subsection (i) of an  
2 amount equal to the product of \$120 multiplied by the number of  
3 students in weighted average daily attendance in the district; and

4           (3) any amount to which the district is entitled under  
5 Section 42.106.

6           (c-1) Revenue generated by the portion of a district's  
7 maintenance and operations tax rate included in calculating the  
8 district's compressed tax rate under Section 42.101(a-1) and local  
9 share under Section 42.252(a-1) is included in determining the  
10 amount to which a district is entitled under this section, but may  
11 not increase the total amount of revenue per weighted student to  
12 which the district is entitled under this section. This subsection  
13 expires September 1, 2019 [~~2017~~].

14           (j) If the commissioner determines that a school district  
15 would receive additional state aid under this section for the  
16 2017-2018 or 2018-2019 school year in an amount that is four percent  
17 or less of the total amount of funding the district is entitled to  
18 receive under this chapter and Chapter 41, the district is  
19 ineligible to receive additional state aid under this section for  
20 the year for which the determination is made and any subsequent  
21 school year. This subsection expires September 1, 2019.

22           (k) If the commissioner determines that a school district is  
23 not entitled to additional state aid under this section for the  
24 2016-2017 or a subsequent school year, the district is ineligible  
25 to receive additional state aid under this section for any school  
26 year subsequent to the year for which the determination was made.  
27 This subsection expires September 1, 2019.

1       (1) A school district is ineligible for additional state aid  
2 under this section if the district imposes a maintenance and  
3 operations tax at a rate that is less than \$1.00 per \$100 of taxable  
4 value. This subsection expires September 1, 2019.

5       (m) The commissioner shall provide additional state aid  
6 under this section only if the legislature makes a specific  
7 appropriation to the agency for that purpose. The amount  
8 appropriated for purposes of this section may not exceed \$200  
9 million for the state fiscal biennium ending August 31, 2019. This  
10 subsection expires September 1, 2019.

11       SECTION 1.02. Section 42.2518(a), Education Code, is  
12 amended to read as follows:

13       (a) For the 2015-2016 through 2018-2019 [~~and 2016-2017~~]  
14 school years, a school district is entitled to additional state aid  
15 to the extent that state and local revenue under this chapter and  
16 Chapter 41 is less than the state and local revenue that would have  
17 been available to the district under Chapter 41 and this chapter as  
18 those chapters existed on September 1, 2015, if the increase in the  
19 residence homestead exemption under Section 1-b(c), Article VIII,  
20 Texas Constitution, and the additional limitation on tax increases  
21 under Section 1-b(d) of that article as proposed by S.J.R. 1, 84th  
22 Legislature, Regular Session, 2015, had not occurred.

23       SECTION 1.03. Effective September 1, 2019, Section  
24 42.2518(a), Education Code, is amended to read as follows:

25       (a) Beginning with the 2019-2020 school year [~~For the~~  
26 ~~2015-2016 and 2016-2017 school years~~], a school district is  
27 entitled to additional state aid to the extent that state and local

1 revenue under this chapter and Chapter 41 is less than the state and  
2 local revenue that would have been available to the district under  
3 Chapter 41 and this chapter as those chapters existed on September  
4 1, 2015, excluding any state aid that would have been provided under  
5 former Section 42.2516, if the increase in the residence homestead  
6 exemption under Section 1-b(c), Article VIII, Texas Constitution,  
7 and the additional limitation on tax increases under Section 1-b(d)  
8 of that article as proposed by S.J.R. 1, 84th Legislature, Regular  
9 Session, 2015, had not occurred.

10 SECTION 1.04. Notwithstanding Chapter 4 (S.B. 1), Acts of  
11 the 82nd Legislature, 1st Called Session, 2011, the following  
12 provisions are effective September 1, 2019:

13 (1) Section 57.03, Chapter 4 (S.B. 1), Acts of the 82nd  
14 Legislature, 1st Called Session, 2011, which amended Section  
15 12.106(a), Education Code;

16 (2) Section 57.18, Chapter 4 (S.B. 1), Acts of the 82nd  
17 Legislature, 1st Called Session, 2011, which amended the heading to  
18 Section 42.2516, Education Code;

19 (3) Section 57.19, Chapter 4 (S.B. 1), Acts of the 82nd  
20 Legislature, 1st Called Session, 2011, which amended Section  
21 42.2516(a), Education Code;

22 (4) Section 57.23, Chapter 4 (S.B. 1), Acts of the 82nd  
23 Legislature, 1st Called Session, 2011, which amended Section  
24 42.253(h), Education Code;

25 (5) Section 57.29, Chapter 4 (S.B. 1), Acts of the 82nd  
26 Legislature, 1st Called Session, 2011, which amended Section  
27 26.08(i), Tax Code;

1           (6) Section 57.32(a), Chapter 4 (S.B. 1), Acts of the  
2 82nd Legislature, 1st Called Session, 2011, which repealed various  
3 provisions of the Education Code; and

4           (7) Section 57.32(b), Chapter 4 (S.B. 1), Acts of the  
5 82nd Legislature, 1st Called Session, 2011, which repealed Sections  
6 26.08(i-1) and (j), Tax Code.

7           SECTION 1.05. Section 42.2518(e), Education Code, is  
8 repealed.

9           SECTION 1.06. Section 18, Chapter 465 (S.B. 1), Acts of the  
10 84th Legislature, Regular Session, 2015, which added Section  
11 42.2518, Education Code, effective September 1, 2017, is repealed.

12           ARTICLE 2. PROVISION OF ADDITIONAL STATE AID FOR TAX REDUCTION

13           SECTION 2.01. Subchapter E, Chapter 42, Education Code, is  
14 amended by adding Section 42.25162 to read as follows:

15           Sec. 42.25162. ADDITIONAL STATE AID FOR CERTAIN SCHOOL  
16 DISTRICTS. (a) This section applies only to a school district that  
17 received for the 2016-2017 school year additional state aid under  
18 Section 42.2516.

19           (b) Except as provided by Subsection (c), (d), (e), or (f),  
20 a school district to which this section applies is entitled to the  
21 additional state aid for the 2017-2018 and 2018-2019 school years  
22 that would have been provided to the district for those school years  
23 under Section 42.2516, as that section existed on January 1, 2017,  
24 based on the percentage reduction for purposes of former Section  
25 42.2516(i) established by appropriation for the 2016-2017 school  
26 year.

27           (c) If the commissioner determines that a school district

1 would receive additional state aid under this section for the  
2 2017-2018 or 2018-2019 school year in an amount that is four percent  
3 or less of the total amount of funding the district is entitled to  
4 receive under this chapter and Chapter 41, the district is  
5 ineligible to receive additional state aid under this section for  
6 the year for which the determination is made and any subsequent  
7 school year.

8 (d) If the commissioner determines that a school district is  
9 not entitled to additional state aid under this section for the  
10 2017-2018 school year, the district is ineligible to receive  
11 additional state aid under this section for the 2018-2019 school  
12 year.

13 (e) A school district is ineligible for additional state aid  
14 under this section if the district imposes a maintenance and  
15 operations tax at a rate that is less than \$1.00 per \$100 of taxable  
16 value.

17 (f) The commissioner shall provide additional state aid  
18 under this section only if the legislature makes a specific  
19 appropriation to the agency for that purpose. The amount  
20 appropriated for purposes of this section may not exceed \$200  
21 million for the state fiscal biennium ending August 31, 2019.

22 (g) Additional funding to which a school district is  
23 entitled under Section 42.2523 or 42.2524 is in addition to the  
24 amount of funding to which the district is entitled under this  
25 section.

26 (h) For purposes of Section 26.08(i), Tax Code, state funds  
27 distributed to a district under this section are included.

1        (i) The commissioner shall adopt rules necessary to  
2 implement this section.

3        (j) This section expires September 1, 2019.

4        SECTION 2.02. Section 42.2518(a), Education Code, as  
5 effective September 1, 2017, is amended to read as follows:

6        (a) Beginning with the 2017-2018 school year, a school  
7 district is entitled to additional state aid to the extent that  
8 state and local revenue under this chapter and Chapter 41 is less  
9 than the state and local revenue that would have been available to  
10 the district under Chapter 41 and this chapter as those chapters  
11 existed on September 1, 2015, [~~excluding any state aid that would~~  
12 ~~have been provided under former Section 42.2516,~~] if the increase  
13 in the residence homestead exemption under Section 1-b(c), Article  
14 VIII, Texas Constitution, and the additional limitation on tax  
15 increases under Section 1-b(d) of that article as proposed by  
16 S.J.R. 1, 84th Legislature, Regular Session, 2015, had not  
17 occurred.

18        SECTION 2.03. Effective September 1, 2019, Section  
19 42.2518(a), Education Code, as effective September 1, 2017, is  
20 amended to read as follows:

21        (a) Beginning with the 2019-2020 [~~2017-2018~~] school year, a  
22 school district is entitled to additional state aid to the extent  
23 that state and local revenue under this chapter and Chapter 41 is  
24 less than the state and local revenue that would have been available  
25 to the district under Chapter 41 and this chapter as those chapters  
26 existed on September 1, 2015, excluding any state aid that would  
27 have been provided under former Section 42.25162 [~~42.2516~~], if the

1 increase in the residence homestead exemption under Section 1-b(c),  
2 Article VIII, Texas Constitution, and the additional limitation on  
3 tax increases under Section 1-b(d) of that article as proposed by  
4 S.J.R. 1, 84th Legislature, Regular Session, 2015, had not  
5 occurred.

6 ARTICLE 3. EFFECTIVE DATE

7 SECTION 3.01. (a) Except as otherwise provided by this  
8 subsection, this Act takes effect immediately if it receives a vote  
9 of two-thirds of all the members elected to each house, as provided  
10 by Section 39, Article III, Texas Constitution. If this Act takes  
11 effect immediately, Article 2 of this Act has no effect.

12 (b) If this Act does not receive the vote necessary for  
13 immediate effect, this Act, except as otherwise provided by this  
14 subsection, takes effect on the 91st day after the last day of the  
15 legislative session. If this Act takes effect on the 91st day after  
16 the last day of the legislative session, Article 1 of this Act has  
17 no effect.