

By: Perry

S.B. No. 67

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the basic allotment under the foundation school program  
3 and the extension of additional state aid for tax reduction  
4 provided to certain school districts.

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

6 ARTICLE 1. BASIC ALLOTMENT

7 SECTION 1.01. Section 42.101(a), Education Code, is amended  
8 to read as follows:

9 (a) For each student in average daily attendance, not  
10 including the time students spend each day in special education  
11 programs in an instructional arrangement other than mainstream or  
12 career and technology education programs, for which an additional  
13 allotment is made under Subchapter C, a district is entitled to an  
14 allotment equal to the lesser of \$5,140 [~~\$4,765~~] or the amount that  
15 results from the following formula:

16 
$$A = \underline{\$5,140} [\del{\$4,765}] \times (\text{DCR}/\text{MCR})$$

17 where:

18 "A" is the allotment to which a district is entitled;

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

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

1 Section 42.2516, multiplied by \$1.50.

2 ARTICLE 2. EXTENSION OF ADDITIONAL STATE AID FOR TAX REDUCTION

3 SECTION 2.01. Section 42.2516, Education Code, is amended  
4 by amending Subsections (b) and (c-1) and adding Subsections (j)  
5 and (k) to read as follows:

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

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

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

25 (3) any amount to which the district is entitled under  
26 Section 42.106.

27 (c-1) Revenue generated by the portion of a district's

1 maintenance and operations tax rate included in calculating the  
2 district's compressed tax rate under Section 42.101(a-1) and local  
3 share under Section 42.252(a-1) is included in determining the  
4 amount to which a district is entitled under this section, but may  
5 not increase the total amount of revenue per weighted student to  
6 which the district is entitled under this section. This subsection  
7 expires September 1, 2019 [~~2017~~].

8 (j) Notwithstanding any other provision of this section, a  
9 school district is entitled to receive additional funding under  
10 this section for the 2017-2018 and 2018-2019 school years only if:

11 (1) the district received additional funding under  
12 this section for the 2016-2017 school year; and

13 (2) the district chose to apply Section 42.101(a-1) to  
14 the calculation of the district's compressed tax rate under Section  
15 42.101 for the 2016-2017 school year, if the district was eligible  
16 for that choice.

17 (k) The amount appropriated for purposes of this section may  
18 not exceed \$150 million for the 2017-2018 school year or \$75 million  
19 for the 2018-2019 school year. If the total amount to which school  
20 districts are entitled under this section for a school year exceeds  
21 the amount appropriated, the commissioner shall reduce the amount  
22 each school district is entitled to under this section in the manner  
23 provided by Section 42.253(h).

24 SECTION 2.02. Section 42.2518(a), Education Code, is  
25 amended to read as follows:

26 (a) For the 2015-2016 through 2018-2019 [~~and 2016-2017~~]  
27 school years, a school district is entitled to additional state aid

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

9 SECTION 2.03. Effective September 1, 2019, Section  
10 42.2518(a), Education Code, is amended to read as follows:

11 (a) Beginning with the 2019-2020 school year [~~For the~~  
12 ~~2015-2016 and 2016-2017 school years~~], a school district is  
13 entitled to additional state aid to the extent that state and local  
14 revenue under this chapter and Chapter 41 is less than the state and  
15 local revenue that would have been available to the district under  
16 Chapter 41 and this chapter as those chapters existed on September  
17 1, 2015, excluding any state aid that would have been provided under  
18 former Section 42.2516, if the increase in the residence homestead  
19 exemption under Section 1-b(c), Article VIII, Texas Constitution,  
20 and the additional limitation on tax increases under Section 1-b(d)  
21 of that article as proposed by S.J.R. 1, 84th Legislature, Regular  
22 Session, 2015, had not occurred.

23 SECTION 2.04. Notwithstanding Chapter 4 (S.B. 1), Acts of  
24 the 82nd Legislature, 1st Called Session, 2011, the following  
25 provisions are effective September 1, 2019:

26 (1) Section 57.03, Chapter 4 (S.B. 1), Acts of the 82nd  
27 Legislature, 1st Called Session, 2011, which amended Section

1 12.106(a), Education Code;

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

5 (3) Section 57.19, Chapter 4 (S.B. 1), Acts of the 82nd  
6 Legislature, 1st Called Session, 2011, which amended Section  
7 42.2516(a), Education Code;

8 (4) Section 57.23, Chapter 4 (S.B. 1), Acts of the 82nd  
9 Legislature, 1st Called Session, 2011, which amended Section  
10 42.253(h), Education Code;

11 (5) Section 57.29, Chapter 4 (S.B. 1), Acts of the 82nd  
12 Legislature, 1st Called Session, 2011, which amended Section  
13 26.08(i), Tax Code;

14 (6) Section 57.32(a), Chapter 4 (S.B. 1), Acts of the  
15 82nd Legislature, 1st Called Session, 2011, which repealed various  
16 provisions of the Education Code; and

17 (7) Section 57.32(b), Chapter 4 (S.B. 1), Acts of the  
18 82nd Legislature, 1st Called Session, 2011, which repealed Sections  
19 26.08(i-1) and (j), Tax Code.

20 SECTION 2.05. Section 42.2518(e), Education Code, is  
21 repealed.

22 SECTION 2.06. Section 18, Chapter 465 (S.B. 1), Acts of the  
23 84th Legislature, Regular Session, 2015, which added Section  
24 42.2518, Education Code, effective September 1, 2017, is repealed.

25 ARTICLE 3. PROVISION OF ADDITIONAL STATE AID FOR TAX REDUCTION

26 SECTION 3.01. Subchapter E, Chapter 42, Education Code, is  
27 amended by adding Section 42.25162 to read as follows:

1       Sec. 42.25162. ADDITIONAL STATE AID FOR CERTAIN SCHOOL  
2 DISTRICTS. (a) A school district is entitled to receive additional  
3 funding under this section for the 2017-2018 and 2018-2019 school  
4 years only if:

5           (1) the district received additional funding under  
6 Section 42.2516, as that section existed on January 1, 2017, for the  
7 2016-2017 school year; and

8           (2) the district chose to apply Section 42.101(a-1) to  
9 the calculation of the district's compressed tax rate under Section  
10 42.101 for the 2016-2017 school year, if the district was eligible  
11 for that choice.

12       (b) Except as provided by Subsection (c), a school district  
13 described by Subsection (a) is entitled to the additional state aid  
14 for the 2017-2018 and 2018-2019 school years that would have been  
15 provided to the district for those school years under Section  
16 42.2516, as that section existed on January 1, 2017, based on the  
17 percentage reduction for purposes of former Section 42.2516(i)  
18 established by appropriation for the 2016-2017 school year.

19       (c) The amount appropriated for purposes of this section may  
20 not exceed \$150 million for the 2017-2018 school year or \$75 million  
21 for the 2018-2019 school year. If the total amount to which school  
22 districts are entitled under this section for a school year exceeds  
23 the amount appropriated, the commissioner shall reduce the amount  
24 each school district is entitled to under this section in the manner  
25 provided by Section 42.253(h).

26       (d) Additional funding to which a school district is  
27 entitled under Section 42.2523 or 42.2524 is in addition to the

1 amount of funding to which the district is entitled under this  
2 section.

3 (e) For purposes of Section 26.08(i), Tax Code, state funds  
4 distributed to a district under this section are included.

5 (f) The commissioner shall adopt rules necessary to  
6 implement this section.

7 (g) This section expires September 1, 2019.

8 SECTION 3.02. Section 42.2518(a), Education Code, as  
9 effective September 1, 2017, is amended to read as follows:

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

22 SECTION 3.03. Effective September 1, 2019, Section  
23 42.2518(a), Education Code, as effective September 1, 2017, is  
24 amended to read as follows:

25 (a) Beginning with the 2019-2020 [~~2017-2018~~] school year, a  
26 school district is entitled to additional state aid to the extent  
27 that state and local revenue under this chapter and Chapter 41 is

1 less than the state and local revenue that would have been available  
2 to the district under Chapter 41 and this chapter as those chapters  
3 existed on September 1, 2015, excluding any state aid that would  
4 have been provided under former Section 42.25162 [~~42.2516~~], if the  
5 increase in the residence homestead exemption under Section 1-b(c),  
6 Article VIII, Texas Constitution, and the additional limitation on  
7 tax increases under Section 1-b(d) of that article as proposed by  
8 S.J.R. 1, 84th Legislature, Regular Session, 2015, had not  
9 occurred.

10 ARTICLE 4. EFFECTIVE DATE

11 SECTION 4.01. (a) Except as otherwise provided by this Act  
12 or subsection, this Act takes effect immediately if it receives a  
13 vote of two-thirds of all the members elected to each house, as  
14 provided by Section 39, Article III, Texas Constitution. If this  
15 Act takes effect immediately, Article 3 of this Act has no effect.

16 (b) If this Act does not receive the vote necessary for  
17 immediate effect, this Act, except as otherwise provided by this  
18 Act or subsection, takes effect on the 91st day after the last day  
19 of the legislative session. If this Act takes effect on the 91st  
20 day after the last day of the legislative session, Article 2 of this  
21 Act has no effect.