By: Thompson of Brazoria   H.B. No. 1788

A BILL TO BE ENTITLED

1   AN ACT

2 relating to state support for assistance with payment of existing

3 debt on certain bonds issued by school districts.

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

5   SECTION 1. Section 46.032, Education Code, is amended by

6 amending Subsection (a) and adding Subsections (a-1) and (a-2) to

7 read as follows:

8   (a) Each school district is guaranteed a specified amount

9 per student in state and local funds for each cent of tax effort to

10 pay the principal of and interest on eligible bonds. The amount of

11 state support, subject only to the maximum amount under Section

12 46.034, is determined by the formula:

13   EDA = (EDGL X ADA X EDTR X 100) - (EDTR X (DPV/100))

14 where:

15   "EDA" is the amount of state funds to be allocated to the

16 district for assistance with existing debt;

17   "EDGL" is the dollar amount guaranteed level of state and

18 local funds per student per cent of tax effort provided by

19 Subsection (a-1)[, which is $35] or a greater amount for any year

20 provided by appropriation;

21   "ADA" is the number of students in average daily attendance,

22 as determined under Section 42.005, in the district;

23   "EDTR" is the existing debt tax rate of the district, which is

24 determined by dividing the amount budgeted by the district for

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1 payment of eligible bonds by the quotient of the district's taxable

2 value of property as determined under Subchapter M, Chapter 403,

3 Government Code, or, if applicable, under Section 42.2521, divided

4 by 100; and

5 "DPV" is the district's taxable value of property as

6 determined under Subchapter M, Chapter 403, Government Code, or, if

7 applicable, under Section 42.2521.

8 (a-1) For purposes of Subsection (a), the dollar amount

9 guaranteed level of state and local funds per student per cent of

10 tax effort ("EDGL") is:

11 (1) $35 for each cent of a district's combined tax

12 effort that does not exceed the rate of $0.20 per $100 of valuation;

13 and

14 (2) $60 for each cent of a district's combined tax

15 effort that exceeds the tax effort described by Subdivision (1).

16 (a-2) For purposes of Subsection (a-1):

17 (1) "BTR" has the meaning assigned by Section 46.003;

18 and

19 (2) "Combined tax effort" means the sum of a district's

20 EDTR and BTR.

21 SECTION 2. Section 46.071(c), Education Code, is amended to

22 read as follows:

23 (c) For the purpose of determining state aid under this

24 section, local interest and sinking revenue for debt service is

25 limited to revenue required to service debt eligible under this

26 chapter as of September 1, 2015, including refunding of that debt,

27 subject to Section 46.061. [The limitation imposed by Section

1 46.034(a) does not apply for the purpose of determining state aid

2 under this section.]

3   SECTION 3. Section 46.034(a), Education Code, is repealed.

4   SECTION 4. Notwithstanding any other provision of Chapter

5 46, Education Code, a school district must use additional amounts

6 of state assistance received under Subchapter B, Chapter 46,

7 Education Code, as a result of changes made by this Act to Section

8 46.032, Education Code, to accelerate the maturity date of

9 previously issued bonds or to reduce the district's tax rate for

10 purposes of debt service.

11   SECTION 5. This Act takes effect September 1, 2017.