

By: Huberty

H.B. No. 2108

A BILL TO BE ENTITLED

AN ACT

relating to an increase in the tax rate limitation on the issuance of tax-supported bonds for certain school districts.

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

SECTION 1. Section 45.0031, Education Code, is amended by amending Subsections (a) and (e) and adding Subsection (a-1) to read as follows:

(a) Before issuing bonds described by Section 45.001, a school district must demonstrate to the attorney general under Subsection (b) or (c) that, with respect to the proposed issuance, the district has a projected ability to pay the principal of and interest on the proposed bonds and all previously issued bonds other than bonds authorized to be issued at an election held on or before April 1, 1991, and issued before September 1, 1992, from a tax at a rate not to exceed:

(1) \$0.50 per \$100 of valuation; or

(2) if the district is eligible under Subsection (a-1), an amount per \$100 of valuation that equals the sum of \$0.50 and the maximum number of cents by which the district could, with voter approval, increase the rate of the tax imposed by the district for maintenance and remain in compliance with the maintenance tax rate limitation prescribed by Section 45.003.

(a-1) A school district may issue bonds after demonstrating the ability to comply with the rate limitation specified by

Subsection (a)(2) if the school district:

(1) does not have the capacity to issue proposed bonds described by Section 45.001 as a result of the rate limitation specified by Subsection (a)(1); and

(2) does not impose a maintenance tax at the maximum rate permitted under Section 45.003.

(e) If a district demonstrates to the attorney general the district's ability to comply with Subsection (a) using a projected future taxable value of property under Subsection (c) and subsequently imposes a tax to pay the principal of and interest on bonds to which Subsection (a) applies at a rate that exceeds the applicable limitation ~~[limit]~~ imposed by Subsection (a), the attorney general may not approve a subsequent issuance of bonds unless the attorney general finds that the district has a projected ability to pay the principal of and interest on the proposed bonds and all previously issued bonds to which Subsection (a) applies from a tax at a rate not to exceed \$0.45 per \$100 of valuation or the rate equal to 90 percent of the limitation imposed by Subsection (a)(2), as applicable.

SECTION 2. Section 45.003, Education Code, is amended by adding Subsection (d-1) and amending Subsection (e) to read as follows:

(d-1) Notwithstanding Subsection (d), for a district described by Section 45.0031(a-1) that imposes an interest and sinking fund tax rate that exceeds the rate specified by Section 45.0031(a)(1), the maximum maintenance tax rate prescribed by Subsection (d) is reduced by the number of cents that the district's

1 interest and sinking fund tax rate exceeds the rate specified by
2 Section 45.0031(a)(1).

3 (e) A rate that exceeds the maximum rate specified by
4 Subsection (d) or (d-1), as applicable, for the year in which the
5 tax is to be imposed is void. A school district with a tax rate
6 that is void under this subsection may, subject to requirements
7 imposed by other law, adopt a rate for that year that does not
8 exceed the maximum rate specified by Subsection (d) or (d-1), as
9 applicable, for that year.

10 SECTION 3. This Act applies beginning with the 2018 tax
11 year.

12 SECTION 4. This Act takes effect September 1, 2017.