

By: Huberty

H.B. No. 2340

A BILL TO BE ENTITLED

AN ACT

relating to the use by a school district of certain undesignated funds in the district's general fund.

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

SECTION 1. Subchapter A, Chapter 44, Education Code, is amended by adding Section 44.013 to read as follows:

Sec. 44.013. USE OF GENERAL FUND. (a) A school district must maintain a minimum balance of undesignated funds in the general fund of the district in an amount that is not less than the general operating expenses of the school district for a period of 90 days. The general operating expenses for a period of 90 days must be determined using the operating expenses incurred by the district for the preceding 90 days.

(b) A school district may, after obtaining approval from the board of trustees, use any undesignated funds in the general fund that exceed the amount required to be maintained by the school district under Subsection (a) for any authorized payment or purchase of the district, including:

(1) payment of any outstanding debt maintained by the district;

(2) purchase of land or school buildings for the district; or

(3) reduction of the district's operation and maintenance tax rate for the following tax year.

1 SECTION 2. This Act takes effect September 1, 2017.