

By: Seliger

S.B. No. 649

A BILL TO BE ENTITLED

AN ACT

relating to the basic allotment under the foundation school program and the extension of additional state aid for tax reduction provided to certain school districts.

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

SECTION 1. Section 42.101(a), Education Code, is amended to read as follows:

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

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

where:

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

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

"MCR" is the state maximum compressed tax rate, which is the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50.

SECTION 2. Section 42.2516, Education Code, is amended by amending Subsections (b) and (c-1) and adding Subsections (j) and (k) to read as follows:

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

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

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

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

(c-1) Revenue generated by the portion of a district's maintenance and operations tax rate included in calculating the district's compressed tax rate under Section 42.101(a-1) and local

share under Section 42.252(a-1) is included in determining the amount to which a district is entitled under this section, but may not increase the total amount of revenue per weighted student to which the district is entitled under this section. This subsection expires September 1, 2019 [2017].

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

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

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

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

SECTION 3. Section 42.2518(a), Education Code, is amended to read as follows:

(a) For the 2015-2016 through 2018-2019 [~~and 2016-2017~~] school years, a school district is entitled to additional state aid to the extent that state and local revenue under this chapter and Chapter 41 is less than the state and local revenue that would have

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

7 SECTION 4. Effective September 1, 2019, Section 42.2518(a),  
8 Education Code, is amended to read as follows:

9 (a) Beginning with the 2019-2020 school year [~~For the~~  
10 ~~2015-2016 and 2016-2017 school years~~], a school district is  
11 entitled to additional state aid to the extent that state and local  
12 revenue under this chapter and Chapter 41 is less than the state and  
13 local revenue that would have been available to the district under  
14 Chapter 41 and this chapter as those chapters existed on September  
15 1, 2015, excluding any state aid that would have been provided under  
16 former Section 42.2516, if the increase in the residence homestead  
17 exemption under Section 1-b(c), Article VIII, Texas Constitution,  
18 and the additional limitation on tax increases under Section 1-b(d)  
19 of that article as proposed by S.J.R. 1, 84th Legislature, Regular  
20 Session, 2015, had not occurred.

21 SECTION 5. Notwithstanding Chapter 4 (S.B. 1), Acts of the  
22 82nd Legislature, 1st Called Session, 2011, the following  
23 provisions are effective September 1, 2019:

24 (1) Section 57.03, Chapter 4 (S.B. 1), Acts of the  
25 82nd Legislature, 1st Called Session, 2011, which amended Section  
26 12.106(a), Education Code;

27 (2) Section 57.18, Chapter 4 (S.B. 1), Acts of the

1 82nd Legislature, 1st Called Session, 2011, which amended the  
2 heading to Section 42.2516, Education Code;

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

6 (4) Section 57.23, Chapter 4 (S.B. 1), Acts of the  
7 82nd Legislature, 1st Called Session, 2011, which amended Section  
8 42.253(h), Education Code;

9 (5) Section 57.29, Chapter 4 (S.B. 1), Acts of the  
10 82nd Legislature, 1st Called Session, 2011, which amended Section  
11 26.08(i), Tax Code;

12 (6) Section 57.32(a), Chapter 4 (S.B. 1), Acts of the  
13 82nd Legislature, 1st Called Session, 2011, which repealed various  
14 provisions of the Education Code; and

15 (7) Section 57.32(b), Chapter 4 (S.B. 1), Acts of the  
16 82nd Legislature, 1st Called Session, 2011, which repealed Sections  
17 26.08(i-1) and (j), Tax Code.

18 SECTION 6. Section 42.2518(e), Education Code, is repealed.

19 SECTION 7. Section 18, Chapter 465 (S.B. 1), Acts of the  
20 84th Legislature, Regular Session, 2015, which added Section  
21 42.2518, Education Code, effective September 1, 2017, is repealed.

22 SECTION 8. Section 42.101(a), Education Code, as amended by  
23 this Act, applies beginning with the 2017-2018 school year.

24 SECTION 9. Except as otherwise provided by this Act:

25 (1) this Act takes effect immediately if it receives a  
26 vote of two-thirds of all the members elected to each house, as  
27 provided by Section 39, Article III, Texas Constitution; and

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1                   (2) if this Act does not receive the vote necessary for  
2 immediate effect, this Act takes effect on the 91st day after the  
3 last day of the legislative session.