

By: Taylor of Collin

S.B. No. 1810

A BILL TO BE ENTITLED

AN ACT

relating to a limitation on the cost of an attendance credit under the public school finance system and the effect of such a limitation on the calculation of the rollback tax rate of a school district.

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

SECTION 1. Section 41.093, Education Code, is amended by amending Subsection (a) and adding Subsection (b-2) to read as follows:

(a) Subject to Subsections ~~[Subsection]~~ (b-1) and (b-2), the cost of each credit is an amount equal to the greater of:

(1) the amount of the district's maintenance and operations tax revenue per student in weighted average daily attendance for the school year for which the contract is executed; or

(2) the amount of the statewide district average of maintenance and operations tax revenue per student in weighted average daily attendance for the school year preceding the school year for which the contract is executed.

(b-2) The total amount required under this section for a school district to purchase attendance credits necessary to reduce the district's wealth per student to the equalized wealth level may not exceed the total amount required to purchase necessary attendance credits during the preceding school year by a percentage that is greater than the percentage calculated for the district and

1 reported to the commissioner under Section 26.04(e-2), Tax Code,  
2 for the current tax year. The commissioner shall compute the  
3 difference between the amount the district would otherwise be  
4 required to pay under this subchapter for attendance credits  
5 necessary to reduce the district's wealth per student to the  
6 equalized wealth level and the amount the district is required to  
7 pay as limited by this subsection and certify that amount to the  
8 board of trustees of the district and the officer or employee  
9 designated by the board of trustees of the district to calculate the  
10 rollback tax rate of the district.

11 SECTION 2. Section 26.04, Tax Code, is amended by adding  
12 Subsection (e-2) to read as follows:

13 (e-2) This subsection applies only to a school district with  
14 a wealth per student that exceeds the equalized wealth level, as  
15 determined by the commissioner of education under Chapter 41,  
16 Education Code. An officer or employee designated by the governing  
17 body of the school district shall calculate the positive percentage  
18 difference, if any, between the rollback tax rate of the school  
19 district and the tax rate adopted by the school district for the  
20 preceding tax year. For purposes of this subsection, the officer or  
21 employee shall calculate the rollback tax rate of the school  
22 district in accordance with Subsection (c)(2) of this section  
23 instead of Section 26.08, except that the officer or employee shall  
24 calculate the effective maintenance and operations rate of the  
25 school district in accordance with the provisions of Section  
26 26.08(i) governing the effective maintenance and operations tax  
27 rate of a school district instead of the definition of the effective

1 maintenance and operations rate of a taxing unit as defined by  
2 Section 26.012. By August 7 or as soon thereafter as practicable,  
3 the officer or employee shall submit the percentage calculated  
4 under this subsection to the governing body of the school district  
5 and the commissioner of education.

6 SECTION 3. Section 26.08, Tax Code, is amended by adding  
7 Subsection (q) to read as follows:

8 (q) This subsection applies only to a school district to  
9 which Section 26.04(e-2) applies. The rollback tax rate of a school  
10 district as otherwise calculated under this section is reduced by  
11 the rate that, if applied to the total taxable value of property in  
12 the school district, would generate the amount of revenue certified  
13 under Section 41.093(b-2), Education Code, to the governing body of  
14 the school district and the officer or employee designated by the  
15 governing body of the school district to calculate the rollback tax  
16 rate of the school district.

17 SECTION 4. (a) Section 41.093, Education Code, as amended  
18 by this Act, applies only to the cost of an attendance credit for a  
19 school year beginning in a tax year that begins on or after the  
20 effective date of this Act.

21 (b) Sections 26.04 and 26.08, Tax Code, as amended by this  
22 Act, apply only to the calculation of the rollback tax rate of a  
23 school district for a tax year beginning on or after the effective  
24 date of this Act.

25 SECTION 5. This Act takes effect January 1, 2018.