

BILL ANALYSIS

Senate Research Center
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S.B. 1252
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Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

A recipient of a tax abatement under Chapter 313, Tax Code, will often provide a "supplemental payment" to the school district offering the abatement. Section 313.027 limits these payments to either \$100 per student or \$50,000 per year. These payments were meant to help districts recoup the cost of reviewing the abatement application, but in recent years supplemental payments have been as high as \$30 million. Since the program began, over \$1 billion in supplemental payments have been provided to school districts.

Most Chapter 313 agreements are entered into by districts subject to Chapter 41, Education Code. These districts are required to give new tax dollars to poorer school districts. These supplemental payments allow them to raise new money without contributing to poorer schools. Additionally, these dollars are not accounted for when the state is determining the state share of school funding.

S.B. 1252 would require the commissioner of education (commissioner) to deduct any supplemental payment received by a school district under Chapter 313 from the amount of money the district receives under the Foundation School Program. While this will reduce the amount of money that schools receive from the state, each Chapter 313 agreement contains a provision that requires the recipient of the abatement to compensate a school district for a reduction in funding caused by state law. S.B. 1252 would provide transparency to the supplemental payments and help the commissioner allocate state education dollars more fairly.

As proposed, S.B. 1252 amends current law relating to a reduction in school funding under the Foundation School Program for a school district that receives a supplemental payment under an agreement to limit the appraised value of property in the district.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter E, Chapter 42, Education Code, by adding Section 42.2533, as follows:

Sec. 42.2533. ADJUSTMENT FOR CERTAIN SUPPLEMENTAL PAYMENTS. (a) Requires the commissioner of education (commissioner) to reduce the amounts due to a school district under this chapter or Chapter 46 (Assistance With Instructional Facilities and Payment of Existing Debt) by the amount of any supplemental payment received by the district during the preceding fiscal year under Section 313.027(i) (relating to prohibiting a person and a school district from entering into an agreement under which the person agrees to provide supplemental payments to a school district or any other entity on behalf of a school district in excess of certain amounts), Tax Code.

(b) Requires the board of trustees of a school district, not later than March 1 each year, to disclose to the commissioner the amount of a supplemental payment subject to Subsection (a).

SECTION 2. Effective date: September 1, 2019.