

By: King of Hemphill

H.B. No. 665

A BILL TO BE ENTITLED

AN ACT

relating to the use of current year property values under the public school finance system.

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

SECTION 1. Section 41.004(a), Education Code, is amended to read as follows:

(a) Not later than July 15 of each year, using the estimates [~~estimate~~] of enrollment and taxable property value under Section 42.254, the commissioner shall review the wealth per student of school districts in the state and shall notify:

(1) each district with wealth per student exceeding the equalized wealth level;

(2) each district to which the commissioner proposes to annex property detached from a district notified under Subdivision (1), if necessary, under Subchapter G; and

(3) each district to which the commissioner proposes to consolidate a district notified under Subdivision (1), if necessary, under Subchapter H.

SECTION 2. Section 42.252(a), Education Code, is amended to read as follows:

(a) Each school district's share of the Foundation School Program is determined by the following formula:

$$\text{LFA} = \text{TR} \times \text{DPV}$$

where:

1 "LFA" is the school district's local share;

2 "TR" is a tax rate which for each hundred dollars of valuation  
3 is an effective tax rate of the amount equal to the product of the  
4 state compression percentage, as determined under Section 42.2516,  
5 multiplied by the lesser of:

6 (1) \$1.50; or

7 (2) the maintenance and operations tax rate adopted by  
8 the district for the 2005 tax year; and

9 "DPV" is the taxable value of property in the school district  
10 for the current [~~preceding~~] tax year determined under Subchapter M,  
11 Chapter 403, Government Code.

12 SECTION 3. This Act takes effect September 1, 2019.