

By: Calanni

H.B. No. 3915

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the guaranteed yield and the school facilities
3 allotment under the Foundation School Program and to a school
4 district's rollback tax rate for the 2019 tax year.

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

6 SECTION 1. Section 42.302(a-1), Education Code, is amended
7 to read as follows:

8 (a-1) For purposes of Subsection (a), the dollar amount
9 guaranteed level of state and local funds per weighted student per
10 cent of tax effort ("GL") for a school district is:

11 (1) the greater of the amount of district tax revenue
12 per weighted student per cent of tax effort that would be available
13 to the Austin Independent School District, as determined by the
14 commissioner in cooperation with the Legislative Budget Board, if
15 the reduction of the limitation on tax increases as provided by
16 Section 11.26(a-1), (a-2), or (a-3), Tax Code, did not apply, or the
17 amount of district tax revenue per weighted student per cent of tax
18 effort used for purposes of this subdivision in the preceding
19 school year, for the first six cents by which the district's
20 maintenance and operations tax rate exceeds the rate equal to the
21 sum of the product of the state compression percentage, as
22 determined under Section 42.2516, multiplied by the maintenance and
23 operations tax rate adopted by the district for the 2005 tax year
24 and any additional tax effort included in calculating the

1 district's compressed tax rate under Section 42.101(a-1); and
 2 (2) the amount of district tax revenue per weighted
 3 student per cent of tax effort available to a district with
 4 maintenance and operations tax revenue per cent of tax effort equal
 5 to the maximum amount provided per cent under Section 42.101(a) or
 6 (b) [\$31.95], for the district's maintenance and operations tax
 7 effort that exceeds the amount of tax effort described by
 8 Subdivision (1).

9 SECTION 2. Section 46.003(a), Education Code, is amended to
 10 read as follows:

11 (a) For each year, except as provided by Sections 46.005 and
 12 46.006, a school district is guaranteed a specified amount per
 13 student in state and local funds for each cent of tax effort, up to
 14 the maximum rate under Subsection (b), to pay the principal of and
 15 interest on eligible bonds issued to construct, acquire, renovate,
 16 or improve an instructional facility. The amount of state support
 17 is determined by the formula:

18
$$\text{FYA} = (\text{FYL} \times \text{WADA} [\text{ADA}] \times \text{BTR} \times 100) - (\text{BTR} \times (\text{DPV}/100))$$

19 where:

20 "FYA" is the guaranteed facilities yield amount of state
 21 funds allocated to the district for the year;

22 "FYL" is the dollar amount guaranteed level of state and
 23 local funds per student per cent of tax effort, which is the amount
 24 of district tax revenue per weighted student per cent of tax effort
 25 available to a district with maintenance and operations tax revenue
 26 per cent of tax effort equal to the maximum amount provided per cent
 27 under Section 42.101(a) or (b) [\$35 or a greater amount for any year

1 ~~provided by appropriation];~~

2 "WADA" [~~"ADA"~~] is the greater of the number of students in
3 weighted average daily attendance, as defined by Section 42.302
4 [~~determined under Section 42.005~~], in the district or 400;

5 "BTR" is the district's bond tax rate for the current year,
6 which is determined by dividing the amount budgeted by the district
7 for payment of eligible bonds by the quotient of the district's
8 taxable value of property as determined under Subchapter M, Chapter
9 403, Government Code, or, if applicable, Section 42.2521, divided
10 by 100; and

11 "DPV" is the district's taxable value of property as
12 determined under Subchapter M, Chapter 403, Government Code, or, if
13 applicable, Section 42.2521.

14 SECTION 3. Section 46.032(a), Education Code, is amended to
15 read as follows:

16 (a) Each school district is guaranteed a specified amount
17 per student in state and local funds for each cent of tax effort to
18 pay the principal of and interest on eligible bonds. The amount of
19 state support, subject only to the maximum amount under Section
20 46.034, is determined by the formula:

21
$$EDA = (EDGL \times \underline{WADA} [\del{ADA}] \times EDTR \times 100) - (EDTR \times (DPV/100))$$

22 where:

23 "EDA" is the amount of state funds to be allocated to the
24 district for assistance with existing debt;

25 "EDGL" is the dollar amount guaranteed level of state and
26 local funds per student per cent of tax effort, which is the amount
27 of district tax revenue per weighted student per cent of tax effort

1 available to a district with maintenance and operations tax revenue
2 per cent of tax effort equal to the maximum amount provided per cent
3 under Section 42.101(a) or (b) [~~the lesser of:~~

4 [~~(1) \$40 or a greater amount for any year provided by~~
5 ~~appropriation; or~~

6 [~~(2) the amount that would result in a total~~
7 ~~additional amount of state funds under this subchapter for the~~
8 ~~current year equal to \$60 million in excess of the state funds to~~
9 ~~which school districts would have been entitled under this section~~
10 ~~if the guaranteed level amount were \$35];~~

11 "WADA" [~~"ADA"~~] is the number of students in weighted average
12 daily attendance, as defined by Section 42.302 [~~determined under~~
13 ~~Section 42.005~~], in the district;

14 "EDTR" is the existing debt tax rate of the district, which is
15 determined by dividing the amount budgeted by the district for
16 payment of eligible bonds by the quotient of the district's taxable
17 value of property as determined under Subchapter M, Chapter 403,
18 Government Code, or, if applicable, under Section 42.2521, divided
19 by 100; and

20 "DPV" is the district's taxable value of property as
21 determined under Subchapter M, Chapter 403, Government Code, or, if
22 applicable, under Section 42.2521.

23 SECTION 4. Section 26.08, Tax Code, is amended by adding
24 Subsection (i-1) to read as follows:

25 (i-1) For purposes of Subsection (i), any change from the
26 preceding school year to the current school year in the amount of
27 state funds distributed to a school district under the guaranteed

1 yield allotment under Section 42.302, Education Code, is not
2 considered to be a change in a funding element for Chapter 42,
3 Education Code. The amount of state funds distributed under
4 Chapter 42, Education Code, and maintenance and operations taxes of
5 the district per student in weighted average daily attendance for
6 that school year that would have been available to the district in
7 the preceding year if the funding elements for Chapters 41 and 42,
8 Education Code, for the current year had been in effect for the
9 preceding year is computed on the basis of the amount actually
10 distributed under the guaranteed yield allotment under Section
11 42.302, Education Code, in the preceding school year. This
12 subsection expires December 31, 2019.

13 SECTION 5. Section 26.08(i-1), Tax Code, as added by this
14 Act, applies to the ad valorem tax rate of a school district only
15 for the 2019 tax year.

16 SECTION 6. This Act takes effect September 1, 2019.