

BILL ANALYSIS

Senate Research Center
87R4625 GCB-D

S.B. 998
By: Hughes
Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

County equalization taxes represented early efforts to equalize per student educational funding in Texas. School funding decisions were more locally driven in the 1900s, especially in the first half of that century before the Gilmer-Aikin reforms established the framework for the Foundation School Program.

One such county equalization tax was implemented in Rusk County in 1940 and continues to be collected. The tax is paid by Rusk County residents and apportioned to school districts in the county based on student population. When a school district crosses county lines, however, these Rusk County tax dollars subsidize educational expenses outside of the county.

The Texas system of public school finance has changed fundamentally since the implementation of the school equalization tax in Rusk County. The tax itself is an outdated means of financing public education and does not stay entirely in the county when a school district crosses county lines. S.B. 998 simply would let the voters of Rusk County decide whether to maintain or revoke the county equalization tax.

As proposed, S.B. 998 amends current law relating to an election to revoke a county equalization tax imposed in certain counties.

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 Chapter 45, Education Code, by adding Subchapter K, as follows:

SUBCHAPTER K. COUNTY EQUALIZATION TAX

Sec. 45.351. **APPLICABILITY.** Provides that this subchapter applies only to a county with a population of less than 55,000, and for which a county equalization tax was adopted under former Chapter 18 (Countywide Equalization Fund) of this code, as that chapter existed on May 1, 1995, and continues in effect under Section 11.301 (Application of Former Law).

Sec. 45.352. **ELECTION TO REVOKE COUNTY EQUALIZATION TAX.** Authorizes the commissioners court of a county to which this subchapter applies to order an election on the question of revoking the county equalization tax, in accordance with former Section 18.11 of this code and other applicable provisions of former Chapter 18, as that chapter existed on May 1, 1995, that continues in effect under Section 11.301.

SECTION 2. Effective date: upon passage or September 1, 2021.