87R1974 GCB-F

By:  Landgraf H.B. No. 1077

A BILL TO BE ENTITLED

AN ACT

relating to certain adjustments to the taxable value of property of certain school districts and the reduction of Foundation School Program funds received by certain school districts.

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

SECTION 1.  Section 7.062(a), Education Code, is amended to read as follows:

(a)  In this section, "wealth per student" means a school district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 48.258, 48.2581, or 48.2582, divided by the district's average daily attendance as determined under Section 48.005.

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

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

FYA = (FYL X ADA X BTR X 100) - (BTR X (DPV/100))

where:

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

"FYL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is $35 or a greater amount for any year provided by appropriation;

"ADA" is the greater of the number of students in average daily attendance, as determined under Section 48.005, in the district or 400;

"BTR" is the district's bond tax rate for the current year, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 48.258, 48.2581, or 48.2582, divided by 100; and

"DPV" is the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 48.258, 48.2581, or 48.2582.

SECTION 3.  Section 46.006(g), Education Code, is amended to read as follows:

(g)  In this section, "wealth per student" means a school district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 48.258, 48.2581, or 48.2582, divided by the district's average daily attendance as determined under Section 48.005.

SECTION 4.  Section 46.032(a), Education Code, is amended to read as follows:

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

EDA = (EDGL X ADA X EDTR X 100) - (EDTR X (DPV/100))

where:

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

"EDGL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is the lesser of:

(1)  $40 or a greater amount for any year provided by appropriation; or

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

"ADA" is the number of students in average daily attendance, as determined under Section 48.005, in the district;

"EDTR" is the existing debt tax rate of the district, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 48.258, 48.2581, or 48.2582, divided by 100; and

"DPV" is the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 48.258, 48.2581, or 48.2582.

SECTION 5.  Subchapter A, Chapter 48, Education Code, is amended by adding Section 48.0061 to read as follows:

Sec. 48.0061.  REDUCTION IN FUNDING OF CERTAIN DISTRICTS. (a) Each school year the commissioner shall determine the percentage of the cost of the Foundation School Program funded by amounts paid to the state as a result of attendance credit purchased by school districts under Subchapter D, Chapter 49.

(b)  Notwithstanding any other provision of this chapter, the total amount to which a school district is entitled under this chapter is reduced by the percentage determined under Subsection (a) unless the school district imposes a maintenance and operations tax at the greatest rate allowed under Section 45.003(d).

SECTION 6.  Section 48.202(a), Education Code, is amended to read as follows:

(a)  Each school district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the district's local fund assignment up to the maximum level specified in this subchapter. The amount of state support, subject only to the maximum amount under Section 48.203, is determined by the formula:

GYA = (GL X WADA X DTR X 100) - LR

where:

"GYA" is the guaranteed yield amount of state funds to be allocated to the district;

"GL" is the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort, which is an amount described by Subsection (a-1) or a greater amount for any year provided by appropriation;

"WADA" is the number of students in weighted average daily attendance, which is calculated by dividing the sum of the school district's allotments under Subchapters B and C by the basic allotment for the applicable year;

"DTR" is the district enrichment tax rate of the school district, which is determined by subtracting the amounts specified by Subsection (b) from the total amount of maintenance and operations taxes collected by the school district for the applicable school year and dividing the difference by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 48.258, 48.2581, or 48.2582, or by the quotient of the value of "DPV" as determined under Section 48.256(d) if that subsection applies to the district, divided by 100; and

"LR" is the local revenue, which is determined by multiplying "DTR" by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 48.258, 48.2581, or 48.2582, or by the quotient of the value of "DPV" as determined under Section 48.256(d) if that subsection applies to the district, divided by 100.

SECTION 7.  Subchapter F, Chapter 48, Education Code, is amended by adding Sections 48.2581, 48.2582, and 48.2583 to read as follows:

Sec. 48.2581.  ADJUSTMENT FOR DISTRICT ENTITLED TO CERTAIN FEDERAL FUNDING. For purposes of this chapter and Chapters 46 and 49, the commissioner shall adjust the taxable value of property of a school district for a school year as necessary to ensure the district's local revenue level does not exceed the level established under Section 48.257, if for that school year the district:

(1)  has a campus that receives federal funding under a concentration grant under 20 U.S.C. Section 6334; and

(2)  would otherwise have a local revenue level that exceeds the level established under Section 48.257.

Sec. 48.2582.  ADJUSTMENT FOR DISTRICT WITH TAXABLE VALUE OF PROPERTY INCREASED BY ASSOCIATED MINERAL RIGHTS. For purposes of this chapter and Chapters 46 and 49, the commissioner shall adjust the taxable value of property of a school district for a school year as necessary to ensure the district's local revenue level does not exceed the level established under Section 48.257, if for that school year the district:

(1)  is identified by the select committee under Section 48.2583 as having a taxable value of property that is unlikely to produce the projected district tax revenue per weighted student because of a high prevalence of mineral rights associated with the taxable property; and

(2)  would otherwise have a local revenue level that exceeds the level established under Section 48.257.

Sec. 48.2583.  SELECT COMMITTEE TO DETERMINE TAXABLE VALUE OF PROPERTY OF CERTAIN DISTRICTS. (a) Not later than October 1 of each year, the speaker of the house of representatives and the lieutenant governor shall appoint a select committee as follows:

(1)  the speaker of the house of representatives shall appoint five members of the house of representatives as members of the committee; and

(2)  the lieutenant governor shall appoint five members of the senate as members of the committee.

(b)  At least three of the select committee members appointed by the speaker of the house of representatives as provided by Subsection (a)(1) and at least three of the select committee members appointed by the lieutenant governor as provided by Subsection (a)(2) must reside within the boundaries of State Board of Education District 1, 3, or 15, as those districts are established by Chapter 72 (H.B. 600), Acts of the 82nd Legislature, Regular Session, 2011.

(c)  For purposes of Section 48.2582, not later than June 1 of each year, the select committee shall:

(1)  in consultation with the comptroller and the Legislative Budget Board, identify districts with a taxable value of property that is unlikely to produce the projected district tax revenue per weighted student because of a high prevalence of mineral rights associated with the taxable property; and

(2)  provide to the commissioner a list of those districts identified by the committee under Subdivision (1).

SECTION 8.  This Act takes effect September 1, 2021.