

By: Landgraf

H.B. No. 1077

A BILL TO BE ENTITLED

AN ACT

1
2 relating to certain adjustments to the taxable value of property of
3 certain school districts and the reduction of Foundation School
4 Program funds received by certain school districts.

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

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

8 (a) In this section, "wealth per student" means a school
9 district's taxable value of property as determined under Subchapter
10 M, Chapter 403, Government Code, or, if applicable, Section 48.258,
11 48.2581, or 48.2582, divided by the district's average daily
12 attendance as determined under Section 48.005.

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

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

$$22 \quad \text{FYA} = (\text{FYL} \times \text{ADA} \times \text{BTR} \times 100) - (\text{BTR} \times (\text{DPV}/100))$$

23 where:

24 "FYA" is the guaranteed facilities yield amount of state

1 funds allocated to the district for the year;

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

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

8 "BTR" is the district's bond tax rate for the current year,
9 which is determined by dividing the amount budgeted by the district
10 for payment of eligible bonds by the quotient of the district's
11 taxable value of property as determined under Subchapter M, Chapter
12 403, Government Code, or, if applicable, Section 48.258, 48.2581,
13 or 48.2582, divided by 100; and

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

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

19 (g) In this section, "wealth per student" means a school
20 district's taxable value of property as determined under Subchapter
21 M, Chapter 403, Government Code, or, if applicable, Section 48.258,
22 48.2581, or 48.2582, divided by the district's average daily
23 attendance as determined under Section 48.005.

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

26 (a) Each school district is guaranteed a specified amount
27 per student in state and local funds for each cent of tax effort to

1 pay the principal of and interest on eligible bonds. The amount of
2 state support, subject only to the maximum amount under Section
3 46.034, is determined by the formula:

$$4 \quad \text{EDA} = (\text{EDGL} \times \text{ADA} \times \text{EDTR} \times 100) - (\text{EDTR} \times (\text{DPV}/100))$$

5 where:

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

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

11 (1) \$40 or a greater amount for any year provided by
12 appropriation; or

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

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

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

26 "DPV" is the district's taxable value of property as
27 determined under Subchapter M, Chapter 403, Government Code, or, if

1 applicable, under Section [48.258](#), [48.2581](#), or [48.2582](#).

2 SECTION 5. Subchapter [A](#), Chapter [48](#), Education Code, is
3 amended by adding Section 48.0061 to read as follows:

4 Sec. 48.0061. REDUCTION IN FUNDING OF CERTAIN DISTRICTS.

5 (a) Each school year the commissioner shall determine the
6 percentage of the cost of the Foundation School Program funded by
7 amounts paid to the state as a result of attendance credit purchased
8 by school districts under Subchapter [D](#), Chapter [49](#).

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

14 SECTION 6. Section [48.202](#)(a), Education Code, is amended to
15 read as follows:

16 (a) Each school district is guaranteed a specified amount
17 per weighted student in state and local funds for each cent of tax
18 effort over that required for the district's local fund assignment
19 up to the maximum level specified in this subchapter. The amount of
20 state support, subject only to the maximum amount under Section
21 [48.203](#), is determined by the formula:

22
$$\text{GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

23 where:

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

26 "GL" is the dollar amount guaranteed level of state and local
27 funds per weighted student per cent of tax effort, which is an

1 amount described by Subsection (a-1) or a greater amount for any
2 year provided by appropriation;

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

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

17 "LR" is the local revenue, which is determined by multiplying
18 "DTR" by the quotient of the district's taxable value of property as
19 determined under Subchapter M, Chapter 403, Government Code, or, if
20 applicable, under Section 48.258, 48.2581, or 48.2582, or by the
21 quotient of the value of "DPV" as determined under Section
22 48.256(d) if that subsection applies to the district, divided by
23 100.

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

27 Sec. 48.2581. ADJUSTMENT FOR DISTRICT ENTITLED TO CERTAIN

1 FEDERAL FUNDING. For purposes of this chapter and Chapters 46 and
2 49, the commissioner shall adjust the taxable value of property of a
3 school district for a school year as necessary to ensure the
4 district's local revenue level does not exceed the level
5 established under Section 48.257, if for that school year the
6 district:

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

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

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

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

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

25 Sec. 48.2583. SELECT COMMITTEE TO DETERMINE TAXABLE VALUE
26 OF PROPERTY OF CERTAIN DISTRICTS. (a) Not later than October 1 of
27 each year, the speaker of the house of representatives and the

1 lieutenant governor shall appoint a select committee as follows:

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

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

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

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

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

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

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