88S30311 MEW-F

By:  Isaac H.B. No. 110

A BILL TO BE ENTITLED

AN ACT

relating to the state compression percentage and a school district's maximum compressed tax rate under the public school finance system.

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

SECTION 1.  Section 48.255(b), Education Code, is amended to read as follows:

(b)  The state compression percentage is the lower of:

(1)  93 percent, or a lower percentage set by appropriation for a school year;

(2)  the percentage determined by the following formula:

SCP = PYCP X 1.0 [~~1.025~~]/(1 + ECPV); or

(3)  the percentage determined under this section for the preceding school year.

SECTION 2.  Section 48.2551(b), Education Code, is amended to read as follows:

(b)  A [~~Except as provided by Subsection (c), a~~] district's maximum compressed rate ("MCR") is the lesser of:

(1)  the rate determined by the following [~~applicable~~] formula:

[~~(A)  if "DPV" exceeds "PYDPV" by an amount equal to or greater than 2.5 percent:~~]

MCR = [~~(1.025~~]((PYDPV+E) X PYMCR)[~~)~~]/DPV; or

[~~(B)  if Paragraph (A) does not apply:~~

[~~MCR = PYMCR; or~~]

(2)  the product of the state compression percentage, as determined under Section 48.255, for the current tax year, multiplied by $1.00.

SECTION 3.  (a) This section takes effect only if the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023, is approved by the voters.

(b)  Section 48.2555(a), Education Code, as effective on approval by the voters of H.J.R. 2, 88th Legislature, 2nd Called Session, 2023, is amended to read as follows:

(a)  Notwithstanding any other provision of this title or Chapter 26, Tax Code, for the 2023-2024 school year, the commissioner shall calculate the value of a school district's maximum compressed tax rate by determining the district's maximum compressed rate under Section 48.2551 [~~or 48.2552(b), if applicable,~~] and reducing the tax rate determined under the applicable section by $0.107.

SECTION 4.  Sections 48.2551(c) and 48.2552, Education Code, are repealed.

SECTION 5.  Except as otherwise provided by this Act, this Act takes effect September 1, 2024.