

By: Isaac

H.B. No. 110

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the state compression percentage and a school
3 district's maximum compressed tax rate under the public school
4 finance system.

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

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

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

9 (1) 93 percent, or a lower percentage set by
10 appropriation for a school year;

11 (2) the percentage determined by the following
12 formula:

13
$$SCP = PYCP \times 1.0 \text{ [1.025]} / (1 + ECPV); \text{ or}$$

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

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

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

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

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

24
$$MCR = \text{[(-1.025)]} ((PYDPV+E) \times PYMCR) \text{ [(-)]} / DPV; \text{ or}$$

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

2 ~~[MCR - PYMCR, or]~~

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

6 SECTION 3. (a) This section takes effect only if the
7 constitutional amendment proposed by H.J.R. 2, 88th Legislature,
8 2nd Called Session, 2023, is approved by the voters.

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

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

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20 are repealed.

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