88R14473 KJE-D

By:  Middleton S.B. No. 1704

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 1.01 [~~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)  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 one [~~2.5~~] percent:

MCR = (1.01 [~~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.  Section 48.2552(b), Education Code, is amended to read as follows:

(b)  If a school district's maximum compressed rate as calculated under Section 48.2551(b) would be less than 60 [~~90~~] percent of another school district's maximum compressed rate, the district's maximum compressed rate is the value at which the district's maximum compressed rate would be equal to 60 [~~90~~] percent of the other district's maximum compressed rate.

SECTION 4.  This Act takes effect September 1, 2023.