

BILL ANALYSIS

Senate Research Center
89R13570 KJE-D

S.B. 1636
By: Hinojosa, Adam
Education K-16
4/4/2025
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interest and sinking (I&S) tax revenues in Texas school districts are specifically allocated for servicing debt incurred through voter-approved bonds, which fund projects such as new construction, major renovations, and facility upgrades. These funds are distinct from maintenance and operations (M&O) tax revenues, which cover day-to-day operational expenses, including salaries, utilities, and routine maintenance.

S.B. 1636 aims to ensure that I&S tax revenues are used exclusively for their intended purpose—servicing debt associated with capital projects—and not for deferred maintenance expenses.

As proposed, S.B. 1636 amends current law relating to prohibiting a school district from using interest and sinking tax revenue to pay for deferred maintenance.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter E, Chapter 45, Education Code, by adding Section 45.116, as follows:

Sec. 45.116. PROHIBITION ON USE OF BOND TAXES FOR DEFERRED MAINTENANCE. Prohibits a school district from using revenue from the district's interest and sinking tax to pay for deferred maintenance.

SECTION 2. Effective date: September 1, 2025.