

By: Plesa

H.B. No. 289

A BILL TO BE ENTITLED

AN ACT

relating to a reduction of the amount by which certain school districts must reduce their local revenue levels in excess of entitlement under the public school finance system.

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

SECTION 1. Section 48.257, Education Code, is amended by amending Subsection (a) and adding Subsection (b-1) to read as follows:

(a) Subject to Subsection (b) and except as provided by Subsection (b-1), if a school district's tier one local share under Section 48.256 exceeds the district's entitlement under Section 48.266(a)(1) less the district's distribution from the state available school fund, the district must reduce the district's tier one revenue level in accordance with Chapter 49 to a level not to exceed the district's entitlement under Section 48.266(a)(1) less the district's distribution from the state available school fund.

(b-1) This subsection applies only to a school district to which Subsection (a) applies and that adopted a maintenance and operations tax rate for the 2024-2025 school year equal to or greater than the sum of the district's maximum compressed tax rate, as determined under Section 48.2551, and six cents. Notwithstanding Subsection (a), if, after reducing the tier one revenue level of a school district to which this subsection applies as required under Subsection (a), the maintenance and operations

1 revenue per student in average daily attendance of the district for
2 a school year would be less than the maintenance and operations
3 revenue per student in average daily attendance available to the
4 district for the 2025-2026 school year, excluding any funding
5 provided to the district under Section 48.279, the agency shall
6 adjust the amount of the reduction required in the district's tier
7 one revenue level under Subsection (a) up to the amount of local
8 funds necessary to provide the district with the amount of
9 maintenance and operations revenue per student in average daily
10 attendance available to the district for the 2025-2026 school year.

11 SECTION 2. This Act takes effect September 1, 2025.