

By: _____

____.B. No. _____

A BILL TO BE ENTITLED

AN ACT

relating to funds appropriated to school districts for the purpose of property tax reduction.

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

SECTION 1. Subchapter E, Chapter 42, Education Code, is amended by adding Section 42.2513 to read as follows:

Sec. 42.2513. ADDITIONAL TRANSITIONAL AID. (a) For the 2006-2007 or 2007-2008 school year, notwithstanding any other provision of this subtitle, and provided that the district imposes a maintenance and operations tax at a rate at least equal to the rate described by Section 26.08(n)(1)(A) or (2)(A), Tax Code, as applicable, a school district is entitled to the amount of state revenue necessary to maintain state and local revenue per student in weighted average daily attendance in the amount equal to the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operation of the district to which the district would have been entitled for the 2006-2007 school year under this chapter, as it existed on January 1, 2006, or, if the district would have been subject to Chapter 41, as that chapter existed on January 1, 2006, the amount to which the district would have been entitled under that chapter, based on the funding elements in effect for the 2005-2006 school year, if the district imposed a maintenance and operations tax at the rate adopted by the district for the 2005 tax year. For purposes of determining the

1 amount of state revenue to which a district is entitled under this
2 subsection, the commissioner shall use the average tax collection
3 rate for the district for the 2003, 2004, and 2005 tax years.

4 (b) Beginning with the 2008-2009 school year, and provided
5 that the district imposes a maintenance and operations tax at a rate
6 at least equal to the greater of \$1 per \$100 of valuation or \$0.50
7 per \$100 of valuation less than the rate imposed by the district for
8 the 2005 tax year, a school district is entitled to the amount of
9 state revenue necessary to maintain state and local revenue per
10 student in weighted average daily attendance in the amount equal to
11 the greater of:

12 (1) the amount of state and local revenue per student
13 in weighted average daily attendance to which the district was
14 entitled under Subsection (a) for the 2006-2007 and 2007-2008
15 school years; or

16 (2) the amount of state and local funds per student in
17 weighted average daily attendance available to a district eligible
18 to receive state assistance under Section 42.302 with an enrichment
19 tax rate, as defined by Section 42.302, equal to the maximum rate
20 authorized under Section 42.303.

21 (c) In determining the amount to which a school district
22 would be entitled under Subsection (a) or (b), the commissioner
23 shall include:

24 (1) any amounts described by Rider 69, page III-19,
25 Chapter 1369, Acts of the 79th Legislature, Regular Session, 2005
26 (the General Appropriations Act);

27 (2) the portion of any profit the district received

1 during the 2005-2006 school year as a result of an agreement under
2 Subchapter E, Chapter 41, that exceeds the amount of state and local
3 revenue that would have been available to the district during that
4 school year if the district imposed a maintenance and operations
5 tax of \$1.50 per \$100 of valuation during that school year;

6 (3) any amount necessary to reflect an adjustment made
7 by the commissioner under Section 42.005(b);

8 (4) any amount necessary to reflect an adjustment made
9 by the commissioner under Section 42.2521; and

10 (5) any amount necessary to reflect an adjustment made
11 by the commissioner under Section 42.2531.

12 (d) If a school district imposes a maintenance and
13 operations tax at a rate lower than the rate specified by Section
14 26.08(n)(1)(A) or (2)(A), Tax Code, as applicable, the amount of
15 revenue to which the district is entitled under Subsection (a) is
16 reduced by multiplying that amount by a percentage determined by
17 dividing the district's maintenance and operations tax rate by the
18 rate specified by Section 26.08(n)(1)(A) or (2)(A), Tax Code, as
19 applicable, and multiplying the resulting quotient by 100.

20 (e) The amount of revenue to which a school district is
21 entitled because of the technology allotment under Section 32.005
22 is not included in making a determination under Subsection (a).

23 (f) The commissioner shall determine the amount of state
24 funds to which a school district is entitled under this section.
25 The commissioner's determination is final and may not be appealed.

26 (g) The commissioner may adopt rules necessary to
27 administer this section. A rule adopted under this section is final

1 and may not be appealed by a school district.

2 SECTION 2. Section 42.259, Education Code, is amended by
3 adding Subsection (g) to read as follows:

4 (g) The commissioner may adjust the amount of a payment made
5 under this section as the commissioner determines necessary to
6 reflect an entitlement under Section 42.2513. A determination made
7 by the commissioner under this section is final and may not be
8 appealed.

9 SECTION 3. Subchapter E, Chapter 42, Education Code, is
10 amended by adding Section 42.261 to read as follows:

11 Sec. 42.261. CERTAIN FUNDS APPROPRIATED FOR PURPOSE OF
12 PROPERTY TAX REDUCTION. (a) Funds appropriated by the legislature
13 for a tax year for the purpose of reducing a school district's
14 maintenance and operations tax rate:

15 (1) are, for purposes of this chapter and Chapter 41,
16 considered to be maintenance and operations taxes collected by the
17 district during that tax year;

18 (2) are not excess funds for purposes of Section
19 42.2517;

20 (3) are not available for purposes of Section 42.2521
21 or 42.2522;

22 (4) may not be used for purposes of Chapter 46; and

23 (5) may not be provided by the commissioner to a school
24 district for a purpose other than reduction of the district's
25 maintenance and operations tax rate.

26 (b) The commissioner may adopt rules necessary to
27 administer this section.

1 SECTION 4. Section 42.302, Education Code, is amended by
2 adding Subsection (a-1) to read as follows:

3 (a-1) Notwithstanding Subsection (a), each school district
4 entitled to funds under Section 42.2513 is guaranteed a specified
5 amount per student in weighted average daily attendance in state
6 and local funds for each cent of maintenance and operations tax rate
7 imposed by the district in excess of the tax rate required for
8 eligibility under Section 42.2513, not to exceed \$0.30 per \$100 of
9 valuation. The amount of state support is determined in the manner
10 described by Subsection (a).

11 SECTION 5. Section 21.402(a), Education Code, is amended to
12 read as follows:

13 (a) Except as provided by Subsection (d), (e), or (f), a
14 school district must pay each classroom teacher, full-time
15 librarian, full-time counselor certified under Subchapter B, or
16 full-time school nurse not less than the minimum monthly salary,
17 based on the employee's level of experience, determined by the
18 following formula:

$$MS = SF \times FS$$

20 where:

21 "MS" is the minimum monthly salary;

22 "SF" is the applicable salary factor specified by Subsection
23 (c); and

24 "FS" is the amount, as determined by the commissioner under
25 Subsection (b), of state and local funds per weighted student
26 available to a district eligible to receive state assistance under
27 Section 42.302 with an enrichment tax rate, as defined by Section

1 42.302, equal to the maximum rate authorized under Section 42.303,
2 except that the amount of state and local funds per weighted student
3 does not include:

4 (1) the amount attributable to the increase in the
5 guaranteed level made by Chapter 1187 [~~H.B. No. 3343~~], Acts of the
6 77th Legislature, Regular Session, 2001;

7 (2) the amount of local funds attributable to any
8 maintenance and operations tax rate imposed by a district in excess
9 of the tax rate required for eligibility under Section 42.2513; or

10 (3) the amount of state funds to which a district is
11 entitled under Section 42.302(a-1).

12 SECTION 6. This Act applies beginning with the 2006-2007
13 school year.

14 SECTION 7. This Act takes effect June 1, 2006, if this Act
15 receives a vote of two-thirds of all the members elected to each
16 house, as provided by Section 39, Article III, Texas Constitution.
17 If this Act does not receive the vote necessary for effect on that
18 date, this Act takes effect September 1, 2006.