

1-1 By: Taylor of Galveston S.B. No. 945
 1-2 (In the Senate - Filed March 4, 2015; March 9, 2015, read
 1-3 first time and referred to Committee on Education; April 16, 2015,
 1-4 reported adversely, with favorable Committee Substitute by the
 1-5 following vote: Yeas 11, Nays 0; April 16, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Taylor of Galveston	X			
1-8 Lucio	X			
1-9 Bettencourt	X			
1-10 Campbell	X			
1-11 Garcia	X			
1-12 Huffines	X			
1-13 Kolthorst	X			
1-14 Rodríguez	X			
1-15 Seliger	X			
1-16 Taylor of Collin	X			
1-17 West	X			

1-19 COMMITTEE SUBSTITUTE FOR S.B. No. 945 By: Taylor of Galveston

1-20 A BILL TO BE ENTITLED
 1-21 AN ACT

1-22 relating to funding under the public school finance system for a
 1-23 school district with a compressed tax rate below the state maximum
 1-24 compressed tax rate.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 41.002(a), Education Code, is amended to
 1-27 read as follows:

1-28 (a) A school district may not have a wealth per student that
 1-29 exceeds:

1-30 (1) the wealth per student that generates the amount
 1-31 of maintenance and operations tax revenue per weighted student
 1-32 available to a district with maintenance and operations tax revenue
 1-33 per cent of tax effort equal to the maximum amount provided per cent
 1-34 under Section 42.101(a) or (b), for the district's maintenance and
 1-35 operations tax effort equal to or less than the rate equal to the
 1-36 sum of the product of the state compression percentage, as
 1-37 determined under Section 42.2516, multiplied by the maintenance and
 1-38 operations tax rate adopted by the district for the 2005 tax year
 1-39 and any additional tax effort included in calculating the
 1-40 district's compressed tax rate under Section 42.101(a-1);

1-41 (2) the wealth per student that generates the amount
 1-42 of maintenance and operations tax revenue per weighted student
 1-43 available to the Austin Independent School District, as determined
 1-44 by the commissioner in cooperation with the Legislative Budget
 1-45 Board, for the first six cents by which the district's maintenance
 1-46 and operations tax rate exceeds the rate equal to the sum of the
 1-47 product of the state compression percentage, as determined under
 1-48 Section 42.2516, multiplied by the maintenance and operations tax
 1-49 rate adopted by the district for the 2005 tax year and any
 1-50 additional tax effort included in calculating the district's
 1-51 compressed tax rate under Section 42.101(a-1), subject to Section
 1-52 41.093(b-1); or

1-53 (3) \$319,500, for the district's maintenance and
 1-54 operations tax effort that exceeds the amount of tax effort
 1-55 described by Subdivision (2) [first six cents by which the
 1-56 district's maintenance and operations tax effort exceeds the rate
 1-57 equal to the product of the state compression percentage, as
 1-58 determined under Section 42.2516, multiplied by the maintenance and
 1-59 operations tax rate adopted by the district for the 2005 tax year].

1-60 SECTION 2. Section 41.093(b-1), Education Code, is amended

2-1 to read as follows:

2-2 (b-1) If the guaranteed level of state and local funds per
 2-3 weighted student per cent of tax effort under Section
 2-4 42.302(a-1)(1) for which state funds are appropriated for a school
 2-5 year is an amount at least equal to the amount of revenue per
 2-6 weighted student per cent of tax effort available to the Austin
 2-7 Independent School District, as determined by the commissioner in
 2-8 cooperation with the Legislative Budget Board, the commissioner, in
 2-9 computing the amounts described by Subsections (a)(1) and (2) and
 2-10 determining the cost of an attendance credit, shall exclude
 2-11 maintenance and operations tax revenue resulting from the tax rate
 2-12 described by Section 41.002(a)(2) [~~first six cents by which a~~
 2-13 ~~district's maintenance and operations tax rate exceeds the rate~~
 2-14 ~~equal to the product of the state compression percentage, as~~
 2-15 ~~determined under Section 42.2516, multiplied by the maintenance and~~
 2-16 ~~operations tax rate adopted by the district for the 2005 tax year].~~

2-17 SECTION 3. Section 42.101, Education Code, as effective
 2-18 September 1, 2015, is amended by adding Subsections (a-1), (a-2),
 2-19 and (c) to read as follows:

2-20 (a-1) Notwithstanding Subsection (a), for a school district
 2-21 that adopted a maintenance and operations tax rate for the 2005 tax
 2-22 year below the maximum rate permitted by law for that year, the
 2-23 district's compressed tax rate ("DCR") includes the portion of the
 2-24 district's current maintenance and operations tax rate in excess of
 2-25 the first six cents above the district's compressed tax rate, as
 2-26 defined by Subsection (a), until the district's compressed tax rate
 2-27 computed in accordance with this subsection is equal to the state
 2-28 maximum compressed tax rate ("MCR").

2-29 (a-2) Subsection (a-1) applies beginning with the 2017-2018
 2-30 school year. For the 2015-2016 and 2016-2017 school years, the
 2-31 board of trustees of a school district that adopted a maintenance
 2-32 and operations tax rate for the 2005 tax year below the maximum rate
 2-33 permitted by law for that year may choose to apply Subsection (a-1)
 2-34 to the calculation of the district's compressed tax rate ("DCR"). A
 2-35 board of trustees that chooses to apply Subsection (a-1) must
 2-36 notify the commissioner of the decision in writing not later than
 2-37 September 1 of the affected school year. This subsection expires
 2-38 September 1, 2018.

2-39 (c) This subsection applies to a school district for which
 2-40 the compressed tax rate ("DCR") is determined in accordance with
 2-41 Subsection (a-1). Any reduction in the district's adopted
 2-42 maintenance and operations tax rate is applied to the following
 2-43 components of the district's tax rate in the order specified:

2-44 (1) tax effort described by Section 42.302(a-1)(2);
 2-45 (2) tax effort described by Section 42.302(a-1)(1);

2-46 and

2-47 (3) tax effort included in the determination of the
 2-48 district's compressed tax rate ("DCR") under Subsection (a-1).

2-49 SECTION 4. Section 42.2516, Education Code, is amended by
 2-50 adding Subsection (c-1) to read as follows:

2-51 (c-1) Revenue generated by the portion of a district's
 2-52 maintenance and operations tax rate included in calculating the
 2-53 district's compressed tax rate under Section 42.101(a-1) and local
 2-54 share under Section 42.252(a-1) is included in determining the
 2-55 amount to which a district is entitled under this section, but may
 2-56 not increase the total amount of revenue per weighted student to
 2-57 which the district is entitled under this section. This subsection
 2-58 expires September 1, 2017.

2-59 SECTION 5. Section 42.252, Education Code, is amended by
 2-60 adding Subsection (a-1) to read as follows:

2-61 (a-1) Notwithstanding Subsection (a), for a school district
 2-62 that adopted a maintenance and operations tax rate for the 2005 tax
 2-63 year below the maximum rate permitted by law for that year, the
 2-64 district's tax rate ("TR") includes the tax effort included in
 2-65 calculating the district's compressed tax rate under Section
 2-66 42.101(a-1).

2-67 SECTION 6. Section 42.302(a-1), Education Code, is amended
 2-68 to read as follows:

2-69 (a-1) [~~In this section, "wealth per student" has the meaning~~

3-1 ~~assigned by Section 41.001.~~] For purposes of Subsection (a), the
3-2 dollar amount guaranteed level of state and local funds per
3-3 weighted student per cent of tax effort ("GL") for a school district
3-4 is:

3-5 (1) the greater of the amount of district tax revenue
3-6 per weighted student per cent of tax effort that would be available
3-7 to the Austin Independent School District, as determined by the
3-8 commissioner in cooperation with the Legislative Budget Board, if
3-9 the reduction of the limitation on tax increases as provided by
3-10 Section 11.26(a-1), (a-2), or (a-3), Tax Code, did not apply, or the
3-11 amount of district tax revenue per weighted student per cent of tax
3-12 effort used for purposes of this subdivision in the preceding
3-13 school year, for the first six cents by which the district's
3-14 maintenance and operations tax rate exceeds the rate equal to the
3-15 sum of the product of the state compression percentage, as
3-16 determined under Section 42.2516, multiplied by the maintenance and
3-17 operations tax rate adopted by the district for the 2005 tax year
3-18 and any additional tax effort included in calculating the
3-19 district's compressed tax rate under Section 42.101(a-1); and

3-20 (2) \$31.95, for the district's maintenance and
3-21 operations tax effort that exceeds the amount of tax effort
3-22 described by Subdivision (1).

3-23 SECTION 7. This Act takes effect September 1, 2015.

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