

By: Thompson of Harris

H.B. No. 2664

A BILL TO BE ENTITLED

AN ACT

relating to the provision of funding under the foundation school program on the basis of property values that exclude one-half of optional homestead exemptions.

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

SECTION 1. Section 7.062(c), Education Code, is amended to read as follows:

(c) Except as otherwise provided by this subsection, if the commissioner certifies that the amount appropriated for a state fiscal year for purposes of Subchapters A and B, Chapter 46, exceeds the amount to which school districts are entitled under those subchapters for that year, the commissioner shall use the excess funds, in an amount not to exceed \$20 million in any state fiscal year, for the purpose of making grants under this section. The use of excess funds under this subsection has priority over any provision of Chapter 42 that permits or directs the use of excess foundation school program funds, including Sections 42.2517, 42.2521, [~~42.2522~~] and 42.2531. The commissioner is required to use excess funds as provided by this subsection only if the commissioner is not required to reduce the total amount of state funds allocated to school districts under Section 42.253(h).

SECTION 2. Section 42.261(a), Education Code, is amended to read as follows:

(a) Funds appropriated by the legislature for a tax year for

1 the purpose of reducing a school district's maintenance and  
2 operations tax rate and providing state aid under Section 42.2516:

3 (1) are not excess funds for purposes of Section  
4 42.2517;

5 (2) are not available for purposes of Section 42.2521  
6 [~~or 42.2522~~];

7 (3) may not be used for purposes of Chapter 46; and

8 (4) may not be provided by the commissioner to a school  
9 district for a purpose other than reduction of the district's  
10 maintenance and operations tax rate.

11 SECTION 3. The following provisions are repealed:

12 (1) Section 42.2522, Education Code; and

13 (2) Section 403.302(k), Government Code.

14 SECTION 4. This Act takes effect September 1, 2015.