

BILL ANALYSIS

Senate Research Center

S.B. 1489
By: Duncan
Education
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As Filed

DIGEST

Currently, many Texas school districts are experiencing significant declines in property valuations due to recent declines in oil prices. These declines will have a significant, negative financial impact on the districts in the next biennium. The comptroller has estimated there will be a 1999 statewide levy loss of \$154,183,966. Section 42.252(e), Education Code, provides the commissioner of education with a tool to mitigate some of the levy losses associated with such declines. School districts under this provision are required to bear the first 4 percent of any levy loss. These Chapter 42 provisions do not provide for a full Tier II adjustment. This bill would ensure that school districts experiencing rapid declines in property values receive the fullest adjustments in public funding.

PURPOSE

As proposed, S.B. 1489 sets forth procedures for adjusting public funding for school districts that experience a decline in district property values.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 42.252(e), Education Code, to require the commissioner of education (commissioner) to adjust the "DPV," the taxable value of property in the school district for the preceding tax year determined under Subchapter M, Chapter 403, Government Code, as described by Subsection (a), of a school district by the amount of a decline the school district experienced from the preceding year in its taxable value used to calculate its local fund assignment. Authorizes the adjustment to only be paid from funds specifically appropriated for that purpose. Provides that such an adjustment does not affect the local fund assignment of any other district.

SECTION 2. Amends Section 42.302, Education Code, by adding Subsection (c), to require commissioner to adjust, by the amount of a decline, the taxable value of a district that experiences a decline from the preceding year in its taxable value of property, in determining a school district's "DTR," the district enrichment and facilities tax rate of the school district, and "LR," the local revenue, under Subsection (a). Authorizes this adjustment to only be paid from funds specifically appropriated for that purpose. Provides that such an adjustment does not affect the GYA, the guaranteed yield amount of state funds to be allocated to the district, of any other district.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.