

BILL ANALYSIS

Senate Research Center
79S31623 SMH-D

C.S.S.J.R. 7
By: Ogden
Finance
5/11/2006
Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, no specific school district property tax rate is specified in the Texas Constitution. C.S.S.J.R. 7 establishes a maximum school district ad valorem tax rate not to exceed \$1.15 for each \$100 of taxable value of property for maintenance purposes, and provides that an ad valorem tax imposed by a school district is not a state ad valorem tax.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 3, Article VII, Texas Constitution, by amending Subsections (d) and (e) and adding Subsections (f), (g), and (h) as follows:

(d) Authorizes the legislature by general law to provide for the management and control of the public schools of such districts. Deletes existing text relating to the assessment and collection of taxes in all school districts. Redesignates text from Subsection (e) as Subsection (d).

(e) Authorizes the legislature to authorize an ad valorem tax, rather than an additional ad valorem tax, to be levied and collected within all school districts for the maintenance of public free schools at a rate not to exceed \$1.15 for each \$100 of taxable value of property in the district, and to authorize an additional ad valorem tax for the erection and equipment of school buildings. Prohibits a school district from levying or collecting a tax under this subsection unless the tax is approved by a majority of the qualified voters of the district voting at an election to be held for that purpose. Provides that a tax levied and collected by a school district under this subsection is not a state ad valorem tax within the meaning of Section 1-e (Abolition of Ad Valorem Property Taxes), Article VIII, of the Constitution. Deletes existing text relating to the composition of such school districts. Makes a nonsubstantive change.

(f) Authorizes a school district, if before January 1, 2007, the voters of the district authorized the school district to levy and collect a tax under Subsection (e) of this section, to continue to impose a tax under that subsection in 2007 and subsequent years without a new election to authorize the tax. Provides that an election held before January 1, 2007, authorizing a school district to levy and collect an ad valorem tax for the maintenance of public free schools at a rate of at least \$1.15 for each \$100 of taxable value of property in the district is sufficient to authorize a rate of \$1.15 or less for the 2007 tax year and subsequent tax years.

(g) Authorizes the legislature to pass laws for the creation of junior college districts, the management and control of those districts, and the imposition of ad valorem taxes in those districts. Prohibits a junior college district from imposing a tax under this subsection unless the tax has been approved by a majority of the qualified voters of the district voting at an election held for that purpose. Provides that a junior college district is not a school district for purposes of this section.

(h) Authorizes a junior college district, if before January 1, 2007, the voters of the district authorized the district to impose a tax under this section, to continue to impose the tax in 2007 and subsequent years without holding a new election to authorize the tax. Provides that this subsection expires January 1, 2008.

SECTION 2. Adds the following temporary provision to the Texas Constitution:

(a) TEMPORARY PROVISION. Provides that this temporary provision applies to the constitutional amendment proposed by the 79th Legislature, 3rd Called Session, 2006, establishing a maximum school district ad valorem tax rate for maintenance purposes, providing that an ad valorem tax imposed by a school district is not a state ad valorem tax.

(b) Provides that the amendments to Section 3, Article VII, of this constitution take effect January 1, 2007, and apply only to a tax year beginning on or after that date.

SECTION 3. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 7, 2006. Requires the ballot to be printed to permit voting for or against the proposition. Set forth the specific language for the proposition.