

BILL ANALYSIS

Senate Research Center
79S20456-JD

S.J.R. 11
By: Ogden
Finance
8/3/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Chapter 45, Education Code, provides that the maximum ad valorem tax rate that can be levied by a school district for maintenance and operations purposes is \$1.50 for each \$100 of taxable property in the district. A state district judge has ruled that this current school district cap on maintenance and operations taxes is a *de facto* statewide property tax that is prohibited under Section 1-e, Article VIII, Texas Constitution.

S.J.R. 11 proposes a constitutional amendment establishing a maximum tax rate of \$1.25 per \$100 of taxable value for school district ad valorem taxes for maintenance purposes, and clarifying 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) and (g), as follows:

(d) Authorizes the legislature by general law to provide for the management and control of the public schools. Deletes the requirement that the legislature be authorized to pass laws for the assessment and collection of taxes in all school districts.

(e) Authorizes the legislature to authorize an 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 \$1.25 for each \$100 of taxable value of property in the district. Authorizes the legislature 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 approved by a majority vote of qualified district voters. 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, Article VIII, of this constitution.

(f) 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 approved by a majority vote of qualified district voters. Provides that a junior college district is not a school district for purposes of this section.

(g) Provides that an ad valorem tax approved by the voters of a junior college district under this section on or before January 1, 2007, is not affected by the amendment of this section approved by the voters at an election held on November 8, 2005, and the junior college district is not required to hold a new election to authorize the existing tax. Provides that this subsection expires January 1, 2008.

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

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 79th Legislature, 2nd Called Session, 2005,

limiting school district ad valorem taxes for maintenance purposes and providing that an ad valorem tax imposed by a school district is not a state ad valorem tax and expires January 1, 2008.

(b) Delays implementation of the amendment to Section 3, Article VII, of this constitution until December 1, 2005, except as provided by Subsection (c).

(c) Delays implementation of the limitation on the maximum school district tax rate prescribed by Section 3(e), Article VII, of this constitution until January 1, 2007, and makes application of said tax prospective to that date.

SECTION 3. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 8, 2005. Sets forth the wording of the ballot.