

BILL ANALYSIS

Senate Research Center
80R4254 JRD-D

H.B. 2
By: Chisum et al. (Ogden)
Finance
5/1/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 2 appropriates the revenues dedicated to the Property Tax Relief Fund as well the additional general revenue necessary to the Texas Education Agency for distribution to school districts to offset local revenues as a result of the property tax rate reductions mandated by H.B. 1, 79th Legislature, 3rd Called Session, 2006.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. (a) Appropriates, in addition to other amounts appropriated for the Foundation School Program for all or part of the state fiscal biennium ending August 31, 2009, the following amounts to the Texas Education Agency (TEA) under the Foundation School Program for the purpose of funding school district property tax rate reductions in accordance with Section 42.2516 (Additional State Aid for Tax Reduction), Education Code:

(1) Appropriates for this purpose, for the state fiscal year ending August 31, 2008, all amounts in the property tax relief fund (an estimated amount of \$4,231,466,000) and if the amounts available from the property tax relief fund for that fiscal year are less than \$6,956,400,000, appropriates the additional amount necessary for the total appropriation under this subdivision to equal \$6,956,400,000 (an estimated amount of \$2,724,934,000) from the foundation school fund for this purpose.

(2) Appropriates for this purpose, for the state fiscal year ending August 31, 2009, all amounts in the property tax relief fund (an estimated amount of \$3,846,492,000) and if the amounts available from the property tax relief fund for that fiscal year are less than \$7,234,700,000, appropriates the additional amount necessary for the total appropriation under this subdivision to equal \$7,234,700,000 (an estimated amount of \$3,388,208,000) from the foundation school fund for this purpose.

(b) Appropriates any unexpended balance of the amount appropriated for the state fiscal year ending August 31, 2008, under Subsection (a)(1) to TEA for the purpose described by Subsection (a) for the state fiscal year ending August 31, 2009, in addition to the amounts appropriated under Subsection (a)(2).

(c) Authorizes the commissioner of education, if there are insufficient amounts in the property tax relief and foundation school funds to support the entire appropriation for the state fiscal year ending August 31, 2008, and with prior approval of the governor and the Legislative Budget Board, to transfer appropriated amounts under Subsection (a)(2) for the state fiscal year ending August 31, 2009, in an amount less than the amount necessary to cover the shortfall, and spend the transferred amounts for the purpose described in Subsection (a) during the state fiscal year ending August 31, 2008. Requires the comptroller of public accounts to transfer money as necessary from the general revenue funds or other available sources to the foundation school fund to accomplish an approved transfer of appropriations between fiscal years under this subsection and reduce the

permitted appropriated amount under Subsection (a)(2) of this section from the foundation school fund accordingly.

SECTION 2. Effective date: September 1, 2007.