

BILL ANALYSIS

Senate Research Center
85R5882 CAE-D

S.B. 419
By: Kolkhorst
Education
4/12/2017
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2006, the legislature passed a property tax reduction package that required school districts to compress their tax rates by one-third. To ensure that students were not harmed by the tax reduction, the state created additional state aid for tax reduction, commonly known as ASATR. ASATR guarantees school districts receive the same amount of money per weighted student as they did during the 2005-2006 school year. Although the number of districts receiving ASATR has decreased, many school districts still rely heavily on the funding. If the program is left to expire in September 2017, some districts could lose up to 40 percent of their funding. S.B. 419 extends ASATR by six years, giving school districts more time to find alternative sources of revenue.

As proposed, S.B. 419 amends current law relating to the extension of additional state aid for tax reduction provided to certain school districts.

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 42.2516(c-1), Education Code, to provide that this subsection expires September 1, 2023, rather than September 1, 2017.

SECTION 2. Amends Section 42.2518(a), Education Code, to provide that this subsection applies for the 2015-2016 through 2022-2023, rather than the 2015-2016 and 2016-2017, school years.

SECTION 3. Amends Section 42.2518(a), Education Code, effective September 1, 2023, as follows:

(a) Provides that, beginning with the 2023-2024 school year, a school district is entitled to certain additional state aid, excluding any state aid that would have been provided under former Section 42.2516 (Additional State Aid for Tax Reduction), if the increase in the residence homestead exemption had not occurred, rather than providing that for the 2015-2016 and 2016-2017 school years, a school district is entitled to certain additional state aid if the increase in the residence homestead exemption had not occurred.

SECTION 4. Provides that certain provisions of the Education Code and the Tax Code take effect September 1, 2023.

SECTION 5. Repealer: Section 42.2518(e) (relating to the expiration date of this section), Education Code.

SECTION 6. Repealer, effective September 1, 2017: Section 18 (adding Section 42.2518, Education Code), Chapter 465 (S.B. 1), Acts of the 84th Legislature, Regular Session, 2015.

SECTION 7. Effective date: upon passage or the 91st day after the last day of the legislative session.