

## **BILL ANALYSIS**

Senate Research Center  
77R4748 ESH-F

S.B. 1785  
By: Nelson  
Education  
4/3/2001  
As Filed

### **DIGEST AND PURPOSE**

Currently, the commissioner of education is authorized to increase the Existing Debt Allotment (EDA) tax rate on an annual basis if the commissioner finds that there are excess appropriated Foundation School Funds. Accordingly, the rate limit for the 2000-2001 school year has been set at 29 cents. However, without a change in the statutory rate limit, the rate will automatically revert to 12 cents after the current school year, resulting in an increase in local debt service costs and higher property taxes in 2001-2002 and thereafter, along with fluctuating rates that contribute to school district planning difficulties and taxpayer confusion. As proposed, S.B. 1785 raises the current 12 cent statutory limit on the EDA tax rate.

### **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 46.034(a), Education Code, to prohibit the existing debt tax rate ("EDTR") under Section 46.032 from exceeding \$0.29, rather than \$0.12, per \$100 of valuation, or a greater amount for any year provided by appropriation.

SECTION 2. Effective date: September 1, 2001.