

## **BILL ANALYSIS**

Senate Research Center

H.B. 2964  
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Education  
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Engrossed

### **DIGEST AND PURPOSE**

Amendments to Title 2 of the Education Code in 1995 included the removal of Chapter 24. Chapter 24 contained provisions for the establishment and governance of municipal school districts. Under current Section 11.301 (Application of Former Law) of the Education Code, municipal school districts operating under Chapter 24 at the time of the 1995 amendments were and are authorized to continue to operate under that chapter as it existed on May 1, 1995. Section 24.06(c) of Chapter 24 provides that following requisition by the board of trustees of a municipal school district, the governing body of the municipality levies taxes for the benefit of the district, but has no discretion in establishing the rate of the tax. Current law also permits a municipal school district to be separated from municipal control and become an independent school district if approved at an election held for that purpose.

H.B. 2964 authorizes a school district operating under former Chapter 24 to continue to operate under that chapter as it existed on May 1, 1995, and under state law generally applicable to school districts that does not conflict with that chapter. This bill establishes the manner in which the governing body of a municipality will approve and levy taxes for the school district.

### **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 Subchapter G, Chapter 11, Education Code, by adding Section 11.303, as follows:

Sec. 11.303. MUNICIPAL SCHOOL DISTRICTS. (a) Authorizes, except as otherwise provided by this section, a school district operating under former Chapter 24 to continue to operate under that chapter as it existed on May 1, 1995, and under state law generally applicable to school districts that does not conflict with that chapter.

(b) Requires the governing body of the municipality, notwithstanding former Section 24.06(c), as it existed on May 1, 1995, after requisition by the board of trustees of the municipal school district, to approve and levy taxes for the district. Authorizes the governing body of the municipality to adopt the tax rate requisitioned by the board of trustees or to adopt a different tax rate. Requires the board of trustees, if the governing body of the municipality adopts a tax rate different than the rate requisitioned by the board of trustees, to conform the district's budget for the applicable fiscal year in accordance with revenue projections based on the rate adopted by the governing body.

(c) Requires the board of trustees of a municipal school district and the governing body of the municipality to jointly hold any hearing required by law as a condition for the imposition of an ad valorem tax. Requires the governing body of the municipality, after adopting an ordinance levying a tax for the municipal school district, to provide a certified copy of the ordinance to the district's board of

trustees.

(d) Prohibits this section from being construed as authorizing the governing body of a municipality to levy a tax for the support of schools of a municipal school district without fully complying with all applicable provisions of the Tax Code.

SECTION 2. Amends Section 11.301, Education Code, is amended, as follows:

Sec. 11.301. APPLICATION OF FORMER LAW. (a) Deletes a reference to Chapter 24.

(b) Deletes text referring to a school district operating under former Chapter 24 being separated from municipal control and becoming an independent school district in the manner provided by former Subchapter E, Chapter 19, as it existed on May 1, 1995.

SECTION 3. Effective date: September 1, 2003.