

BILL ANALYSIS

Senate Research Center

C.S.H.B. 2964
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Education
5/24/2003
Committee Report (Substituted)

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.

C.S.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) Authorizes the governing body of the municipality to participate in annual hearings or work sessions held by the board of trustees of the municipal school district on the budget and ad valorem tax rate for the coming year.

(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 adoption of an annual budget and imposition of an ad valorem tax.

(d) Authorizes neither an annual budget for a municipal school district nor an ad valorem tax to be imposed for the district to be adopted without the affirmative vote of a majority of the members of the board of trustees of the municipal school district present and voting and at least three-quarters of the total of the voting members of the board of trustees and the governing body of the municipality that are present and voting.

(e) Authorizes the board of trustees, if a quorum of the members of the governing body of the municipality is not present at a meeting required under Subsection (c), to adopt a budget or an ad valorem tax rate without regard to the requirements of Subsection (d).

(f) Requires the governing board of a municipality, notwithstanding former Section 24.06(c), as it existed on May 1, 1995, to adopt an ordinance providing for the levy and assessment of the tax approved pursuant to Subsections (d) or (e).

(g) 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.

(h) 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, 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. Requires the comptroller of public accounts (comptroller), not later than September 15, 2003, to begin a performance review under Section 403.020, Government Code, of each municipal school district in this state. Requires the comptroller to complete the review and prepare a report showing the results of the review not later than February 1, 2004.

SECTION 4. Effective date: September 1, 2003.