

BILL ANALYSIS

Senate Research Center
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S.B. 574
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Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

As proposed, S.B. 574 amends Subchapter A, Chapter 41 (Equalized Wealth), Education Code, by adding Section 41.0021 to create an exception to the wealth per student limitation for a school district all or part of which is located in an area designated by an executive order or proclamation issued by the governor, declaring a state of disaster as a result of a natural disaster and that is determined by the commissioner of education (commissioner) to have suffered financial hardship as a result of the natural disaster. The bill provides that a school district is not required to satisfy any wealth per student limitation and is not required to take any action to achieve the equalized wealth level until certain recovery efforts are completed in the designated area and through state and federal assistance, the commissioner determines that the school district's financial situation is equal to or better than the it's financial situation was immediately before the natural disaster. S.B. 574 provides that the provisions apply regardless of whether district property damaged in the natural disaster is reappraised under Section 23.02 (Reappraisal of Property Damaged in Natural Disaster Area), Tax Code.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of education in SECTION 1 (Section 41.0021, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 41, Education Code, by adding Section 41.0021, as follows:

Sec. 41.0021. EXCEPTION TO WEALTH PER STUDENT LIMITATION FOR SCHOOL DISTRICT SUFFERING FINANCIAL HARDSHIP DUE TO NATURAL DISASTER. (a) Provides that this section applies only to a school district:

(1) all or part of which is located in an area designated by an executive order or proclamation issued by the governor under Chapter 418 (Emergency Management), Government Code, declaring a state of disaster as a result of a natural disaster; and

(2) that is determined by the commissioner of education (commissioner), in accordance with criteria specified by commissioner rule, to have suffered financial hardship as a result of the natural disaster.

(b) Provides that, notwithstanding any other provision of this chapter, a school district is not required to satisfy any wealth per student limitation prescribed by Section 41.002 (Equalized Wealth Level) and is not required to take any action under Section 41.003 (Options to Achieve Equalized Wealth Level) to achieve the equalized wealth level until:

(1) local, state, and federal recovery efforts are completed in the designated area as described by Subsection (a)(1); and

(2) through state and federal assistance, the school district's financial situation is, as determined by the commissioner in accordance with criteria

specified by commissioner rule, equal to or better than the district's financial situation was immediately before the natural disaster.

(c) Provides that this section applies to a school district regardless of whether district property damaged in the natural disaster is reappraised under Section 23.02 (Reappraisal of Property Damaged in Natural Disaster Area), Tax Code.

(d) Requires the commissioner to adopt rules as necessary to administer this section.

SECTION 2. (a) Provides that this Act applies beginning with the 2009-2010 school year.

(b) Provides that the applicability of Section 41.0021, Education Code, as added by this Act, to a school district during the 2009-2010 school year is not affected by whether the natural disaster that resulted in financial hardship to the district occurs before, on, or after the effective date of this Act.

SECTION 3. Effective date: upon passage or September 1, 2009.