

## **BILL ANALYSIS**

Senate Research Center  
83R8080 KKA-D

S.B. 509  
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Finance  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 509, the Texas School District Security Act, gives school boards, parents, and taxpayers local choices and control in hiring licensed peace officers to protect school campuses.

S.B. 509 gives authority to school districts to hold a referendum election for the purpose of creating a school security district. The district will have the authority to impose a tax within the borders of the school district for the purpose of school security measures. The tax can either be a sales and use tax if the district is not already at the state cap, and/or a separate school security ad valorem tax.

Prior to the referendum the school district must hold a public hearing to outline what types of crime prevention measures are sought, the estimated costs, the anticipated rate of each proposed tax, and the estimated revenue for each of the following five fiscal years. These funds will be separate from the maintenance and operations budget.

The district will automatically dissolve after five years unless the school district holds a referendum of continuation authorized by a majority of members of the board of trustees. A dissolution referendum may also be called at any time if a petition is signed by at least 50 percent of the number of votes cast in the most recent authorizing election. If the district is dissolved, all remaining funds revert to the school district.

As proposed, S.B. 509 amends current law relating to the establishment by school districts of a school security district; authorizing school district taxes for crime prevention measures.

### **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 Subtitle G, Title 2, Education Code, by adding Chapter 37A, as follows:

#### **CHAPTER 37A. SCHOOL SECURITY DISTRICT**

##### **SUBCHAPTER A. CREATION OF DISTRICT; GOVERNANCE; TAXING AUTHORITY**

Sec. 37A.001. **CREATION OF DISTRICT.** (a) Authorizes the board of trustees of a school district, subject to voter approval, to create a school security district with the authority to impose taxes in accordance with this chapter for the purpose of providing crime prevention measures.

(b) Requires that the boundaries of a school security district be coextensive with the boundaries of the school district.

Sec. 37A.002. **PUBLIC HEARING ON CREATION OF DISTRICT.** (a) Requires that a school district that proposes to create a school security district conduct a public hearing at

which the details of the proposal are discussed before an authorization election under Section 37A.003 may be ordered.

(b) Requires the school district to give reasonable notice of the hearing to residents of the school district by posting notice on the school district Internet website, by publishing notice in a newspaper of general circulation in the school district, and by other appropriate methods if necessary to provide effective notice. Requires that the notice include:

(1) a description of the purpose of the school security district, including the types of crime prevention measures sought to be provided;

(2) an estimate of the costs of providing the types of crime prevention measures identified under Subdivision (1); and

(3) a statement regarding:

(A) whether the board of trustees proposes to seek voter approval of a sales and use tax, a school security ad valorem tax, or both;

(B) the anticipated rate of each proposed tax; and

(C) the estimated revenue for each of the following five fiscal years that would result from each proposed tax at the anticipated rate.

Sec. 37A.003. AUTHORIZATION ELECTION. (a) Authorizes a school security district to be created and a sales and use tax, a school security ad valorem tax, or both, as determined by the board of trustees, imposed only if the creation and each applicable tax are approved by a majority of the qualified voters of the school district voting at an election held for that purpose.

(b) Requires that an order of the board of trustees calling an election state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open;

(4) the location of the polling places;

(5) in summary form, the proposed crime prevention measures to be provided by the school security district and the budget for providing those measures; and

(6) the proposed rate of the sales and use tax, if applicable, and the proposed rate of the school security ad valorem tax, if applicable, to be imposed by the school district to fund the crime prevention measures.

(c) Requires that the ballot for an election to create a school security district be printed to permit voting for or against the proposition. Sets forth the language required to be included on the ballot.

(d) Requires the board of trustees to meet after the election and canvass the returns of the election. Requires the board of trustees, if a majority of the votes cast favor the creation of the school security district and the imposition of the proposed tax or taxes, to:

- (1) issue an order declaring the school security district created and the tax or taxes authorized;
- (2) notify the comptroller of public accounts of the State of Texas (comptroller) regarding the results of the election if the election authorized a sales and use tax; and
- (3) notify the tax assessor and collector for the school district if the election authorized a school security ad valorem tax.

Sec. 37A.004. **GOVERNING BODY.** (a) Provides that the board of trustees of the school district that creates a school security district serves as the governing body of the school security district.

(b) Authorizes the board of trustees, in acting as the governing body of the school security district, to exercise any power the board may exercise in governing the school district, including employing and commissioning officers under Section 37.081 (School District Peace Officers and Security Personnel).

Sec. 37A.005. **SALES AND USE TAX.** (a) Requires that the rate of a sales and use tax proposed under this chapter be expressed in increments of one-eighth of one percent, with a minimum proposed rate of one-eighth of one percent and a maximum proposed rate that the board of trustees determines is appropriate and would not result in a combined rate that exceeds the maximum combined rate prescribed by Section 321.101(f) (relating to a prohibition from an adoption or increase under certain circumstances of a sales and use tax), Tax Code.

(b) Authorizes a school district that obtains voter approval of the imposition of a sales and use tax in an election held under Section 37A.003 to impose the tax at the rate specified in the ballot proposition.

(c) Provides that Chapter 321 (Municipal Sales and Use Tax Act), Tax Code, except as otherwise provided by this chapter, applies to a sales and use tax authorized by this chapter in the same manner as that chapter applies to the tax authorized by that chapter.

(d) Provides that Section 321.506 (Use of Tax Revenue by Municipality), Tax Code, does not apply to a sales and use tax authorized by this chapter.

(e) Provides that the adoption of a sales and use tax authorized by this chapter takes effect on the first day of the first calendar quarter that occurs after the first complete calendar quarter that occurs after the date the comptroller receives notice of the results of the election.

(f) Authorizes that the effective date, if the comptroller determines that an effective date provided by Subsection (e) will occur before the comptroller can reasonably take the action required to begin collecting the tax, be extended by the comptroller until the first day of the next succeeding calendar quarter.

(g) Authorizes that revenue from a sales and use tax imposed under this chapter be used only to provide crime prevention measures in the school security district.

Sec. 37A.006. **SCHOOL SECURITY AD VALOREM TAX.** (a) Authorizes a school district that obtains voter approval of the imposition of a school security ad valorem tax in an election held under Section 37A.003 to impose the tax at the rate specified in the ballot proposition.

(b) Provides that the adoption of a school security ad valorem tax takes effect on January 1 following the date of the election at which the tax was authorized.

(c) Authorizes that revenue from the school security ad valorem tax be used only to provide crime prevention measures in the school security district.

#### SUBCHAPTER B. REFERENDUM ON CONTINUATION OR DISSOLUTION OF DISTRICT

Sec. 37A.201. REFERENDUM AUTHORIZED. (a) Authorizes the board of trustees of a school district that has created a school security district to hold a referendum on the question of whether to continue the school security district for a period of five years or dissolve the school security district.

(b) Authorizes the board of trustees to order a referendum authorized by this section on its own motion by a majority vote of its members.

(c) Requires the board of trustees to order a referendum authorized by this section on presentation of a petition that requests continuation or dissolution of the school security district and complies with the requirements of this subchapter.

(d) Requires that the ballot for a continuation referendum be printed to permit voting for or against the proposition. Sets forth the language required to be included on the ballot.

(e) Requires that the ballot for a dissolution referendum be printed to permit voting for or against the proposition. Sets forth the language required to be included on the ballot.

Sec. 37A.202. APPLICATION FOR PETITION. (a) Requires the secretary of the school district that created the school security district, on written application of 10 or more registered voters of the school district, to issue to the applicants a petition to be circulated among registered voters for their signatures.

(b) Requires that an application for a petition to continue the school security district, to be valid, contain:

(1) a certain heading, and sets forth the language required to be included in the heading;

(2) a certain statement of the issue to be voted on, and sets forth the language required to be included in the statement;

(3) a certain statement immediately above the signatures of the applicants, and sets forth the language required to be included in the statement; and

(4) the printed name, signature, residence address, and voter registration certificate number or date of birth of each applicant.

(c) Requires that an application for a petition to dissolve the school security district, to be valid, contain:

(1) a certain heading, and sets forth the language required to be included in the heading;

(2) a certain statement of the issue to be voted on, and sets forth the language required to be included in the statement;

(3) a certain statement immediately above the signatures of the applicants, and sets forth the language required to be included in the statement; and

(4) the printed name, signature, residence address, and voter registration certificate number or date of birth of each applicant.

Sec. 37A.203. PETITION. (a) Requires that a petition for a referendum to continue the school security district, to be valid, contain:

- (1) a certain heading, and sets forth the language required to be included in the heading;
- (2) a statement of the issue to be voted on in the same words used in the application;
- (3) a certain statement immediately above the signatures of the petitioners, and sets forth the language required to be included in the statement;
- (4) lines and spaces for the names, signatures, residence addresses, and voter registration certificate numbers or dates of birth of the petitioners; and
- (5) the date of issuance, the serial number, and the seal of the secretary of the school district on each page.

(b) Requires that a petition for a referendum to dissolve the school security district, to be valid, contain:

- (1) a certain heading, and sets forth the language required to be included in the heading;
- (2) a statement of the issue to be voted on in the same words used in the application;
- (3) a certain statement immediately above the signatures of the petitioners, and sets forth the language required to be included in the heading;
- (4) lines and spaces for the names, signatures, residence addresses, and voter registration certificate numbers or dates of birth of the petitioners; and
- (5) the date of issuance, the serial number, and the seal of the secretary of the school district on each page.

Sec. 37A.204. COPIES OF APPLICATION AND PETITION. Requires the secretary of the school district to keep an application and a copy of the petition in the files of the secretary's office. Requires the secretary to issue to the applicants as many copies as they request.

Sec. 37A.205. FILING OF PETITION. Requires that the petition, to form the basis for the ordering of a referendum:

- (1) be filed with the secretary of the school district not later than the 60th day after the date of its issuance; and
- (2) contain at least a number of signatures of registered voters of the school district equal to 50 percent of the number of votes cast in the school district in the most recent election at which the school security district was created or continued.

Sec. 37A.206. REVIEW BY SECRETARY. (a) Requires the secretary of the school district to, on the request of any person, check each name on a petition to determine whether the signer is a registered voter of the school district. Requires a person requesting verification by the secretary to pay the secretary a sum equal to 20 cents for each name before the verification begins.

(b) Prohibits the secretary from counting a signature if the secretary has a reason to believe that it is not the actual signature of the purported signer, it is a duplication either of a name or of handwriting used in any other signature on the petition, or the residence address of the signer is not correct.

Sec. 37A.207. CERTIFICATION. Requires the secretary of the school district, not later than the 40th day after the date a petition is filed, excluding Saturdays, Sundays, and legal holidays, to certify to the board of trustees the number of registered voters signing the petition.

Sec. 37A.208. ELECTION ORDER. (a) Requires the board of trustees to record on its minutes the date the petition is filed and the date it is certified by the secretary.

(b) Requires the board of trustees, if the petition contains the required number of signatures and is in proper order, to, at its next regular session after the certification by the secretary, order a referendum to be held at the regular polling place in each election precinct in the school district on the next permissible uniform election date authorized by Section 41.001(a) (relating to the uniform election dates for each general or special election), Election Code.

(c) Requires the board of trustees to state in the order the proposition to be voted on in the referendum. Provides that the order is prima facie evidence of compliance with all provisions necessary to give it validity.

Sec. 37A.209. RESULTS OF REFERENDUM. Provides that, if less than a majority of the votes cast in a continuation referendum are for the continuation of a school security district or if a majority of the votes cast in a dissolution referendum are for dissolution of the school security district:

(1) the board of trustees is required to certify that fact to the secretary of state; and

(2) the school security district is dissolved and ceases to operate on the earlier of the last day of the school security district's fiscal year or the 180th day after the date that the continuation or dissolution referendum is held.

Sec. 37A.210. EFFECTIVE DATE OF TAX CHANGES. (a) Requires the board of trustees, if less than a majority of the votes cast in a continuation referendum are for the continuation of the school security district or if a majority of the votes cast in a dissolution referendum are for dissolution of the school security district, to notify the comptroller, if the school district imposes a school security sales and use tax, and the tax assessor and collector for the school district, if the school district imposes a school security ad valorem tax, in writing of the results of the referendum.

(b) Provides that, if the district is to be dissolved as a result of the referendum:

(1) the abolition of the school security sales and use tax, if applicable, takes effect on the first day of the first calendar quarter that occurs after the expiration of the first complete calendar quarter that occurs after the comptroller receives a notice of the results of the continuation or dissolution referendum; and

(2) the abolition of the school security ad valorem tax takes effect beginning January 1 following the date of the election resulting in the abolition of the tax.

(c) Authorizes the comptroller, if the comptroller determines that an effective date provided by Subsection (b)(1) will occur before the comptroller can reasonably take the action required to implement abolition of the school security sales and use tax, to extend the effective date until the final day of the succeeding calendar quarter.

## SUBCHAPTER C. DISTRICT DISSOLUTION

Sec. 37A.301. DISSOLUTION OF SCHOOL SECURITY DISTRICT. (a) Provides that a school security district is dissolved on the first uniform election date that occurs after the fifth anniversary of the date that the school district began to impose taxes for school security district purposes if the school district has not held a continuation or dissolution referendum.

(b) Provides that a school security district is dissolved on the first uniform election date that occurs after the fifth anniversary of the date of the most recent continuation or dissolution referendum.

(c) Provides that Subsection (b) does not apply to a school security district that is continued under Section 37A.201, and that that district is dissolved at the end of the period for which it was continued.

(d) Requires the school security district, on the date a school security district is dissolved, to transfer all funds to the school district that created the district. Authorizes that the transferred funds be used by the school district only for crime prevention measures.

(e) Prohibits the school district that created the school security district, after the date a school security district is dissolved, from imposing taxes authorized by this chapter.

SECTION 2. Amends Section 26.08, Tax Code, by adding Subsection (a-1), as follows:

(a-1) Provides that the rate of a school security ad valorem tax imposed by a school district in accordance with Chapter 37A, Education Code, is not included in the district's tax rate for purposes of Subsection (a) (relating to voter approval of certain adopted tax rates).

SECTION 3. Provides that this Act takes effect on the date on which the constitutional amendment proposed by \_\_.J.R. No. \_\_\_\_, 83rd Legislature, Regular Session, 2013, takes effect. Provides that if that amendment is not approved by the voters, this Act has no effect.