

By: Murphy

H.B. No. 1059

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the effective date of certain actions taken by the  
3 commissioner of education against school districts that exceed the  
4 equalized wealth level and to reattachment of property detached  
5 from a school district by the commissioner of education to achieve  
6 the equalized wealth level.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

8 SECTION 1. Section 41.004, Education Code, is amended by  
9 amending Subsections (a) and (d) and adding Subsection (e) to read  
10 as follows:

11 (a) Not later than July 15 of each year, using the estimate  
12 of enrollment under Section 42.254, the commissioner shall review  
13 the wealth per student of school districts in the state and shall  
14 notify:

15 (1) each district with wealth per student exceeding  
16 the equalized wealth level;

17 (2) each district to which the commissioner proposes  
18 to annex property detached from a district notified under  
19 Subdivision (1), if necessary, under Subchapter G; ~~and~~

20 (3) each district to which the commissioner proposes  
21 to reattach property previously detached from the district under  
22 Subchapter G; and

23 (4) each district to which the commissioner proposes  
24 to consolidate a district notified under Subdivision (1), if

1 necessary, under Subchapter H.

2 (d) Except as provided by Subsection (e), a [A] detachment  
3 and annexation, reattachment, or consolidation under this chapter:

4 (1) is effective for Foundation School Program funding  
5 purposes for the school year that begins in the calendar year  
6 following the year in which the detachment and annexation,  
7 reattachment, or consolidation is [~~agreed to or~~] ordered; and

8 (2) applies to the ad valorem taxation of property  
9 beginning with the tax year in which the [~~agreement or~~] order is  
10 effective.

11 (e) A consolidation or detachment and annexation agreed to  
12 under Subchapter B or C:

13 (1) is effective for Foundation School Program funding  
14 purposes for the school year that begins in the calendar year in  
15 which the consolidation or detachment and annexation is agreed to;  
16 and

17 (2) applies to the ad valorem taxation of property  
18 beginning with the tax year in which the agreement is effective.

19 SECTION 2. Section 41.202(a), Education Code, is amended to  
20 read as follows:

21 (a) For purposes of this subchapter, the taxable value of an  
22 individual parcel or other item of property and the total taxable  
23 value of property in a school district resulting from the  
24 detachment of property from a district, [~~or~~] annexation of property  
25 to that district, or reattachment of property to a district is  
26 determined by applying the appraisal ratio for the appropriate  
27 category of property determined under Subchapter M, Chapter 403,

1 Government Code, for the preceding tax year to the taxable value of  
2 the detached, ~~[or]~~ annexed, or reattached property determined under  
3 Title 1, Tax Code, for the preceding tax year.

4 SECTION 3. The heading to Section 41.203, Education Code,  
5 is amended to read as follows:

6 Sec. 41.203. PROPERTY SUBJECT TO DETACHMENT AND ANNEXATION  
7 OR REATTACHMENT.

8 SECTION 4. Section 41.203, Education Code, is amended by  
9 adding Subsection (a-1) to read as follows:

10 (a-1) Any property detached and annexed under this  
11 subchapter is subject to reattachment under Section 41.2065,  
12 regardless of whether the property continues to satisfy the  
13 limitation imposed under Subsection (a).

14 SECTION 5. Subchapter G, Chapter 41, Education Code, is  
15 amended by adding Section 41.2065 to read as follows:

16 Sec. 41.2065. REATTACHMENT OF DETACHED AND ANNEXED  
17 PROPERTY. (a) If property has been detached from a school district  
18 and annexed to another school district by the commissioner under  
19 this subchapter, the commissioner shall reattach the property to  
20 the original school district if that district's wealth per student  
21 for a subsequent school year is determined to be \$10,000 or more  
22 below each equalized wealth level specified by Section 41.002 that:

23 (1) applies to the district's maintenance and  
24 operations tax effort; and

25 (2) would, if the district's wealth per student  
26 exceeded that equalized wealth level, require the district to take  
27 action to reduce the district's wealth per student under this

1 chapter.

2 (b) In determining the property to be reattached under this  
3 section, the commissioner shall reattach one or more whole parcels  
4 or items of property in ascending order of the taxable value of each  
5 parcel or item, beginning with the parcel or item having the lowest  
6 taxable value, until the district reaches a wealth per student  
7 equal as nearly as possible to, but not exceeding, the lowest  
8 equalized wealth level described by Subsection (a).

9 (c) The commissioner shall adopt rules necessary for the  
10 reattachment of property under this section, including rules for  
11 the reattachment of only a portion of a parcel or item of property  
12 if reattachment of the entire parcel or item would increase the  
13 district's wealth per student to an amount that is more than  
14 permitted by this section.

15 SECTION 6. Section 41.208(a), Education Code, is amended to  
16 read as follows:

17 (a) The commissioner shall order any detachments, ~~and~~  
18 annexations, and reattachments of property under this subchapter  
19 not later than November 8 of each year.

20 SECTION 7. Section 41.209, Education Code, is amended to  
21 read as follows:

22 Sec. 41.209. TREATMENT OF SUBDIVIDED PROPERTY. (a) If the  
23 commissioner orders the detachment, ~~or~~ annexation, or  
24 reattachment of a portion of a parcel or item of property under this  
25 subchapter, the order shall specify the portion of the taxable  
26 value of the property to be detached, ~~or~~ annexed, or reattached  
27 and may, but need not, describe the specific area of the parcel or

1 item to be detached, ~~[or]~~ annexed, or reattached.

2 (b) If an order for the detachment, ~~[or]~~ annexation, or  
3 reattachment of a portion of a parcel or item of property does not  
4 describe the specific area of the parcel or item to be detached,  
5 ~~[or]~~ annexed, or reattached, the commissioner, as soon as  
6 practicable after issuing the order, shall determine the specific  
7 area to be detached, ~~[or]~~ annexed, or reattached and shall certify  
8 that determination to the appraisal district for the county in  
9 which the property is located.

10 (c) If portions of a parcel or item of property are located  
11 in two or more school districts as the result of a detachment, ~~[or]~~  
12 annexation, or reattachment, the parcel or item shall be appraised  
13 for taxation as a unit, and the commissioner shall determine the  
14 portion of the taxable value of the property that is located in each  
15 of those school districts based on the square footage of the  
16 property, or any other reasonable method adopted by the  
17 commissioner.

18 SECTION 8. Section 41.210(b), Education Code, is amended to  
19 read as follows:

20 (b) As soon as practicable after the detachment and  
21 annexation or the reattachment of property, the chief appraiser of  
22 the appraisal district in which the property is located shall send a  
23 written notice of the detachment and annexation or the reattachment  
24 to the owner of any property taxable in a different school district  
25 as a result of the detachment and annexation or the reattachment.  
26 The notice must include the name of the school district by which the  
27 property is taxable after the detachment and annexation or the

1 reattachment.

2 SECTION 9. Section 41.211, Education Code, is amended to  
3 read as follows:

4 Sec. 41.211. STUDENT ATTENDANCE. (a) A student who is a  
5 resident of real property detached from a school district may  
6 choose to attend school in that district or in the district to which  
7 the property is annexed. For purposes of determining average daily  
8 attendance under Section 42.005, the student shall be counted in  
9 the district to which the property is annexed. If the student  
10 chooses to attend school in the district from which the property is  
11 detached, the state shall withhold any foundation school funds from  
12 the district to which the property is annexed and shall allocate to  
13 the district in which the student is attending school those funds  
14 and the amount of funds equal to the difference between the state  
15 funds the district is receiving for the student and the district's  
16 cost in educating the student.

17 (b) A student who is a resident of real property reattached  
18 to a school district may choose to attend school in that district or  
19 in the district to which the property was previously annexed. For  
20 purposes of determining average daily attendance under Section  
21 42.005, the student shall be counted in the district to which the  
22 property is reattached. If the student chooses to attend school in  
23 the district to which the property was previously annexed, the  
24 state shall withhold any foundation school funds from the district  
25 to which the property is reattached and shall allocate to the  
26 district in which the student is attending school those funds and  
27 the amount of funds equal to the difference between the state funds

1 the district is receiving for the student and the district's cost in  
2 educating the student.

3 SECTION 10. Section 41.212, Education Code, is amended to  
4 read as follows:

5 Sec. 41.212. BOND TAXES. (a) Property detached from a  
6 school district is released from the obligation for any tax to pay  
7 principal and interest on bonds authorized by the district before  
8 detachment. The property is subject to any tax to pay principal or  
9 interest on bonds authorized by the district to which the property  
10 is annexed whether authorized before or after annexation.

11 (b) Property reattached to a school district is released  
12 from the obligation for any tax to pay principal and interest on  
13 bonds authorized by the district the property was annexed to before  
14 reattachment. The property is subject to any tax to pay principal  
15 or interest on bonds authorized by the district to which the  
16 property is reattached whether authorized before or after  
17 reattachment.

18 SECTION 11. This Act takes effect immediately if it  
19 receives a vote of two-thirds of all the members elected to each  
20 house, as provided by Section 39, Article III, Texas Constitution.  
21 If this Act does not receive the vote necessary for immediate  
22 effect, this Act takes effect September 1, 2017.