

SENATE CONCURRENT RESOLUTION

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WHEREAS, A special session of the legislature was called by Governor Rick Perry on April 17, 2006, to respond to the Texas Supreme Court decision in *Neeley v. West Orange-Cove Consolidated Independent School District*, 176 S.W. 3d 746 (Tex. 2005); and

WHEREAS, The legislature responded by enacting House Bill 1 (Chapter 5, Acts of the 79th Legislature, 3rd Called Session, 2006), which provides for increasing state aid to school districts for the purpose of reducing school district maintenance and operations taxes by 11.33 percent for the 2006 tax year and 33.33 percent for the 2007 tax year with the understanding that further state aid for the purpose of reducing school district taxes for maintenance and operations would be forthcoming in subsequent years; and

WHEREAS, House Bill 1 received overwhelming support in both houses of the legislature, passing by a margin of 31-0 in the Senate and 136-8 in the House of Representatives; and

WHEREAS, House Bill 1 establishes a mechanism for providing significant relief from school district property taxes by realigning funding for the public school system, specifically by providing for increasing the share of funds from state taxes and reducing the share of funds from school district property taxes; and

WHEREAS, The provision in House Bill 1 for substantially

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1 increasing the state's share of public school funding reverses a
2 long-term trend of increasing reliance on local property taxes; and

3 WHEREAS, House Bill 1 calls for a reduction in school
4 district property tax bills in Texas by an estimated \$7 billion
5 annually in fiscal years 2008 and 2009; and

6 WHEREAS, House Bill 1, by providing a mechanism for
7 significantly reducing school district property taxes, makes home
8 ownership more affordable for Texas families; and

9 WHEREAS, Funding the school district property tax relief
10 mechanism provided by House Bill 1 is essential to the promotion of
11 long-term economic growth in Texas; and

12 WHEREAS, Senate Bill 2, 80th Legislature, Regular Session,
13 2007, or similar legislation makes appropriations for the purpose
14 of implementing the school district property tax rate reduction
15 mechanism established by House Bill 1; and

16 WHEREAS, Appropriations made by Senate Bill 2 are separate
17 from and in addition to appropriations made by the general
18 appropriations bill, Senate Bill 1, 80th Legislature, Regular
19 Session, 2007, or similar legislation; and

20 WHEREAS, Appropriations made by the general appropriations
21 bill are subject to the constitutional spending limit for state tax
22 revenues not dedicated by the constitution, and appropriations made
23 from those sources in Senate Bill 1 or similar legislation are less
24 than the amount authorized by Subsection (a), Section 22, Article
25 VIII, Texas Constitution; now, therefore, be it

26 RESOLVED by the Legislature of the State of Texas, That the
27 legislature finds that the existing need for lower school district

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1 property taxes constitutes an emergency for the people of Texas;
2 and, be it further

3 RESOLVED, That the 80th Legislature may appropriate state tax
4 revenues not dedicated by the Texas Constitution for the state
5 fiscal biennium ending August 31, 2009, in an amount not to exceed
6 \$14,191,100,000 more than the amount authorized by Subsection (a),
7 Section 22, Article VIII, Texas Constitution, with \$14,191,100,000
8 being the amount appropriated for the biennium by Senate Bill 2,
9 80th Legislature, Regular Session, 2007, or similar legislation
10 making appropriations for the purpose of funding school district
11 property tax rate reductions in accordance with Section 42.2516,
12 Education Code, as added by House Bill 1 (Chapter 5, Acts of the
13 79th Legislature, 3rd Called Session, 2006).

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David Newkirk
President of the Senate

Tom Caddell
Speaker of the House

I hereby certify that S.C.R. No. 20 was adopted by the Senate on February 14, 2007, by the following vote: Yeas 17, Nays 12.

Antony Gaur
Secretary of the Senate

I hereby certify that S.C.R. No. 20 was adopted by the House on February 20, 2007, by the following vote: Yeas 95, Nays 50, one present not voting.

Robert Haney
Chief Clerk of the House

Approved:

23 Feb '07
Date

Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
11:30 AM O'CLOCK

FEB 23 2007
Roger Williams
Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 15, 2007

TO: Honorable Warren Chisum, Chair, House Committee on Appropriations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SCR20 by Ogden (Relating to the appropriation of state tax revenues for the purpose of funding school district property tax rate reductions.), **As Engrossed**

Fiscal Impact Cannot be Determined

The resolution would allow the Legislature to exceed the Article VIII, Section 22 spending limit on appropriations. The amount of appropriations during the 80th Legislature will determine whether those appropriations exceed the constitutional spending limit.

The resolution in and of itself does not make an appropriation or require the expenditure of state funds.

Local Government Impact

Fiscal Impact Cannot be Determined

Source Agencies:

LBB Staff: JOB, SD