ATTACHMENT I

Statutory Citations Relating to Repeal of 19 TAC Chapter 105, Foundation School Program, Subchapter BB, Commissioner's Rules Concerning State Aid Entitlements, §105.1014, State Reimbursement for Electric Utility Restructuring

Senate Bill 1652, 79th Texas Legislature, Regular Session, 2005.

SECTION 18. The following statutes are repealed:

(1) Subsections (e) and (f), Section 1.085, Tax Code, as added by Chapter 984, Acts of the 78th Legislature, Regular Session, 2003; and

(2) Section 39.901, Utilities Code.

SECTION 19.

(a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2005.

(b) Section 6 of this Act takes effect January 1, 2006.

Text of Repealed Texas Utilities Code, §39.901.

(a) Not later than August 31 each year, the comptroller shall certify to the Texas Education Agency the statewide net loss in electric generating facility property value attributable to electric utility restructuring. In calculating the statewide net loss in electric generating facility property value, the comptroller shall:

(1) subtract current year electric generating facility appraisal roll values, as defined by Section 25.24, Tax Code, from 1999 electric generating facility appraised values in each school district;

(2) sum the resulting property value losses (positive differences);

(3) sum the resulting property value gains (negative differences); and

(4) subtract the absolute value of the property value gains, subject to the limitation in Section 39.9011, from the absolute value of the property value losses to calculate a statewide net loss.

(b) The Texas Education Agency shall determine the amount necessary to compensate the state for the statewide net loss certified under Subsection (a) by multiplying the statewide net loss by the average adopted property tax rate of the school districts that had losses, weighted by the value losses in each school district, and dividing the result by 100 and shall notify the commission of the amount necessary to compensate the state for the reduction. The comptroller shall provide the Texas Education Agency the electric generating facility value losses in each school district used in Subsection (a)(2) for use in calculating the weighted average property tax rate.

(c) The amounts determined by the comptroller and the Texas Education Agency under this section, for the purposes of this section, are final and may not be appealed.

(d) Not later than May 1 of each year, subject to Section 39.903(b), the commission shall transfer from the system benefit fund to the foundation school fund the amount determined by the Texas Education Agency under Subsection (b) to the extent that funds are available. Amounts transferred from the system benefit fund under this section may

be appropriated only for the support of the Foundation School Program and are available, in addition to any amounts allocated by the General Appropriations Act, to finance actions under Section 41.002(b) or 42.2521, Education Code.

(e) The commissioner of education and the comptroller shall adopt rules necessary to implement this section, including rules providing for public input.

(f) This section is effective through the 2006-2007 school year. This section expires August 31, 2007.