By: Taylor of Galveston, et al.  S.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to public school finance, including the establishment of a
tax credit scholarship and educational expense assistance program.

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

SECTION 1. Effective September 1, 2018, Section 12.106, Education Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) Subject to Subsection (e), in addition to other amounts provided by this section, a charter holder is entitled to receive, for the open-enrollment charter school, funding per student in average daily attendance in an amount equal to the guaranteed level of state and local funds per student per cent of tax effort under Section 46.032(a) multiplied by the lesser of:

(1) the state average interest and sinking fund tax rate imposed by school districts for the current year; or

(2) a rate that would result in a total amount to which charter schools are entitled under this subsection for the current year equal to $60 million.

(e) A charter holder is entitled to receive funding under Subsection (d) only if the most recent overall performance rating assigned to the open-enrollment charter school under Subchapter C, Chapter 39, reflects at least acceptable performance.

SECTION 2. Chapter 42, Education Code, is amended by adding Subchapter H to read as follows:
SUBCHAPTER H. FINANCIAL HARDSHIP TRANSITION PROGRAM

Sec. 42.451. FINANCIAL HARDSHIP GRANTS. (a) From amounts appropriated for this subchapter, the commissioner may administer a grant program that provides grants to school districts to defray financial hardships resulting from changes made to Chapter 41 and this chapter that apply after the 2016-2017 school year.

(b) The commissioner shall award grants under this subchapter to districts as provided by Section 42.452.

(c) Except as provided by Subsection (d), funding provided to a district under this subchapter is in addition to all other funding provided under Chapter 41 and this chapter.

(d) A district is not eligible for funding under this subchapter for a school year if the district receives for that school year an adjustment of the district's taxable value of property under Section 42.2521. A district may decline an adjustment under Section 42.2521 to maintain eligibility for funding under this subchapter.

(e) The commissioner may obtain additional information as needed from a district or other state or local agency to make determinations in awarding grants under this subchapter.

Sec. 42.452. AWARD OF GRANTS; AMOUNT. (a) The commissioner shall award grants to school districts based on the following formula:

\[ HG = (PL-CL) \times (TR) \times (TAHG/TEHG) \]

where:

"HG" is the amount of a district's hardship grant;

"PL" is the amount of funding under previous law to which a
district would be entitled under Chapter 41 and this chapter as those chapters existed on January 1, 2017, determined using current school year data for the district;

"CL" is the amount of current law funding under Chapter 41 and this chapter to which a district is entitled;

"TR" is a district's maintenance and operations tax rate, as specified by the comptroller's most recent certified report;

"TAHG" is the total funding available for grants under Section 42.456 for a school year; and

"TEHG" is the sum of the combined amounts for all districts calculated by applying the formula (PL-CL) X (TR) for each district.

(b) A school district's hardship grant awarded under this subchapter for a school year may not exceed the lesser of:

(1) the amount equal to 10 percent of the total amount of funds available for grants under this subchapter for that school year; or

(2) the amount by which "PL" exceeds "CL" for that district for that school year.

(c) For purposes of calculating the formula under Subsection (a), the commissioner shall:

(1) if the value of (PL-CL) for a school district results in a negative number, use zero for the value of (PL-CL);

(2) if a school district's maintenance and operations tax rate ("TR") is greater than $1, use $1 for the value of "TR";

(3) use a maintenance and operations tax rate ("TR") of $1 for each open-enrollment charter school, each special-purpose
school district established under Subchapter H, Chapter 11, and the
South Texas Independent School District; and

(4) if (TAHG/TEHG) equals a value greater than one, use a value of one for (TAHG/TEHG).

(d) If funds remain available under this subchapter for a school year after determining initial grant amounts under Subsection (a), as adjusted to reflect the limits imposed by Subsection (b), the commissioner shall reapply the formula as necessary to award all available funds.

(e) If the commissioner reapplies the formula in accordance with Subsection (d), a school district that was ineligible under Section 42.455 for a grant during the initial application of the formula for that school year is eligible to receive a grant as a result of the formula reapplication.

Sec. 42.453. ELIGIBILITY OF OPEN-ENROLLMENT CHARTER SCHOOL. An open-enrollment charter school is eligible for a grant under this subchapter in the same manner as a school district.

Sec. 42.454. REGIONAL EDUCATION SERVICE CENTERS AND COUNTY DEPARTMENTS OF EDUCATION NOT ELIGIBLE. A regional education service center or a county department of education is not eligible for a grant under this subchapter.

Sec. 42.455. CERTAIN SCHOOL DISTRICTS NOT ELIGIBLE. Except as provided by Section 42.452(e), a school district is not eligible for a grant under this subchapter if for the 2015-2016 school year the district's expenditures per student in weighted average daily attendance, excluding bond debt service payments, capital outlays, and facilities acquisition and construction costs, exceeded an
amount that is equal to 120 percent of the state average amount for
that school year of expenditures per student in weighted average
daily attendance, excluding bond debt service payments, capital
outlays, and facilities acquisition and construction costs, as
those amounts are determined by the commissioner.

Sec. 42.456. FUNDING LIMIT. The amount of grants awarded by
the commissioner under this subchapter may not exceed $100 million
for the 2017-2018 school year or $50 million for the 2018-2019
school year.

Sec. 42.457. NO ADJUSTMENT BASED ON REVISED DATA. The
commissioner may not adjust the amount of a school district's grant
under this subchapter based on revisions to the district's data
received after a grant has been awarded.

Sec. 42.458. RULES. The commissioner may adopt rules as
necessary to administer this subchapter.

Sec. 42.459. DETERMINATION FINAL. A determination by the
commissioner under this subchapter is final and may not be
appealed.

Sec. 42.460. EXPIRATION. This subchapter expires September
1, 2019.

SECTION 3. Effective September 1, 2018, Section 46.032(a),
Education Code, is amended to read as follows:

(a) Each school district is guaranteed a specified amount
per student in state and local funds for each cent of tax effort to
pay the principal of and interest on eligible bonds. The amount of
state support, subject only to the maximum amount under Section
46.034, is determined by the formula:
ED = (EDGL × ADA × EDTR × 100) - (EDTR × (DPV/100))

where:

"EDA" is the amount of state funds to be allocated to the district for assistance with existing debt;

"EDGL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is the lesser of:

(1) $40 [$35] or a greater amount for any year provided by appropriation; or

(2) the amount that would result in a total additional amount of state funds under this subchapter for the current year equal to $60 million in excess of the state funds to which school districts would have been entitled under this section if the guaranteed level amount were $35;

"ADA" is the number of students in average daily attendance, as determined under Section 42.005, in the district;

"EDTR" is the existing debt tax rate of the district, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, divided by 100; and

"DPV" is the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521.

SECTION 4. Subtitle B, Title 3, Insurance Code, is amended by adding Chapter 230 to read as follows:
CHAPTER 230. CREDIT AGAINST PREMIUM TAXES FOR CONTRIBUTIONS TO CERTAIN EDUCATIONAL ASSISTANCE ORGANIZATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 230.001. DEFINITIONS. In this chapter:

(1) "Educational assistance organization" means an organization that:

(A) has the ability according to the organization's charter to award scholarships to or pay educational expenses for eligible students in:

(i) public elementary or secondary schools located in this state; or

(ii) nonpublic elementary or secondary schools located in this state:

(a) that meet the requirements of Section 230.052;

(b) at which a student may fulfill this state's compulsory attendance requirements; and

(c) that are not in violation of the federal Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.);

and

(B) uses part of its annual revenue for the purpose provided by Paragraph (A).

(2) "State premium tax liability" means any liability incurred by an entity under Chapter 221, 222, or 224.

(3) "Student with a disability" means a student who is:

(A) eligible to participate in a school
district's special education program under Section 29.003, Education Code; or

(B) covered by Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794).

Sec. 230.002. RULES; PROCEDURES. (a) The comptroller shall adopt rules and procedures to implement, administer, and enforce this chapter.

(b) A rule adopted under Subsection (a) is binding on an organization that applies for certification as an educational assistance organization, an entity that applies for a credit, and a state or local governmental entity, including a political subdivision, as necessary to implement, administer, and enforce this chapter.

SUBCHAPTER B. SCHOLARSHIP AND EDUCATIONAL EXPENSE ASSISTANCE PROGRAM

Sec. 230.051. CERTIFICATION OF EDUCATIONAL ASSISTANCE ORGANIZATION. (a) An organization may apply to the comptroller for certification as a certified educational assistance organization during an application period provided by the comptroller.

(b) To be eligible for certification, the organization:

(1) must:

(A) be exempt from federal tax under Section 501(a) of the Internal Revenue Code of 1986 by being listed as an exempt organization in Section 501(c)(3) of that code;

(B) be in good standing with the state;

(C) be located in the state;
(D) allocate at least 90 percent of its annual revenue from contributions that are designated for scholarships or educational expense assistance for eligible students under this chapter for student scholarships and assistance for educational expenses, including tuition, transportation, textbooks, and other supplies, and for other related educational expense assistance as described by this section;

(E) award scholarships and assistance for qualifying educational expenses to eligible students who demonstrate the greatest financial and academic need;

(F) agree to give each donor a receipt for money contributed to the organization that includes the name of the organization, the name of the donor, the amount of the contribution, the information required by Section 230.054(c), and any other information required by the comptroller;

(G) demonstrate experience and technical expertise in:

(i) accepting, processing, and tracking applications for scholarships or educational expense assistance; and

(ii) awarding scholarships to students in primary or secondary schools;

(H) agree to be independently audited on an annual basis and file the audit with the comptroller;

(I) disburse within two academic years of receipt contributions received from and designated by entities for scholarships or educational expense assistance under this chapter;
establish comprehensive and transparent criteria for how the organization will:

(i) select recipients of scholarships and educational expense assistance; and

(ii) determine the amount of the scholarship and educational expense assistance awarded to each recipient; and

(2) may not:

(A) award all scholarships under this chapter to students who attend a particular school or pay educational expenses incurred only at a particular school;

(B) provide to a student a scholarship in an annual amount that exceeds the amount provided under Section 230.055(a) unless the money used to provide the portion of the scholarship in excess of that amount was contributed by a person other than an entity that notifies the organization under Section 230.054(c) that the entity may apply for a tax credit for the contribution; and

(C) provide to a student educational expense assistance in excess of the amount provided under Section 230.055(b), unless the money used to provide the portion of the assistance in excess of that amount was contributed by a person other than an entity that notifies the organization under Section 230.054(c) that the entity may apply for a tax credit for the contribution, including assistance for:

(i) facility fees;
(ii) instructional materials; 
(iii) school supplies; 
(iv) tutoring; 
(v) academic after-school programs; 
(vi) school or lab fees; 
(vii) before-school or after-school child care; and
(viii) transportation expenses, including the cost to transfer from one public school to another.

(c) The comptroller shall certify one organization as the primary certified educational assistance organization and one organization as the secondary certified educational assistance organization. The comptroller shall select the organizations to certify as the primary and secondary certified educational assistance organizations from among the organizations that apply under Subsection (a) and meet the requirements of Subsection (b). The comptroller has broad discretion in selecting the primary and secondary certified educational assistance organizations.

(d) The comptroller shall notify all organizations that apply under Subsection (a) of the comptroller's selections under Subsection (c).

(e) The comptroller shall attempt to maintain one primary and one secondary certified educational assistance organization at all times. The comptroller shall provide an application period under Subsection (a) as soon as practicable after the comptroller learns there is, or is likely to be, a vacancy for the primary or secondary certified educational assistance organization.
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(f) The comptroller's selections under Subsection (c) are final and are not appealable.

Sec. 230.0511. PERFORMANCE OF CERTIFIED EDUCATIONAL ASSISTANCE ORGANIZATION POWERS AND DUTIES. (a) Except as provided by Subsection (b), the organization certified as the primary certified educational assistance organization shall perform the powers and duties assigned to the certified educational assistance organization under this chapter.

(b) The organization certified as the secondary certified educational assistance organization shall perform the powers and duties assigned to the certified educational assistance organization under this chapter if:

(1) the organization certified as the primary certified educational assistance organization has its certification revoked; or

(2) the comptroller otherwise determines the organization certified as the primary educational assistance organization is unable to perform the powers and duties assigned to the certified educational assistance organization under this chapter.

(c) A reference in this chapter or other law to the certified educational assistance organization means the organization performing the powers and duties of the certified educational assistance organization under Subsection (a) or (b).

Sec. 230.0512. ALLOCATION OF MONEY DESIGNATED FOR SCHOLARSHIPS OR EDUCATIONAL EXPENSE ASSISTANCE. Of the amount required to be allocated as provided by Section 230.051(b)(1)(D),
the certified educational assistance organization shall use:

(1) at least 80 percent to award scholarships as described by Section 230.055(a); and

(2) not more than 20 percent to award educational expense assistance as described by Section 230.055(b).

Sec. 230.052. NONPUBLIC SCHOOL REQUIREMENTS. The certified educational assistance organization may not award scholarships to or pay educational expenses for eligible students enrolled in a nonpublic school unless the nonpublic school executes a notarized affidavit, with supporting documents, concerning the school's qualification for scholarships and educational expense assistance for eligible students who receive assistance from the certified educational assistance organization, including evidence of:

(1) accreditation by the Texas Education Agency or by an organization recognized by the Texas Private School Accreditation Commission;

(2) annual administration of a nationally norm-referenced assessment instrument or the appropriate assessment instrument required under Section 39.023, Education Code;

(3) valid certificate of occupancy;

(4) policy statements regarding:

(A) admissions;

(B) curriculum;

(C) safety;

(D) food service inspection; and

(E) student to teacher ratios; and
the school's agreement that students who receive scholarships under this chapter are eligible to receive any scholarships offered by the school to the same extent as other students.

Sec. 230.053. ELIGIBILITY OF STUDENTS FOR SCHOLARSHIPS; INCLUSION IN CALCULATION OF EQUALIZED WEALTH LEVEL. (a) A student is eligible to apply for a scholarship from the certified educational assistance organization under this chapter if the student:

(1) is a student with a disability;

(2) is eligible to attend a public school under Section 25.001, Education Code;

(3) was enrolled in a public school in this state during the entire preceding academic year; and

(4) will attend a nonpublic school in this state during the entire academic year for which the scholarship is awarded.

(b) A student who establishes eligibility under this section may apply for a scholarship from the certified educational assistance organization under this chapter for each academic year until the student:

(1) graduates from high school;

(2) is no longer eligible to attend a public school under Section 25.001, Education Code; or

(3) enrolls in a public school, including an open-enrollment charter school.

(c) Notwithstanding Subsection (b), the comptroller shall
establish guidelines for, in the least disruptive manner possible:

(1) a student who has previously received a scholarship to enroll in a public school, including an open-enrollment charter school; and

(2) a student who previously received a scholarship and subsequently enrolled in a public school, including an open-enrollment charter school, to reestablish eligibility for a scholarship.

(d) The certified educational assistance organization shall award scholarships to eligible students who apply in accordance with this chapter to the extent money is available for that purpose.

(e) For the first year a student receives a scholarship under this chapter to attend a nonpublic school, the student is included in the weighted average daily attendance of the school district the student would otherwise attend for purposes of determining the district's equalized wealth level under Chapter 41, Education Code.

(f) A nonpublic school may not enroll a student who is awarded a scholarship under this chapter unless the nonpublic school:

(1) provides to the student's parent a written notice, in the primary language spoken by the parent, describing all expenses other than tuition required for the student to attend the nonpublic school; and

(2) receives from the parent a signed copy of the notice under Subdivision (1).
EXPENSE ASSISTANCE. (a) A student is eligible to apply for educational expense assistance from the certified educational assistance organization under this chapter for an academic year if the student:

(1) is a student with a disability; and

(2) will attend a public school in this state during the entire academic year for which the educational expense assistance is awarded.

(b) A student who establishes eligibility under this section may apply for educational expense assistance from the certified educational assistance organization under this chapter for each academic year the student attends a public school in this state.

(c) The certified educational assistance organization shall award educational expense assistance to eligible students who apply in accordance with this chapter to the extent money is available for that purpose.

Sec. 230.0532. NOTICE TO CERTAIN PARENTS. A school district shall provide written notice of the availability of assistance under this chapter to the parent of a student who is eligible to apply for a scholarship to attend a nonpublic school under Section 230.053. The notice under this section must inform the parent that a nonpublic school is not subject to laws regarding the provision of education services in the same manner as a public school, and a student with a disability attending a nonpublic school may not receive the services a student with a disability attending a public school is entitled to receive under federal and
state law. The notice must provide information regarding rights to
which a student with a disability is entitled under federal and
state law if the student attends a public school, including:

(1) rights provided under the Individuals with
Disabilities Education Act (20 U.S.C. Section 1400 et seq.),
including:
   (A) an individualized education program;
   (B) education services provided in the least
   restrictive environment;
   (C) instruction from certified teachers;
   (D) due process hearings to ensure proper and
   full implementation of an individualized education program;
   (E) transition and planning services; and
   (F) supplementary aids and services;

(2) rights provided under Subchapter A, Chapter 29,
Education Code; and

(3) other rights provided under federal or state law.

Sec. 230.054. CREDIT FOR CONTRIBUTIONS. (a) An entity may
apply for a credit under this chapter only for money contributed to
the certified educational assistance organization and designated
for scholarships or educational expense assistance for eligible
students.

(b) An entity may not apply for a credit under this chapter
for a contribution made to the certified educational assistance
organization if:

(1) the entity requires that the contribution benefit
a particular person or school; or
(2) the contribution is designated to provide a scholarship or educational expense assistance for an entity employee or for a spouse or dependent of an entity employee.

(c) An entity shall notify the certified educational assistance organization in writing when the entity makes a contribution if the entity may apply for a tax credit under this chapter for the contribution. An entity may not apply for a credit for the contribution unless the entity provides the notification at the time the contribution is made. The certified educational assistance organization shall indicate on the receipt provided under Section 230.051(b)(1)(F) that the entity made the notification under this subsection.

Sec. 230.055. LIMIT ON AMOUNT OF SCHOLARSHIP OR EDUCATIONAL EXPENSE ASSISTANCE. (a) The maximum scholarship amount the certified educational assistance organization may award to a student under this chapter for an academic year using money contributed by an entity that notifies the organization under Section 230.054(c) that the entity may apply for a tax credit for the contribution may not exceed the lesser of:

(1) $10,000; and

(2) the full tuition amount for the nonpublic school the student attends.

(b) The maximum educational expense assistance the certified educational assistance organization may award to a student under this chapter using money contributed by an entity that notifies the organization under Section 230.054(c) that the entity may apply for a tax credit for the contribution may not
exceed $500 for the 2019 state fiscal year, increased by five
percent each subsequent year.

Sec. 230.056. REVOCATION. (a) The comptroller shall
revoke a certification provided under Section 230.051 if the
comptroller finds that a certified educational assistance
organization:

(1) is no longer eligible under Section 230.051; or

(2) intentionally and substantially violates this
chapter.

(b) The comptroller has broad discretion in determining
whether to revoke a certification under Subsection (a).

(c) The comptroller shall notify a certified educational
assistance organization in writing of the comptroller's decision to
revoke the organization's certification. If the comptroller
revokes an organization's certification, the comptroller shall
include in the notice of revocation the reasons for the revocation.

(d) If the comptroller revokes a certified educational
assistance organization's certification under Subsection (a), the
organization may request in writing a reconsideration of the
revocation not later than the 10th day after the date of the notice
under Subsection (c) or the revocation is final.

(e) An organization that requests a reconsideration under
Subsection (d) may submit to the comptroller not later than the 30th
day after the date the request for reconsideration is submitted
additional information and documents to support the organization's
request for reconsideration.

(f) The comptroller's reconsideration of a revocation under
this section is not a contested case under Chapter 2001, Government Code. The comptroller's decision on a request for reconsideration of a revocation is final and is not appealable.

(g) This section does not create a cause of action to contest a decision of the comptroller to revoke a certified educational assistance organization's certification under this chapter.

(h) Revocation of a certification under this section does not affect the validity of a tax credit relating to a contribution made before the date of revocation.

Sec. A230.057. REPORT OF NET SAVINGS TO PUBLIC EDUCATION.

(a) In this section, "net savings" means any positive difference in a state fiscal year between:

(1) the amount by which state spending on public education for that year is reduced as a result of students receiving scholarships and educational expense assistance from the certified educational assistance organization under this chapter; and

(2) the amount by which state revenue derived from Chapters 221, 222, and 224 is reduced as a result of tax credits under this chapter.

(b) Not later than December 31 of each even-numbered year, the comptroller shall determine the amount of net savings for the previous state fiscal biennium and make available to the public a report of that amount of savings.

SUBCHAPTER C. CREDIT

Sec. 230.101. CREDIT. An entity may apply for a credit against the entity's state premium tax liability in the amount and
under the conditions and limitations provided by this chapter. The comptroller shall award credits as provided by Section 230.103.

Sec. 230.102. AMOUNTS; LIMITATION ON TOTAL CREDITS.

(a) Subject to Subsections (b) and (c), the amount of an entity's credit is equal to the lesser of the amount of the qualifying contributions made to the certified educational assistance organization or 50 percent of the entity's state premium tax liability.

(b) The total amount of tax credits that may be awarded under this chapter for a state fiscal year may not exceed $75 million.

(c) The comptroller by rule shall prescribe procedures by which the comptroller may allocate credits under this chapter. The procedures must provide that credits are first allocated to entities that were granted preliminary approval for a credit under Section 230.1025 in the amount that was preliminarily approved. The procedures must provide that any remaining credits are allocated on a first-come, first-served basis, based on the date the contribution was initially made.

(d) The comptroller may require an entity to notify the comptroller of the amount the entity intends or expects to apply for under this chapter before the beginning of a state fiscal year or at any other time required by the comptroller.

Sec. 230.1025. PRELIMINARY APPROVAL FOR CREDIT.

(a) Before making a contribution to the certified educational assistance organization, an entity may apply to the comptroller for preliminary approval of a credit under this chapter for the
contribution.

(b) An entity must apply for preliminary approval of a credit on a form provided by the comptroller that includes the amount the entity expects to contribute and any other information required by the comptroller.

(c) The comptroller shall grant preliminary approval for credits under this chapter on a first-come, first-served basis, based on the date the application for preliminary approval is received by the comptroller.

(d) The comptroller shall grant preliminary approval for a credit under this chapter if the total amount of credits preliminarily approved under this chapter does not exceed the amount provided by Section 230.102(b).

(e) A credit for which the comptroller grants preliminary approval remains subject to the limitation under Section 230.102(a) and any other limitations prescribed by this chapter.

Sec. 230.103. APPLICATION FOR CREDIT. (a) An entity must apply for a credit under this chapter on or with the tax return for the taxable year and submit with the application each receipt issued under Section 230.051(b)(1)(F) that includes the information required by Section 230.054(c).

(b) The comptroller shall adopt a form for the application for the credit. An entity must use this form in applying for the credit.

(c) The comptroller may award a credit to an entity that applies for the credit under Subsection (a) if the entity is eligible for the credit and the credit is available under Section
230.102(b). The comptroller has broad discretion in determining whether to grant or deny an application for a credit.

(d) The comptroller shall notify an entity in writing of the comptroller's decision to grant or deny the application under Subsection (a). If the comptroller denies an entity's application, the comptroller shall include in the notice of denial the reasons for the comptroller's decision.

(e) If the comptroller denies an entity's application under Subsection (a), the entity may request in writing a reconsideration of the application not later than the 10th day after the date of the notice under Subsection (d). If the entity does not request a reconsideration of the application on or before that date, the comptroller's decision is final.

(f) An entity that requests a reconsideration under Subsection (e) may submit to the comptroller not later than the 30th day after the date the request for reconsideration is submitted additional information and documents to support the entity's request for reconsideration.

(g) The comptroller's reconsideration of an application under this section is not a contested case under Chapter 2001, Government Code. The comptroller's decision on a request for reconsideration of an application is final and is not appealable.

(h) This section does not create a cause of action to contest a decision of the comptroller to deny an application for a credit under this chapter.

Sec. 230.104. ASSIGNMENT PROHIBITED; EXCEPTION. An entity may not convey, assign, or transfer the credit allowed under this
chapter to another entity unless all of the assets of the entity are
conveyed, assigned, or transferred in the same transaction.

Sec. 230.105. NOTICE OF AVAILABILITY OF CREDIT. The
comptroller shall provide notice of the availability of the credit
under this chapter on the comptroller's Internet website, in the
instructions for insurance premium tax report forms, and in any
notice sent to an entity concerning the requirement to file an
insurance premium tax report.

SECTION 5. (a) The constitutionality and other validity
under the state or federal constitution of all or any part of
Chapter 230, Insurance Code, as added by this Act, may be determined
in an action for declaratory judgment in a district court in Travis
County under Chapter 37, Civil Practice and Remedies Code, except
that this section does not authorize an award of attorney's fees
against this state and Section 37.009, Civil Practice and Remedies
Code, does not apply to an action filed under this section. This
section does not authorize a taxpayer suit to contest the denial of
a tax credit by the comptroller of public accounts.

(b) An appeal of a declaratory judgment or order, however
characterized, of a district court, including an appeal of the
judgment of an appellate court, holding or otherwise determining
that all or any part of Chapter 230, Insurance Code, as added by
this Act, is constitutional or unconstitutional, or otherwise valid
or invalid, under the state or federal constitution is an
accelerated appeal.

(c) If the judgment or order is interlocutory, an
interlocutory appeal may be taken from the judgment or order and is
an accelerated appeal.

(d) A district court in Travis County may grant or deny a temporary or otherwise interlocutory injunction or a permanent injunction on the grounds of the constitutionality or unconstitutionality, or other validity or invalidity, under the state or federal constitution of all or any part of Chapter 230, Insurance Code, as added by this Act.

(e) There is a direct appeal to the Texas Supreme Court from an order, however characterized, of a trial court granting or denying a temporary or otherwise interlocutory injunction or a permanent injunction on the grounds of the constitutionality or unconstitutionality, or other validity or invalidity, under the state or federal constitution of all or any part of Chapter 230, Insurance Code, as added by this Act.

(f) The direct appeal is an accelerated appeal.

(g) This section exercises the authority granted by Section 3-b, Article V, Texas Constitution.

(h) The filing of a direct appeal under this section will automatically stay any temporary or otherwise interlocutory injunction or permanent injunction granted in accordance with this section pending final determination by the Texas Supreme Court, unless the supreme court makes specific findings that the applicant seeking such injunctive relief has pleaded and proved that:

(1) the applicant has a probable right to the relief it seeks on final hearing; and

(2) the applicant will suffer a probable injury that is imminent and irreparable, and that the applicant has no other
adequate legal remedy.

(i) An appeal under this section, including an interlocutory, accelerated, or direct appeal, is governed, as applicable, by the Texas Rules of Appellate Procedure, including Rules 25.1(d)(6), 26.1(b), 28.1, 28.3, 32.1(g), 37.3(a)(1), 38.6(a) and (b), 40.1(b), and 49.4.

SECTION 6. An entity may apply for a credit under Chapter 230, Insurance Code, as added by this Act, only for an expenditure made on or after September 1, 2018.

SECTION 7. The comptroller of public accounts shall make the initial determination of net savings and report regarding that savings as required by Section 230.057, Insurance Code, as added by this Act, not later than December 31, 2020, based on the state fiscal biennium ending August 31, 2019.

SECTION 8. Chapter 230, Insurance Code, as added by this Act, applies only to a report originally due on or after September 1, 2018.

SECTION 9. (a) The amount of $270,000,000 of the unencumbered appropriations from the general revenue fund for the state fiscal biennium ending August 31, 2019, made by S.B. 1, Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), to the Health and Human Services Commission is transferred to the Texas Education Agency to be used by the agency during that state fiscal biennium as follows:

(1) $150,000,000 is allocated to fund financial hardship grants under Subchapter H, Chapter 42, Education Code, as added by this Act;
(2) $60,000,000 is allocated to fund payments to open-enrollment charter schools under Section 12.106(d), Education Code, as added by this Act; and

(3) $60,000,000 is allocated for the existing debt allotment under Section 46.032, Education Code, as amended by this Act.

(b) The Health and Human Services Commission shall identify the strategies and objectives out of which the transfer under Subsection (a) of this section is to be made.

SECTION 10. (a) Except as otherwise provided by this Act:

(1) this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect December 1, 2017.

(b) Chapter 230, Insurance Code, as added by this Act, takes effect September 1, 2018.