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Texas School Finance System Held To Be An Unconstitutional State-Wide Property Tax

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On November 22, 2005, the Texas Supreme Court issued its decision on the most recent state constitutional challenge to Texas' so-called "Robin Hood" property tax system for financing public schools.¹

The Texas Supreme Court upheld the District Court ruling that the Texas public school finance system is an unconstitutional state-wide property tax, but reversed the District Court holding that school financing was constitutionally inadequate. The prior District Court order enjoining the use of the current unconstitutional system is postponed until June 1, 2006.

Since the Texas Legislature's next regularly scheduled session does not begin until January 2007, the Texas Governor has announced he will call a Special Session of the Legislature to address public school finance "at an appropriate time." Most expect the Session to be called sometime after the March primary elections.

Future articles will discuss the rationale for the decision and proposed legislative fixes. While the Legislature might seek to raise the ceiling on the local property tax rates, more significant legislative changes are expected. ■

¹ See *Neeley v. West Orange-Cove Consol. Independent School Dist.*, Nos. 04-1144, 05-0145, 05-0148, ___ S.W. 3d ___, 2005 WL 3116298, 49 Tex. Sup. Ct. J. 119 (Tex. Nov. 22, 2005).



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