Amend **CSSB 2** (senate committee printing) as follows:

(1)   In SECTION 20 of the bill, in amended Section 26.04, Tax Code, strike amended Subsection (c) and added Subsection (c-1) (page 6, lines 43-64) and substitute the following:

(c)   An officer or employee designated by the governing body shall calculate the no-new-taxes [~~effective~~] tax rate and the rollback tax rate for the unit, where:

(1)   "No-new-taxes ["~~Effective~~] tax rate" means a rate expressed in dollars per $100 of taxable value calculated according to the following formula:

NO-NEW-TAXES [~~EFFECTIVE~~] TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

; and

(2)   "Rollback tax rate" means:

(A)   for a county with a population of 150,000 or more, a municipality with a population of 210,000 or more, or a taxing unit other than a county or municipality, a rate expressed in dollars per $100 of taxable value calculated according to the following formula:

ROLLBACK   TAX   RATE   =   (NO-NEW-TAXES MAINTENANCE AND OPERATIONS RATE x 1.05) + CURRENT DEBT RATE

; and

(B)   for a county with a population of less than 150,000 or a municipality with a population of less than 210,000, a rate expressed in dollars per $100 of taxable value calculated according to the following formula:

ROLLBACK   TAX   RATE   =   (NO-NEW-TAXES [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE

(c-1)   Notwithstanding any other provision of this section, the governing body of a county with a population of 150,000 or more, a municipality with a population of 210,000 or more, or a taxing unit other than a county or municipality may direct the designated officer   or   employee   to   substitute   "1.08"   for   "1.05"   in   the calculation of the rollback tax rate of the unit if any part of the

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unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States.

(2) In SECTION 21 of the bill, in amended Section 26.041, Tax Code, strike amended Subsections (a), (b), and (c) and added Subsection (c-1) (page 9, line 16, through page 10, line 4) and substitute the following:

(a) In the first year in which an additional sales and use tax is required to be collected, the no-new-taxes [effective] tax rate and rollback tax rate for the unit are calculated according to the following formulas:

NO-NEW-TAXES [EFFECTIVE] TAX RATE = [(LAST YEAR'S LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] - SALES TAX GAIN RATE

ROLLBACK TAX RATE FOR COUNTY WITH POPULATION OF 150,000 OR MORE, MUNICIPALITY WITH POPULATION OF 210,000 OR MORE, OR TAXING UNIT OTHER THAN COUNTY OR MUNICIPALITY = (NO-NEW-TAXES MAINTENANCE AND OPERATIONS RATE x 1.05) + CURRENT DEBT RATE - SALES TAX GAIN RATE

and

ROLLBACK TAX RATE FOR COUNTY WITH POPULATION OF LESS THAN 150,000 OR MUNICIPALITY WITH POPULATION OF LESS THAN 210,000 = (NO-NEW-TAXES [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE - SALES TAX GAIN RATE

where "sales tax gain rate" means a number expressed in dollars per $100 of taxable value, calculated by dividing the revenue that will be generated by the additional sales and use tax in the following year as calculated under Subsection (d) [of this section] by the current total value.

(b) Except as provided by Subsections (a) and (c) [of this section], in a year in which a taxing unit imposes an additional sales and use tax the rollback tax rate for the unit is calculated according to the following formula, regardless of whether the unit levied a property tax in the preceding year:

ROLLBACK TAX RATE FOR COUNTY WITH

POPULATION OF 150,000 OR MORE, MUNICIPALITY WITH
POPULATION OF 210,000 OR MORE, OR TAXING UNIT OTHER
THAN COUNTY OR MUNICIPALITY = [(LAST YEAR'S
MAINTENANCE AND OPERATIONS EXPENSE x 1.05) / (CURRENT
TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT RATE
- SALES TAX REVENUE RATE)

and

ROLLBACK TAX RATE FOR COUNTY WITH
POPULATION OF LESS THAN 150,000 OR MUNICIPALITY WITH
POPULATION OF LESS THAN 210,000 = [(LAST YEAR'S
MAINTENANCE AND OPERATIONS EXPENSE x 1.08) / ([TOTAL]
CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT
DEBT RATE - SALES TAX REVENUE RATE)

where "last year's maintenance and operations expense" means the
amount spent for maintenance and operations from property tax and
additional sales and use tax revenues in the preceding year, and
"sales tax revenue rate" means a number expressed in dollars per
$100 of taxable value, calculated by dividing the revenue that will
be generated by the additional sales and use tax in the current year
as calculated under Subsection (d) [of this section] by the current
total value.

(c) In a year in which a taxing unit that has been imposing
an additional sales and use tax ceases to impose an additional sales
and use tax the no-new-taxes [effective] tax rate and rollback tax
rate for the unit are calculated according to the following
formulas:

NO-NEW-TAXES [EFFECTIVE] TAX RATE = [(LAST
YEAR'S LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL
VALUE - NEW PROPERTY VALUE)] + SALES TAX LOSS RATE

ROLLBACK TAX RATE FOR COUNTY WITH POPULATION OF
150,000 OR MORE, MUNICIPALITY WITH POPULATION OF
210,000 OR MORE, OR TAXING UNIT OTHER THAN COUNTY OR
MUNICIPALITY = [(LAST YEAR'S MAINTENANCE AND
OPERATIONS EXPENSE x 1.05) / (CURRENT TOTAL VALUE - NEW
PROPERTY VALUE)] + CURRENT DEBT RATE

and

ROLLBACK TAX RATE FOR COUNTY WITH POPULATION OF

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LESS THAN 150,000 OR MUNICIPALITY WITH POPULATION OF

LESS THAN 210,000 = [(LAST YEAR'S MAINTENANCE AND

OPERATIONS EXPENSE x 1.08) / ([~~TOTAL~~] CURRENT TOTAL

VALUE - NEW PROPERTY VALUE)] + CURRENT DEBT RATE

where "sales tax loss rate" means a number expressed in dollars per $100 of taxable value, calculated by dividing the amount of sales and use tax revenue generated in the last four quarters for which the information is available by the current total value and "last year's maintenance and operations expense" means the amount spent for maintenance and operations from property tax and additional sales and use tax revenues in the preceding year.

(c-1) Notwithstanding any other provision of this section, the governing body of a county with a population of 150,000 or more, a municipality with a population of 210,000 or more, or a taxing unit other than a county or municipality may direct the designated officer or employee to substitute "1.08" for "1.05" in the calculation of the rollback tax rate of the unit if any part of the unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States.

(3) In SECTION 29 of the bill, in amended Section 26.06, Tax Code, strike added Subsections (b-1), (b-2), and (b-3) (page 14, line 46, through page 16, line 22) and substitute the following:

(b-1) If the proposed tax rate exceeds the no-new-taxes tax rate and the rollback tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE $_____ per $100

"NO-NEW-TAXES RATE $_____ per $100

"ROLLBACK TAX RATE $_____ per $100

"The no-new-taxes rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt (insert "before the voters are entitled to

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petition for an election to limit the rate that may be approved to the rollback tax rate" if Section 26.07 applies or "without holding an election to ratify the rate" if Section 26.08 applies).

"The proposed tax rate is greater than the no-new-taxes rate. This means that (name of taxing unit) is proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

"A second public hearing will be held on (date and time) at (meeting place).

"The proposed tax rate is also greater than the rollback tax rate. If (name of taxing unit) adopts the proposed tax rate, (insert "the voters are entitled to petition for an election to limit the rate that may be approved to the rollback tax rate" if Section 26.07 applies or "(name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate" if Section 26.08 applies). If a majority of the voters (insert "vote to reduce the tax rate to the rollback tax rate, the tax rate is the rollback tax rate" if Section 26.07 applies or "reject the proposed tax rate, (name of taxing unit) will be required to adopt a new tax rate that is not greater than the rollback tax rate" if Section 26.08 applies). The election will be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).

"Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(Names of all members of the governing body, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating the absences.)"

(b-2) If the proposed tax rate exceeds the no-new-taxes tax rate but does not exceed the rollback tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

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"PROPOSED TAX RATE $_____ per $100

"NO-NEW-TAXES RATE $_____ per $100

"ROLLBACK TAX RATE $_____ per $100

"The no-new-taxes rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt (insert "before the voters are entitled to petition for an election to limit the rate that may be approved to the rollback tax rate" if Section 26.07 applies or "without holding an election to ratify the rate" if Section 26.08 applies).

"The proposed tax rate is greater than the no-new-taxes rate. This means that (name of taxing unit) is proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

"A second public hearing will be held on (date and time) at (meeting place).

"The proposed tax rate is not greater than the rollback tax rate. As a result, (name of taxing unit) is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending one of the public hearings mentioned above.

"Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(Names of all members of the governing body, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating the absences.)"

(b-3) If the proposed tax rate does not exceed the no-new-taxes tax rate but exceeds the rollback tax rate of the taxing unit, the notice must contain a statement in the following

form:

<p align="center">"NOTICE OF PUBLIC HEARING ON TAX INCREASE</p>

"PROPOSED TAX RATE $_____ per $100

"NO-NEW-TAXES RATE $_____ per $100

"ROLLBACK TAX RATE $_____ per $100

"The no-new-taxes rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt (insert "before the voters are entitled to petition for an election to limit the rate that may be approved to the rollback tax rate" if Section 26.07 applies or "without holding an election to ratify the rate" if Section 26.08 applies).

"The proposed tax rate is not greater than the no-new-taxes rate. This means that (name of taxing unit) is not proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

"A second public hearing will be held on (date and time) at (meeting place).

"The proposed tax rate is greater than the rollback tax rate. If (name of taxing unit) adopts the proposed tax rate, (insert "the voters are entitled to petition for an election to limit the rate that may be approved to the rollback tax rate" if Section 26.07 applies or "(name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate" if Section 26.08 applies). If a majority of the voters (insert "vote to reduce the tax rate to the rollback tax rate, the tax rate is the rollback tax rate" if Section 26.07 applies or "reject the proposed tax rate, (name of taxing unit) will be required to adopt a new tax rate that is not greater than the rollback tax rate" if Section 26.08 applies). The election will be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).

"Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(Names of all members of the governing body, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating the absences.)"

(4) In SECTION 30 of the bill, strike added Section 26.061(b), Tax Code (page 17, lines 13-46), and substitute the following:

(b) The notice of the meeting at which the governing body of the taxing unit will vote on the proposed tax rate must contain a statement in the following form:

"NOTICE OF MEETING TO VOTE ON TAX RATE

"PROPOSED TAX RATE $_____ per $100

"NO-NEW-TAXES RATE $_____ per $100

"ROLLBACK TAX RATE $_____ per $100

"The no-new-taxes rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt (insert "before the voters are entitled to petition for an election to limit the rate that may be approved to the rollback tax rate" if Section 26.07 applies or "without holding an election to ratify the rate" if Section 26.08 applies).

"The proposed tax rate is not greater than the no-new-taxes rate. This means that (name of taxing unit) is not proposing to increase property taxes for the (current tax year) tax year.

"A public meeting to vote on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is also not greater than the rollback tax rate. As a result, (name of taxing unit) is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of

governing body) of (name of taxing unit) at their offices or by attending the public meeting mentioned above.

"Your taxes owed under any of the above rates can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(Names of all members of the governing body, showing how each voted on the proposed tax rate or, if one or more were absent, indicating the absences.)"

(5) Add the following appropriately numbered SECTION to the bill:

SECTION ____. Section 26.07, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) This section applies only to:

(1) a county with a population of less than 150,000; or

(2) a municipality with a population of less than 210,000.

(a-1) If the governing body of a taxing unit to which this section applies [other than a school district] adopts a tax rate that exceeds the rollback tax rate calculated as provided by this chapter, the qualified voters of the taxing unit by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate calculated as provided by this chapter.

(6) In SECTION 32 of the bill, strike the recital to the SECTION (page 19, lines 34 and 35) and substitute the following:

SECTION ____. Section 26.08, Tax Code, is amended by amending Subsections (a), (b), (d), (d-1), (d-2), (e), (g), (h), (n), and (p) and adding Subsection (a-1) to read as follows:

(7) In SECTION 32 of the bill, strike amended Section 26.08(a), Tax Code (page 19, lines 36-49), and substitute the following:

(a) This section applies to a taxing unit other than:

(1) a county or municipality to which Section 26.07 applies; or

(2) a district to which Chapter 49, Water Code,

applies.

(a-1) If the governing body of a taxing unit to which this section applies [school district] adopts a tax rate that exceeds the taxing unit's [district's] rollback tax rate, the registered voters of the taxing unit [district] at an election held for that purpose must determine whether to approve the adopted tax rate. When increased expenditure of money by a taxing unit [school district] is necessary to respond to a disaster, including a tornado, hurricane, flood, or other calamity, but not including a drought, that has impacted the taxing unit [a school district] and the governor has requested federal disaster assistance for the area in which the taxing unit [school district] is located, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs.

(8) In SECTION 35 of the bill, strike amended Section 26.16(d), Tax Code (page 21, line 55, through page 22, line 21), and substitute the following:

(d) The county assessor-collector shall post immediately below the table prescribed by Subsection (c) the following statement:

"The county is providing this table of property tax rate information as a service to the residents of the county. Each individual taxing unit is responsible for calculating the property tax rates listed in this table pertaining to that taxing unit and providing that information to the county.

"The adopted tax rate is the tax rate adopted by the governing body of a taxing unit.

"The maintenance and operations rate is the component of the adopted tax rate of a taxing unit that will impose the amount of taxes needed to fund maintenance and operation expenditures of the unit for the following year.

"The debt rate is the component of the adopted tax rate of a taxing unit that will impose the amount of taxes needed to fund the unit's debt service for the following year.

"The no-new-taxes [effective tax] rate is the tax rate that would generate the same amount of revenue in the current tax year as

was generated by a taxing unit's adopted tax rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year.

"The no-new-taxes [effective] maintenance and operations rate is the tax rate that would generate the same amount of revenue for maintenance and operations in the current tax year as was generated by a taxing unit's maintenance and operations rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year.

"The rollback tax rate is the highest tax rate a taxing unit may adopt before requiring voter approval at an election. In the case of a county with a population of less than 150,000, a municipality with a population of less than 210,000, or certain special purpose districts [taxing unit other than a school district], the voters by petition may require that a rollback election be held if the unit adopts a tax rate in excess of the [unit's] rollback tax rate. In the case of any other taxing unit, including a school district, a county with a population of 150,000 or more, or a municipality with a population of 210,000 or more, an election will automatically be held if the unit [the district] wishes to adopt a tax rate in excess of the unit's [district's] rollback tax rate."

     (9) In SECTION 36 of the bill, in amended Section 31.12(a), Tax Code (page 22, line 40), strike "26.08(d-2) [26.07(g)]," and substitute "26.07(g), 26.08(d-2),".

     (10) In SECTION 36 of the bill, in amended Section 31.12(b)(2), Tax Code (page 22, lines 52 and 53), strike "26.08(d-2) [26.07(g)]" and substitute "26.07(g) or 26.08(d-2)".

     (11) In SECTION 37 of the bill, in amended Section 33.08(b), Tax Code (page 23, line 7), strike "26.08(d-1) [26.07(f)]," and substitute "26.07(f), 26.08(d-1),".

     (12) In SECTION 57 of the bill (page 30, lines 30-32), strike amended Section 3828.157, Special District Local Laws Code, and substitute the following:

     Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE PROVISIONS. Sections 26.04 and [,] 26.05, [and 26.07,] Tax Code, do not apply to a tax imposed under Section 3828.153 or 3828.156.

(13) In SECTION 58 of the bill, in amended Section 49.107(g), Water Code (page 30, line 41), strike "26.061, and 26.08" and substitute "and 26.061".

(14) In SECTION 59 of the bill, in amended Section 49.108(f), Water Code (page 30, line 47), strike "26.061, and 26.08" and substitute "and 26.061".

(15) Strike SECTION 61 of the bill (page 33, lines 14-23) and substitute the following appropriately numbered SECTION:

SECTION _____. The following provisions are repealed:

(1) Sections 403.302(m-1) and (n), Government Code;

(2) Section 140.010, Local Government Code;

(3) Section 1063.255, Special District Local Laws Code;

(4) Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003; and

(5) Section 49.2361, Water Code.

(16) Renumber the SECTIONS of the bill and cross-references to those SECTIONS accordingly.