

Amend Floor Amendment No. 1 by Wohlgemuth to SB 671 as follows:

(1) In SECTION 1 of the bill, in proposed Paragraph (A), Subdivision (2), Section 51.02, Tax Code, between "study" and the comma (floor amendment page 1, line 23), insert "conducted for the year 2003 or a subsequent year".

(2) In SECTION 1 of the bill, in proposed Paragraph (B), Subdivision (2), Section 51.02, Tax Code, between "study" and the comma (floor amendment page 1, line 27), insert "conducted for the year 2003 or a subsequent year".

(3) In SECTION 1 of the bill, in proposed Paragraph (C), Subdivision (2), Section 51.02, Tax Code, between "study" and the comma (floor amendment page 1, line 29), insert "conducted for the year 2003 or a subsequent year".

(4) In SECTION 1 of the bill, in proposed Subsection (c), Section 51.21, Tax Code, at the end of the subsection (floor amendment page 3, line 16), add the following:

In determining whether the local value for a school district is valid, the commissioner shall use a margin of error that does not exceed five percent unless the commissioner determines that the size of the sample of properties necessary to make the determination makes the use of such a margin of error not feasible, in which case the commissioner may use a larger margin of error.

(5) In SECTION 1 of the bill, in proposed Section 51.21, Tax Code, between Subsections (g) and (h) (floor amendment page 6, between lines 17 and 18), insert the following subsection and renumber the subsequent subsections and cross-references to those subsections accordingly:

(h) Notwithstanding Subsection (g), if, after conducting the annual study for the two years following the second year for which the commissioner determines that a school district is an eligible school district, the commissioner determines that the local value for the school district is invalid for either of those years, the commissioner shall notify the commissioner of education that the school district's taxable value for the two years for which the commissioner determined that the district was an eligible school district was the state value rather than the local value as

previously certified. The commissioner of education shall, by withholding amounts from subsequent allocations of state funds under Chapter 42, Education Code, recover from the school district an amount equal to the over allocation of state funds resulting from the certification of the local value rather than the state value for the two years for which the commissioner determined that the district was an eligible school district. If the school district does not receive a tier one allotment, the district shall remit to the comptroller for deposit to the credit of the foundation school fund an amount equal to the reduction in the district's total cost of purchasing attendance credits under Subchapter D, Chapter 41, Education Code, or educating nonresident students under Subchapter E, Chapter 41, Education Code, resulting from the certification of the local value rather than the state value for the two years for which the commissioner determined that the district was an eligible school district. This subsection does not apply to an eligible school district if the commissioner determines in the year following the first year for which the commissioner determines that the school district is an eligible school district that the local value for the school district is valid.