

Amend **HB 2** as follows:

(1) In ARTICLE 2, PART C, insert the following appropriately-numbered SECTION to read as follows:

"SECTION 2C. __. Chapter 322, Government Code, is amended by adding Section 322.019 and Section 322.020 to read as follows:

Sec. 322.019. UNFUNDED LEGISLATIVE MANDATES. (a) In this section, "legislative mandate" means a statutory provision enacted by the legislature that requires a political subdivision to establish, expand, or modify an activity in a way that requires an expenditure of revenue that would not have been required in the absence of the provision.

(b) On or before the September 1st following a regular session of the legislature and on or before the 90th day after the last day of a special session of the legislature, the board shall publish a list of legislative mandates for which the legislature has not provided reimbursement as provided by Subsection (c) and that were enacted by the legislature during that legislative session. By that same date the board shall:

(1) remove from the list of legislative mandates for a previous legislative session a legislative mandate:

(A) for which the legislature has provided reimbursement as provided by Subsection (c); or

(B) that is no longer in effect; and

(2) add to the list a legislative mandate from a previous legislative session for which reimbursement was provided as provided by Subsection (c) in the previous session but for which reimbursement was not provided in the most recent regular session or in any subsequent special session.

(c) A legislative mandate is considered to be a mandate for which the legislature has provided reimbursement if the legislature appropriates or otherwise provides funds for a state fiscal year, other than revenue of the political subdivision, estimated to be sufficient to meet the cost incurred by all affected political subdivisions in the fiscal year of financing the expenditure.

(d) The board shall deliver the list prepared under

Subsection (b) to the secretary of state for publication in the Texas Register.

Sec. 322.020. REVIEW OF UNFUNDED LEGISLATIVE MANDATES. (a) Before September 1 of the even-numbered year before the third anniversary of the date of enactment of a mandate identified by the board under Section 322.019, the board shall:

(1) review the legislative history of the mandate;

(2) conduct an evaluation on the benefits of the mandate and the costs of the mandate on affected political subdivisions; and

(3) present a written report to the legislature and the governor on the board's findings.

(b) During the regular session immediately following the issuance of a report under Subsection (a), the legislature by law may continue the mandate for a period not to exceed three years, by law may repeal the mandate, or may take no action on the mandate.

(2) On page 410, line 13, strike "is" and substitute "and Chapter 320, Government Code, are".