

Amend CSHB 3 as follows:

(1) On page 1, line 11, strike "(d-3),".

(2) On page 2, strike lines 11-22 and substitute the following:

(d-2) Subsection (d-1) and this subsection expire January 1, 2006.

(3) Strike page 3, lines 4-7 and substitute the following:

SECTION 1A.02. (a) The changes in law made by this part apply to the maintenance and operations tax rate of a school district beginning with the 2005 tax year.

(b) If before the effective date of this part, the governing body of a school district adopted an ad valorem tax rate for the district for the 2005 tax year under the law in effect immediately before the effective date of this part, and the adopted ad valorem tax rate included a rate for maintenance and operations expenses that is greater than the maximum maintenance and operations tax rate for the 2005 tax year permitted under this part:

(1) on the effective date of this part, the ad valorem tax rate adopted for the district is invalidated; and

(2) the governing body shall adopt an ad valorem tax rate for the 2005 tax year in accordance with the changes in law made by this part.

(c) If tax bills for the 2005 tax year were sent by the tax assessor for a school district pursuant to a tax rate invalidated under Subsection (b)(1) of this section, the tax assessor for the school district shall prepare and mail a new tax bill for the 2005 tax year to each taxpayer of the district in the manner required by Chapter 31, Tax Code. If a tax payer pays the taxes for the 2005 tax year pursuant to a tax rate invalidated under Subsection (b)(1) of this section, the school district shall refund any difference between the tax paid and the tax due at the rate adopted under Subsection (b)(2) of this section.

(d) If this Act is passed by the legislature without receiving a vote of two-thirds of all the members elected to each house, any action taken before the effective date of this part in preparation for the implementation of the changes in law made by this part, including adoption of a maintenance and operations tax

rate, by an officer or employee or the governing body of a school district that the officer, employee, or governing body determines is necessary or appropriate and that the officer, employee, or governing body would have been authorized to take had this part been in effect at the time of the action is validated as of the effective date of this part. Any public notice required by Chapter 26, Tax Code, or Chapter 44, Education Code, given before the effective date of this part that includes an additional statement that the tax rate for the school district will be adopted in accordance with the changes in law made by this part is validated as of the effective date of this part.

(4) On page 5, lines 7-8, strike "rollback tax rate of the district as provided by Section 26.08, Tax Code" and substitute "district's maintenance and operations tax rate for purposes of Chapter 42, Education Code".

(5) On page 7, line 27 through page 8, line 1, strike "rollback tax rate of the district as provided by Section 26.08, Tax Code" and substitute "district's maintenance and operations tax rate for purposes of Chapter 42, Education Code".

(6) On page 8, line 9, strike "weighted".

(7) On page 8, line 10, strike "42.302" and substitute "42.252".

(8) Strike page 8, line 16, and substitute the following:

SECTION 1B.03. Section 26.08(k), Tax Code, is

(9) On page 9, line 3, strike "weighted" and substitute "[~~weighted~~]".

(10) On page 9, line 7, strike "\$0.06" and substitute "\$0.04 [~~\$0.06~~]".

(11) Strike page 9, line 9 through page 10, line 9.

(12) On page 10, between lines 9 and 10, insert the following appropriately numbered SECTION and renumber subsequent SECTIONS of the bill accordingly:

SECTION 1B.\_\_\_. Section 26.08(k), Tax Code, is repealed.

(13) Strike page 10, line 19 through page 16, line 15, and substitute the following appropriately numbered section:

SECTION 1B.\_\_\_. (a) Subchapters O and P, Chapter 403, Government Code, as added by this Act, expire on January 1 of the

first tax year after the tax year in which all school district maintenance tax rates are less than \$1.00 per \$100 of taxable property. After that date, the legislature may appropriate for school district property tax rate reduction any amount of state revenue that would have been required to be used for school district tax rate reduction under those subchapters, as determined by the legislature.

(b) It is the intent of the legislature that Subchapters O and P, Chapter 403, Government Code, as added by this Act, be construed to provide that all additional state revenue resulting from the changes in law made by **HB 3**, Acts of the 79th Legislature, First Called Session, 2005, be used to provide school district tax rate reduction.