

Amend **CSHB 3** as follows:

(1) On page 14, between lines 12 and 13, insert the following:

Sec. 171.0025. ANNUAL RATE CHANGE TO MAINTAIN SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAX RATES. (a) On January 1 of each year beginning with the year following the first tax year in which the average school district maintenance and operations tax rate is equal to or less 60 cents per \$100 of taxable value of property, the rate of the franchise tax is increased or decreased by the percentage that is necessary to provide for the deposit to the credit of the property tax relief fund as required by Section 171.4011 an amount of revenue sufficient to maintain the average school district maintenance and operations tax rate at that rate, except that the rate of the franchise tax may not be increased to a rate that exceeds the rate provided by Section 171.002.

(b) Not later than November 1 of each year, the Legislative Budget Board shall:

(1) determine using information provided by the Texas Education Agency the average school district maintenance and operations tax rate for that year; and

(2) beginning in the first year in which the computation under Subdivision (1) indicates that the average school district maintenance and operations tax rate is equal to or less than 60 cents per \$100 of taxable value of property and in each subsequent year:

(A) compute the new franchise tax rate as provided by this section for the privilege period that begins on or after the date the computation is made;

(B) submit the new franchise tax rate to the secretary of state for publication in the Texas Register; and

(C) notify the comptroller of the applicable new franchise tax rate.

(2) Add the following appropriately numbered section and renumber the subsequent sections of the bill accordingly:

SECTION ____ . Section 171.0025, Tax Code, as added by this

Act, takes effect only if **HB 2**, Acts of the 79th Legislature, 3rd Called Session, 2006, is enacted and becomes law. If that Act does not become law, this section has no effect.