

Amend CSHB 2 in Article 3 of the bill by inserting the following new sections, appropriately numbered, and renumbering the subsequent sections of Article 3 accordingly:

SECTION 3.___. Section 31.05(a), Tax Code, is amended to read as follows:

(a) The governing body of a taxing unit [~~that collects its own taxes~~] may adopt the discounts provided by Subsection (b) or Subsection (c) [~~of this section~~], or both, in the manner required by law for official action by the body. The discounts, if adopted, apply only to that taxing unit's taxes [~~for a taxing unit for which the adopting taxing unit collects taxes if the governing body of the other unit, in the manner required by law for official action by the body, adopts the discounts or approves of their application to its taxes by the collecting unit~~]. If a taxing unit adopts both discounts under Subsections (b) and (c) [~~of this section~~], the discounts adopted under Subsection (b) apply unless the [~~unit mails its~~] tax bills for the unit are mailed after September 30, in which case only the discounts under Subsection (c) apply. A taxing unit that collects taxes for another taxing unit that adopts the discounts may prepare and mail separate tax bills on behalf of the adopting taxing unit and may charge an additional fee for preparing and mailing the separate tax bills and for collecting the taxes imposed by the adopting taxing unit. If under an intergovernmental contract a county assessor-collector collects taxes for a taxing unit that adopts the discounts, the county assessor-collector may terminate the contract if the county has adopted a discount policy that is different from the discount policy adopted by the adopting taxing unit.

SECTION 3.___. (a) Section 31.05, Tax Code, as amended by this article, applies to the adoption of a discount by a taxing unit beginning with the 2005 tax year, except as provided by Subsection (b) of this section.

(b) If a taxing unit's tax bills for the 2005 tax year are mailed before the effective date of this article, Section 31.05, Tax Code, as amended by this article, applies to the adoption of a discount by the taxing unit beginning with the 2006 tax year, and the law in effect when the tax bills were mailed applies to the 2005

tax year with respect to that taxing unit.