

Amend CSHB 3 by adding the following section to the bill, appropriately numbered, and renumbering existing sections accordingly:

SECTION _____. (a) Title 1, Tax Code, is amended by adding Chapter 61 to read as follows:

CHAPTER 61. PROPERTY TAX RELIEF FOR
RESIDENTIAL TENANTS

Sec. 61.001. PURPOSE. The purpose of this chapter is to ensure that tenants of certain dwelling units receive direct and immediate benefit from reductions in local school district ad valorem taxes and that landlords of certain dwelling units give a monthly rent rebate or credit to each tenant of the landlord in calendar years 2006 and 2007.

Sec. 61.002. DEFINITIONS. In this chapter:

(1) "Dwelling unit" means one or more rooms rented or leased for residential use under a single lease to one or more tenants. The term includes a dwelling unit in a multifamily residential property.

(2) "Landlord" means the owner, lessor, or sublessor of a dwelling unit, but does not include a manager or agent of the landlord unless the manager or agent purports to be the owner, lessor, or sublessor in a written or oral lease.

(3) "Lease" means a written or oral agreement between a landlord and tenant that establishes or modifies the terms, conditions, rules, or other provisions regarding the use and occupancy of a dwelling unit.

(4) "Multifamily residential property" includes a duplex, apartment building, dormitory, manufactured housing community, retirement center or community, and assisted living center.

(5) "Rent" includes the total amount charged by a landlord, or by a person on the landlord's behalf, for the use and occupancy of a dwelling unit. The term does not include a refundable security deposit.

(6) "Rental period" means a month, week, or other period for which a rental payment is due under a lease.

(7) "Tenant" means a person who is authorized by a

lease to occupy a dwelling unit to the exclusion of others, other than cotenants, and who is obligated under the lease to pay rent.

Sec. 61.003. APPLICABILITY. (a) This chapter applies only to a dwelling unit:

(1) that is subject to ad valorem taxation by a school district; and

(2) except as provided by Subsection (b), for which the rent is \$600 a month or less.

(b) For a dwelling unit that is located in a metropolitan statistical area as established by the federal Office of Management and Budget with a population of greater than one million, this chapter applies only to a dwelling unit for which the rent is \$750 a month or less.

(c) This chapter does not apply to a temporary residential tenancy created by a contract of sale under which the buyer is entitled to occupy the property before closing or the seller is entitled to occupy the property after closing for a term of not more than 90 days.

Sec. 61.004. REBATE OR CREDIT TO TENANT; AMOUNTS. (a) Except as provided by Subsection (b), for each rental period in calendar years 2006 and 2007, a landlord shall provide each of the landlord's tenants, as directed by the tenant, with a rebate, paid in cash or by check, or a credit against the tenant's rent.

(b) For a lease entered into during calendar year 2006 or 2007, in the lease agreement or another writing the tenant may agree to waive the rebate or credit and accept the benefit of this chapter in the form of an appropriate reduction in the tenant's rent for each rental period.

(c) In each rental period of calendar year 2006, the amount of the rental rebate or credit required by Subsection (a) is one percent of the tenant's rent. In each month of calendar year 2007, the amount of the rental rebate or credit required by Subsection (a) is two percent of the tenant's rent.

(d) If two or more tenants are parties to a lease for the same dwelling unit, the rebate or credit shall be provided jointly to all tenants renting the unit.

Sec. 61.005. DATE OF REQUIRED REBATE OR CREDIT. (a) If a

landlord pays a rent rebate to the tenant, the landlord shall pay the rebate not later than the 10th day after the date the tenant pays the entire rent due for the applicable rental period. A landlord is presumed to have timely paid a rebate if the rebate is placed in the United States mail and postmarked on or before that date.

(b) If a landlord gives a credit to a tenant under this chapter for a rental period, the landlord shall give the credit on the due date for the rent for the rental period.

Sec. 61.006. NOTICE BY CHIEF APPRAISERS. (a) In calendar years 2005 and 2006, on or before December 1 or as soon as practicable after that date, the chief appraiser of each appraisal district shall send to all property owners a notice describing the requirements of this chapter. The notice shall indicate whether a property owned by a person is in a metropolitan statistical area to which Section 61.003(b) applies.

(b) In December of calendar years 2005 and 2006, each appraisal district shall place at least one advertisement in a newspaper of general circulation in the county for which the appraisal district is established. The advertisement shall be in 14-point or larger type and contain a notice describing the requirements of this chapter.

(c) Not later than November 15, 2005, the comptroller shall prescribe the language to be included in the notice required by Subsections (a) and (b). The notices shall be printed in both English and Spanish, and copies shall be sent to each appraisal district not later than November 30, 2005. A copy of the materials shall be provided by the comptroller without cost to any property owner on request.

(d) The comptroller shall provide necessary technical assistance to appraisal districts and landlords in complying with this chapter.

Sec. 61.007. TAX APPRAISALS. In tax years 2006 and 2007, a chief appraiser or an appraisal district may not consider a reduction of school district ad valorem taxes attributable to a provision of the Act of the legislature enacting this chapter in any determination of the appraised value of a dwelling unit to which

this chapter applies.

Sec. 61.008. EXPIRATION. This chapter expires January 1, 2008.

(b) Chapter 1, Tax Code, is amended by adding Section 1.16 to read as follows:

Sec. 1.16. LANDLORD LIABILITY UNDER CHAPTER 61. The expiration of Chapter 61 does not affect the liability of a landlord for any amount arising under Chapter 61 before the expiration of that chapter, and the law governing that liability remains in effect notwithstanding the expiration of that chapter for purposes of enforcing or satisfying the liability.