

Amend CSHB 1006 by adding the following section to the bill and renumbering existing sections accordingly:

SECTION _____. Chapter 26, Tax Code, is amended by adding Section 26.046 to read as follows:

Sec. 26.046. ROLLBACK RELIEF FOR UNFUNDED STATE MANDATE.

(a) In this section, "state mandate" means a statutory provision enacted by the legislature, or a rule or order implementing a state statute that is prescribed or issued by a state officer or state agency in the executive branch of state government and that requires a taxing unit to establish, expand, or change an activity in a way that requires an expenditure of revenue that would not have been required in the absence of the statutory provision, rule, or order.

(b) For purposes of this section, a state mandate is considered to be unfunded during any period for which the state has not provided, by legislative appropriation or otherwise, for the affected taxing unit to receive state or federal funds in an amount estimated to be sufficient to meet the cost of complying with or implementing the mandate. If the legislature provides for funds by authorizing or requiring an affected taxing unit to collect a regulatory or user fee that the state will impose or that a taxing unit is authorized to impose on persons who engage in an activity that is the subject of or is directly connected to the subject of the state mandate, the anticipated revenue from the fee is considered for purposes of this section to be funds provided by the state to pay for the costs of the state mandate.

(c) This section does not apply to:

(1) a state mandate the existence of which is necessary for compliance with a requirement of the Texas Constitution, a court order, or federal law, including a state mandate that is necessary for continued participation in a federal program;

(2) a state statute that creates a criminal offense or changes the elements of a criminal offense; or

(3) a decision or order by a state officer or state agency that requires a taxing unit to comply with, or that sanctions the taxing unit for failure to comply with, a law, rule, or order that is not an unfunded state mandate to which this section applies.

(d) Subject to Subsections (g) and (h), when a taxing unit adopts a tax rate, the effective tax rate, the rollback tax rate, and the super rollback tax rate for the taxing unit are increased by the rate that, if applied to current total value, would impose an amount of taxes equal to the amount the taxing unit is required to spend to comply with or implement the mandate in that year. If the taxing unit is a county or municipality, the rollback tax rate and the super rollback tax rate of the county or municipality shall also be adjusted by the percentage increase or decrease, as applicable, in the municipal cost index for the preceding tax year compared with the municipal cost index for the current tax year.

(e) In each subsequent year that the taxing unit adopts a tax rate, if the amount the taxing unit is required to spend to comply with or implement the unfunded state mandate is greater than the amount required to be spent for the mandate in the preceding year, the effective tax rate, the rollback tax rate, and the super rollback tax rate for the taxing unit are increased by the rate that, if applied to current total value, would impose an amount of taxes equal to the increase in the amount required to be spent to comply with or implement the mandate in that year.

(f) A taxing unit shall include a notice of an increase in the effective tax rate, the rollback tax rate, and the super rollback tax rate made as provided by this section, including a description of and the estimated amount of the unfunded state mandate in the information published under Sections 26.04 and 26.06 of this code, Section 44.004, Education Code, or Section 49.236, Water Code.

(g) On or before the September 1 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 comptroller shall publish a list of legislative mandates for which the legislature has not provided reimbursement as provided by Subsection (b) and that were enacted by the legislature during that legislative session. By that same date the comptroller shall:

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

(A) for which the legislature has provided

reimbursement as provided by Subsection (b); 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 (b) in the previous session but for which reimbursement was not provided in the most recent regular session or in any subsequent special session.

(h) The comptroller shall deliver the list prepared under Subsection (g) to the secretary of state for publication in the Texas Register.

(i) A taxing unit that believes it is subject to an unfunded state mandate that is not listed by the comptroller under Subsection (g) must apply in writing to the comptroller for a determination as to whether the taxing unit is subject to an unfunded state mandate. The comptroller shall make the determination as soon as practicable and send a copy of the determination to the chief executive officer of the taxing unit. If the comptroller determines that an unfunded mandate exists, the comptroller shall add the unfunded mandate to the list published under Subsection (g) as soon as practicable and deliver a notice of the addition to the secretary of state for publication in the Texas Register.