

Amend CSHB 3928 by adding the following appropriately numbered SECTIONS to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 171, Tax Code, is amended by adding Section 171.0025 to read as follows:

Sec. 171.0025. ANNUAL RATE ADJUSTMENTS TO MAINTAIN SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAX RATES. (a) Beginning with the calendar year following the first tax year in which the average school district maintenance and operations tax rate is equal to or less than 70 cents per \$100 of taxable value of property, the rates of the franchise tax provided by Sections 171.002(a) and (b) are adjusted in accordance with Subsection (c) 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 of an amount of revenue sufficient to maintain the average school district maintenance and operations tax rate at the rate of 70 cents per \$100 of taxable value of property, except that the rates of the franchise tax may not be increased to rates that exceed the rates provided by Sections 171.002(a) and (b).

(b) The rates provided by Sections 171.002(a) and (b) must be adjusted under this section by equal percentages.

(c) 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 70 cents per \$100 of taxable value of property and in each subsequent year:

(A) compute the new franchise tax rates as provided by this section;

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

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

(d) The new franchise tax rates computed under Subsection (c) take effect on the January 1 following the date the computation is made and apply to reports originally due on or after that date.

(e) Section 171.003 does not apply to an increase in a franchise tax rate under this section.

SECTION _____. Section 171.003(a), Tax Code, is amended to read as follows:

(a) Except as provided by Section 171.0025, an ~~[An]~~ increase in a rate provided by Section 171.002(a) or (b) takes effect only if approved by a majority of the registered voters voting in a statewide referendum held on the question of increasing the rate. The referendum must specify the increased rate or rates.