

Amend CSSB 20 (Senate committee printing) as follows:

(1) Add the following appropriately numbered ARTICLE to the bill and renumber subsequent ARTICLES of the bill accordingly:

ARTICLE ____ . STUDY REGARDING CIRCUIT BREAKER PROGRAMS

SECTION __.01. (a) In this section, "circuit breaker program" means a program that limits the amount of ad valorem taxes that may be imposed on a residence homestead based on the owner's annual income.

(b) The comptroller shall conduct a study to examine circuit breaker programs.

(c) Before collecting information for purposes of the study, the comptroller shall establish an advisory committee to assist the comptroller in conducting the study. The advisory committee must be composed of representatives of:

- (1) school districts and other taxing units;
- (2) home builders;
- (3) real estate agents;
- (4) mortgage lenders;
- (5) financial agencies involved in mortgage markets;
- (6) organizations interested in housing for low-income and moderate-income households;
- (7) organizations interested in the effect of ad valorem taxes on low-income and moderate-income households;
- (8) organizations interested in the effect of public policy on low-income and moderate-income households; and
- (9) other appropriate, interested organizations or members of the public, as determined by the comptroller.

(d) The comptroller, with the assistance of the advisory committee, shall study:

- (1) methods to implement a circuit breaker program, including the use of rebates or tax credits;
- (2) methods to create a simple, transparent process for the owner of a residence homestead to apply for and receive a limitation on the amount of ad valorem taxes that may be imposed on the homestead under a circuit breaker program;
- (3) the effects of different designs of a circuit breaker program, including the effect of:

(A) limiting which taxing units are involved;
(B) basing eligibility on a maximum annual income level;

(C) limiting the dollar amount of the benefit that a property owner could receive in the program; and

(D) basing eligibility on a minimum ratio of residence homestead ad valorem taxes imposed to annual income, including a progressive scale of minimum ratios based on annual income; and

(4) methods to ensure the reliability of a property owner's statement of annual income.

(e) The comptroller and the advisory committee shall analyze the information studied and prepare a report that:

(1) describes the parameters, techniques, and legal assumptions established under Subsection (d) of this section that were used in conducting the study;

(2) estimates the benefit of alternative designs of a circuit breaker program for property owners in various annual income brackets and with varying amounts of residence homestead ad valorem tax liability, including an estimate of the percentage of property owners in various annual income brackets that would benefit and the dollar amount of the benefit to those property owners;

(3) estimates the cost to the state and taxing units of implementing alternative designs of a circuit breaker program, including the percentage by which the amount of ad valorem taxes collected would be reduced;

(4) analyzes the effects on this state's economy of implementing a circuit breaker program, including the effect on home ownership rates, the residential housing market, and economic development; and

(5) specifies any necessary statutory changes the comptroller and the advisory committee determine are necessary to implement a circuit breaker program described by the study.

(f) The comptroller may contract with appraisal districts, taxing units, or other appropriate organizations for assistance and to obtain information necessary to conduct the study. A state

agency, appraisal district, or taxing unit shall assist the comptroller if the comptroller requests information or assistance in conducting the study.

(g) Not later than December 1, 2010, the comptroller shall submit to the governor, lieutenant governor, and speaker of the house of representatives the report prepared under Subsection (e) of this section.

SECTION __.02. This article expires September 1, 2011.

SECTION __.03. This article takes effect September 1, 2009.

(2) In SECTION 9.02 of the bill (page 11, line 60), strike "This" and substitute "Except as otherwise provided by this Act, this".