

Amend CSSB 1 (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering SECTIONS of the bill accordingly:

SECTION _____. Chapter 26, Tax Code, is amended by adding Section 26.0442 to read as follows:

Sec. 26.0442. TAX RATE ADJUSTMENT FOR LOCAL PARTICIPATION IN STATE TRANSPORTATION PROJECTS EXPENDITURES. (a) In this section, "local participation in state transportation projects expenditures" for a tax year means the amount of expenditures made by the taxing unit in the period beginning on July 1 of the year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted on costs associated with the provision of rights-of-way, financial contributions, maintenance agreements, and any other form of compensation provided by the taxing unit to the Texas Department of Transportation for the purposes of constructing, improving, and maintaining state highway projects.

(b) If a taxing unit's local participation in state transportation projects expenditures exceed the amount of those expenditures for the preceding year, the effective maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

(Current Tax Year's Local Participation In State Transportation Projects Expenditures - Preceding Tax Year's Local Participation In State Transportation Projects Expenditures) / (Current Total Value - New Property Value)

(c) The taxing unit shall include a notice of the increase in the effective maintenance and operations rate provided by this section, including a description and amount of local participation in state transportation projects expenditures, in the information published under Section 26.04(e) and, if applicable, Section 26.06(b).

SECTION _____. Section 26.0442, Tax Code, as added by this Act, applies to the effective maintenance and operations rate of a municipality beginning with the 2018 tax year.