

Amend CSSB 1 (house committee report) as follows:

(1) Strike SECTIONS 1 and 2 of the bill (page 1, line 6, through page 3, line 5).

(1-a) On page 3, line 7, strike "and adding Subsection (c-1)".

(2) On page 3, strike lines 17 through 27 and substitute the following:

and

ROLLBACK TAX RATE = (EFFECTIVE MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE - SALES TAX GAIN RATE

(3) On page 4, line 9, strike "applicable".

(4) On page 4, strike lines 11 through 21 and substitute the following:

ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x 1.08) / (~~[TOTAL]~~ CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT RATE - SALES TAX REVENUE RATE)

(5) On page 5, strike lines 11 through 23 and substitute the following:

and

ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x 1.08) / (~~[TOTAL]~~ CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + CURRENT DEBT RATE

(6) On page 6, strike lines 4 through 21.

(7) Strike SECTIONS 5 and 6 of the bill (page 6, line 26, through page 7, line 11).

(8) On page 7, lines 14 and 15, strike "OF TAXING UNIT OTHER THAN SMALL TAXING UNIT".

(9) On page 7, lines 19 and 20, strike "other than a small taxing unit".

(10) On page 10, line 10, between "that" and "Section", insert "former".

(11) On page 11, strike lines 15 through 23 and substitute the following:

"The rollback tax rate is the highest tax rate a taxing unit may adopt before requiring voter approval at an election. An [~~In the case of a taxing unit other than a school district, the voters by petition may require that a rollback election be held if the unit~~

~~adopts a tax rate in excess of the unit's rollback tax rate. In the case of a school district, an~~ election will automatically be held if a taxing unit [~~the district~~] wishes to adopt a tax rate in excess of the unit's [~~district's~~] rollback tax rate."

(12) Strike SECTIONS 10 and 11 of the bill (page 11, line 24, through page 13, line 19) and substitute the following appropriately numbered SECTIONS:

SECTION _____. Sections 31.12(a) and (b), Tax Code, as amended by **SB 2242**, Acts of the 85th Legislature, Regular Session, 2017, are amended to read as follows:

(a) If a refund of a tax provided by Section 11.431(b), 26.08(d-2) [~~26.07(g)~~], 26.15(f), 31.11, 31.111, or 31.112 is paid on or before the 60th day after the date the liability for the refund arises, no interest is due on the amount refunded. If not paid on or before that 60th day, the amount of the tax to be refunded accrues interest at a rate of one percent for each month or part of a month that the refund is unpaid, beginning with the date on which the liability for the refund arises.

(b) For purposes of this section, liability for a refund arises:

(1) if the refund is required by Section 11.431(b), on the date the chief appraiser notifies the collector for the unit of the approval of the late homestead exemption;

(2) if the refund is required by Section 26.08(d-2) [~~26.07(g)~~], on the date the subsequent tax rate is adopted [~~results of the election to reduce the tax rate are certified~~];

(3) if the refund is required by Section 26.15(f):

(A) for a correction to the tax roll made under Section 26.15(b), on the date the change in the tax roll is certified to the assessor for the taxing unit under Section 25.25; or

(B) for a correction to the tax roll made under Section 26.15(c), on the date the change in the tax roll is ordered by the governing body of the taxing unit;

(4) if the refund is required by Section 31.11, on the date the auditor for the taxing unit determines that the payment was erroneous or excessive or, if the amount of the refund exceeds the

applicable amount specified by Section 31.11(a), on the date the governing body of the unit approves the refund;

(5) if the refund is required by Section 31.111, on the date the collector for the taxing unit determines that the payment was erroneous; or

(6) if the refund is required by Section 31.112, on the date required by Section 31.112(d) or (e), as applicable.

SECTION _____. Section 33.08(b), Tax Code, is amended to read as follows:

(b) The governing body of the taxing unit or appraisal district, in the manner required by law for official action, may provide that taxes that become delinquent on or after June 1 under Section 26.08(d-1) [~~26.07(f)~~], 26.15(e), 31.03, 31.031, 31.032, 31.04, or 42.42 incur an additional penalty to defray costs of collection. The amount of the penalty may not exceed the amount of the compensation specified in the applicable contract with an attorney under Section 6.30 to be paid in connection with the collection of the delinquent taxes.

(13) On page 14, line 12, strike "26.07 or 26.08, Tax Code, as applicable" and substitute "26.08 [~~26.07~~], Tax Code".

(14) Strike SECTIONS 13 and 14 of the bill (page 14, line 13, through page 19, line 21) and substitute the following appropriately numbered SECTIONS:

SECTION _____. Sections 281.124(d) and (e), Health and Safety Code, are amended to read as follows:

(d) If a majority of the votes cast in the election favor the proposition, the tax rate for the specified tax year is the rate approved by the voters, and that rate is not subject to [~~a rollback election under~~] Section 26.08 [~~26.07~~], Tax Code. The board shall adopt the tax rate as provided by Chapter 26, Tax Code.

(e) If the proposition is not approved as provided by Subsection (c), the board may not adopt a tax rate for the district for the specified tax year that exceeds the rate that was not approved, and Section 26.08 [~~26.07~~], Tax Code, applies to the adopted rate if that rate exceeds the district's rollback tax rate.

SECTION _____. Section 140.010(e), Local Government Code, is amended to read as follows:

(e) A county or municipality that proposes a property tax rate that exceeds the lower of the effective tax rate or the rollback tax rate shall provide the following notice:

"NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)

"A tax rate of \$_____ per \$100 valuation has been proposed for adoption by the governing body of (insert name of county or municipality). This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate. The governing body of (insert name of county or municipality) proposes to use revenue attributable to the tax rate increase for the purpose of (description of purpose of increase).

PROPOSED TAX RATE \$_____ per \$100

PRECEDING YEAR'S TAX RATE \$_____ per \$100

EFFECTIVE TAX RATE \$_____ per \$100

ROLLBACK TAX RATE \$_____ per \$100

"The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for (insert name of county or municipality) from the same properties in both the (insert preceding tax year) tax year and the (insert current tax year) tax year.

"The rollback tax rate is the highest tax rate that (insert name of county or municipality) may adopt before the (insert "county" or "city") is required to hold ~~[voters are entitled to petition for]~~ an election to limit the rate that may be approved to the rollback rate.

"YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

property tax amount = (rate) x (taxable value of your property) / 100

"For assistance or detailed information about tax calculations, please contact:

(insert name of county or municipal tax assessor-collector)

(insert name of county or municipality) tax
assessor-collector

(insert address)

(insert telephone number)

(insert e-mail address)

(insert Internet website address, if applicable)

"You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: (insert date and time) at (insert location of meeting).

Second Hearing: (insert date and time) at (insert location of meeting)."

(15) Add the following appropriately numbered SECTION to the bill:

SECTION _____. Section 1101.254(f), Special District Local Laws Code, is amended to read as follows:

(f) This section does not affect the applicability of [~~any rights district voters may have to petition for an election under~~] Section 26.08 [~~26.07~~], Tax Code, to the district's tax rate, except that if district voters approve a tax rate increase under this section, [~~the voters may not petition for an election under~~] Section 26.08 [~~26.07~~], Tax Code, does not apply [~~as~~] to the tax rate for that year.

(16) Strike SECTIONS 15 and 16 of the bill (page 19, line 22, through page 20, line 22) and substitute the following appropriately numbered SECTION:

SECTION _____. Sections 1122.2522, 3828.157, and 8876.152, Special District Local Laws Code, are amended to read as follows:

Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE. [~~(a)~~] If in any year the board adopts a tax rate that exceeds the rollback tax rate calculated as provided by Chapter 26, Tax Code, [~~the qualified voters of the district by petition may require that~~] an election under Section 26.08 of that code must be held to determine whether or not to approve [~~reduce~~] the tax rate adopted by the board for that year [~~to the rollback tax rate~~].

[~~(b) To the extent a conflict exists between this section and a provision of the Tax Code, the provision of the Tax Code~~

~~prevails.]~~

Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE PROVISIONS. Sections 26.04, 26.05, and 26.08 [~~26.07~~], Tax Code, do not apply to a tax imposed under Section 3828.153 or 3828.156.

Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS. (a) Sections 26.04, 26.05, 26.06, and 26.08 [~~26.07~~], Tax Code, do not apply to a tax imposed by the district.

(b) Sections 49.236(a)(1) and (2) and (b) [~~Section 49.236~~], Water Code, apply [~~as added by Chapter 248 (HB 1541), Acts of the 78th Legislature, Regular Session, 2003, applies~~] to the district.

(17) On page 20, line 25, strike "[~~and~~] 26.07, and 26.08," and substitute "and 26.08 [~~26.07~~],".

(18) On page 21, line 4, strike "[~~and~~] 26.07, and 26.08," and substitute "and 26.08 [~~26.07~~],".

(19) Strike SECTION 19 of the bill (page 21, line 7, through page 28, line 7) and substitute the following appropriately numbered SECTION:

SECTION _____. Section 49.236, Water Code, as added by Chapter 335 (**SB 392**), Acts of the 78th Legislature, Regular Session, 2003, is amended by amending Subsections (a) and (d) to read as follows:

(a) Before the board adopts an ad valorem tax rate for the district for debt service, operation and maintenance purposes, or contract purposes, the board shall give notice of each meeting of the board at which the adoption of a tax rate will be considered. The notice must:

(1) contain a statement in substantially the following form:

"NOTICE OF PUBLIC HEARING ON TAX RATE

"The (name of the district) will hold a public hearing on a proposed tax rate for the tax year (year of tax levy) on (date and time) at (meeting place). Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

"(Names of all board members and, if a vote was taken, an indication of how each voted on the proposed tax rate and an

indication of any absences.)";

(2) contain the following information:

(A) the district's total adopted tax rate for the preceding year and the proposed tax rate, expressed as an amount per \$100;

(B) the difference, expressed as an amount per \$100 and as a percent increase or decrease, as applicable, in the proposed tax rate compared to the adopted tax rate for the preceding year;

(C) the average appraised value of a residence homestead in the district in the preceding year and in the current year; the district's total homestead exemption, other than an exemption available only to disabled persons or persons 65 years of age or older, applicable to that appraised value in each of those years; and the average taxable value of a residence homestead in the district in each of those years, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(D) the amount of tax that would have been imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(E) the amount of tax that would be imposed by the district in the current year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, if the proposed tax rate is adopted; ~~and~~

(F) the difference between the amounts of tax calculated under Paragraphs (D) and (E), expressed in dollars and cents and described as the annual percentage increase or decrease, as applicable, in the tax to be imposed by the district on the average residence homestead in the district in the current year if the proposed tax rate is adopted; and

(G) if the proposed combined debt service,

operation and maintenance, and contract tax rate would require an election in the district to approve the tax rate, a description of the purpose of the proposed tax increase; and

(3) contain a statement in substantially the following form:

"NOTICE OF VOTE ON TAX RATE [~~TAXPAYERS' RIGHT TO ROLLBACK ELECTION~~]

"If taxes on the average residence homestead increase by more than eight percent, [~~the qualified voters of the district by petition may require that~~] an election must be held to determine whether to approve [~~reduce~~] the [~~operation and maintenance~~] tax rate [~~to the rollback tax rate~~] under Section 49.236(d), Water Code."

(d) If the board [~~governing body~~] of a district adopts a combined debt service, operation and maintenance, and contract tax rate that would impose more than 1.08 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, [~~the qualified voters of the district by petition may require that~~] an election must be held to determine whether [~~or not~~] to approve [~~reduce~~] the tax rate adopted for the current year [~~to the rollback tax rate~~] in accordance with the procedures provided by Sections 26.08(b)-(d) [~~26.07(b)-(g) and 26.081~~], Tax Code. For purposes of Sections 26.08(b)-(d), Tax Code, [~~26.07(b)-(g)~~] and this subsection, the rollback tax rate of a district is the sum of the following tax rates:

(1) the current year's debt service tax rate;

(2) the current year's [~~and~~] contract tax rate; and

(3) [rates plus] the operation and maintenance tax rate that would impose 1.08 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older.

(20) On page 28, between lines 8 and 9, insert the

following:

- (1) Section 26.07, Tax Code;
- (2) Section 1063.255, Special District Local Laws

Code;

- (21) On page 28, line 9, strike "(1)" and substitute "(3)".
- (22) On page 28, line 12, strike "(2)" and substitute "(4)".
- (23) Add the following appropriately numbered SECTION to

the bill:

SECTION _____. (a) Chapter 26, Tax Code, is amended by adding Section 26.095 to read as follows:

Sec. 26.095. CALCULATION OF 2018 SCHOOL DISTRICT TAXES.

(a) The amount of tax imposed by a school district for the 2018 tax year is the tax determined under this section. Notwithstanding Section 26.09, the assessor for a school district shall enter on the appraisal roll for the school district for the 2018 tax year the amount of tax determined by:

(1) subtracting from the amount determined as provided by Section 26.09(c) the amount of \$105; and

(2) adding any amount of tax due for a prior year determined as provided by Section 26.09(d).

(b) If the amount determined under Subsection (a) is a negative number, the assessor shall enter zero on the appraisal roll.

(c) This section does not affect the calculation of the school district's effective tax rate or rollback tax rate for the 2019 tax year. The tax rate adopted by the governing body of the school district for the 2018 tax year for purposes of those calculations is the tax rate adopted under Section 26.05.

(d) For purposes of Sections 41.0932 and 42.2512, Education Code, the difference between the total amount of taxes that would have been imposed by a school district for the 2018 tax year if the tax on each property were determined under Section 26.09 and the total amount of taxes actually imposed for that tax year after application of this section is the reduction in the amount of taxes imposed by the district required by this section.

(e) This section expires January 1, 2021.

(b) Subchapter D, Chapter 41, Education Code, is amended by

adding Section 41.0932 to read as follows:

Sec. 41.0932. CREDIT FOR REDUCTION IN TAXES IN 2018-2019 SCHOOL YEAR. (a) For the 2018-2019 school year, the total amount required to be paid by a school district for attendance credits under Section 41.093 is reduced by an amount equal to the reduction in the amount of taxes imposed by the district required by Section 26.095, Tax Code.

(b) The commissioner, using information reported by a school district, shall determine the amount of the district's reduction under this section. A determination by the commissioner under this section is final and may not be appealed.

(c) If the amount of the reduction to which a district is entitled exceeds the total cost for the district to purchase the attendance credits that the district intends to purchase, the district is entitled to state aid equal to the amount by which the amount of the reduction exceeds the total cost to purchase the credits.

(d) This section expires September 1, 2019.

(c) Subchapter E, Chapter 42, Education Code, is amended by adding Section 42.2512 to read as follows:

Sec. 42.2512. ADDITIONAL STATE AID FOR 2018-2019 SCHOOL YEAR. (a) For the 2018-2019 school year, a school district is entitled to state aid in addition to any other aid provided under this chapter in an amount equal to the reduction in the amount of taxes imposed by the district required by Section 26.095, Tax Code.

(b) The commissioner, using information reported by a school district, shall compute the amount of additional state aid to which the district is entitled under this section. A determination by the commissioner under this subsection is final and may not be appealed.

(c) This section expires September 1, 2019.

(d) On December 1, 2017, the amount of \$2 billion is appropriated from the economic stabilization fund to the comptroller of public accounts for immediate deposit to the credit of the foundation school account for the purpose of providing additional state aid to school districts for the 2018-2019 school year.

(e) Subject to Subsection (f) of this section:

(1) this section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this section takes effect on the 91st day after the last day of the legislative session.

(f) This section takes effect only if this Act receives a vote of two-thirds of the members present in each house of the legislature, as provided by Section 49-g(m), Article III, Texas Constitution.

(24) On page 28, line 13, strike "This" and substitute "Except as otherwise provided by this Act, this".

(25) Renumber the SECTIONS of the bill accordingly.