

Amend CSSB 2 (senate committee printing) as follows:

(1) In SECTION 20 of the bill, strike amended Section 26.04(c)(2), Tax Code (page 6, lines 53 through 58), and substitute the following:

(2) "Rollback tax rate" means a rate expressed in dollars per \$100 of taxable value equal to the greater of the rates calculated according to the following formulas [~~formula~~]:

ROLLBACK TAX RATE = (NO-NEW-TAXES [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE x 1.05 [~~1.08~~]) + CURRENT DEBT RATE

or

ROLLBACK TAX RATE = NO-NEW-TAXES MAINTENANCE AND OPERATIONS RATE + \$0.03 + CURRENT DEBT RATE

(2) In SECTION 21 of the bill, strike amended Sections 26.041(a), (b), and (c), Tax Code (page 9, lines 16 through 67), and substitute the following:

(a) In the first year in which an additional sales and use tax is required to be collected, the no-new-taxes [~~effective~~] tax rate for the unit is calculated according to the following applicable formula and the rollback tax rate for the unit is [~~are~~] calculated according to the greater of the following applicable formulas:

NO-NEW-TAXES [~~EFFECTIVE~~] TAX RATE = [(LAST YEAR'S LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] - SALES TAX GAIN RATE

and

ROLLBACK TAX RATE = (NO-NEW-TAXES [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE x 1.05 [~~1.08~~]) + CURRENT DEBT RATE - SALES TAX GAIN RATE

or

ROLLBACK TAX RATE = NO-NEW-TAXES MAINTENANCE AND OPERATIONS RATE + \$0.03 + CURRENT DEBT RATE - SALES TAX GAIN RATE

where "sales tax gain rate" means a number expressed in dollars per \$100 of taxable value, calculated by dividing the revenue that will be generated by the additional sales and use tax in the following year as calculated under Subsection (d) [~~of this section~~] by the current total value.

(b) Except as provided by Subsections (a) and (c) [~~of this section~~], in a year in which a taxing unit imposes an additional sales and use tax the rollback tax rate for the unit is equal to the greater of the rates calculated according to the following formulas [~~formula~~], regardless of whether the unit levied a property tax in the preceding year:

$$\text{ROLLBACK TAX RATE} = [(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times \underline{1.05} \text{ } [\del{1.08}])] / ([\del{TOTAL}] \text{ CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + (\text{CURRENT DEBT RATE} - \text{SALES TAX REVENUE RATE})$$

or

$$\text{ROLLBACK TAX RATE} = \frac{[\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + \$0.03 + \text{CURRENT DEBT RATE} - \text{SALES TAX REVENUE RATE}}$$

where "last year's maintenance and operations expense" means the amount spent for maintenance and operations from property tax and additional sales and use tax revenues in the preceding year, and "sales tax revenue rate" means a number expressed in dollars per \$100 of taxable value, calculated by dividing the revenue that will be generated by the additional sales and use tax in the current year as calculated under Subsection (d) [~~of this section~~] by the current total value.

(c) In a year in which a taxing unit that has been imposing an additional sales and use tax ceases to impose an additional sales and use tax the no-new-taxes [~~effective~~] tax rate for the unit is calculated according to the following applicable formula and the rollback tax rate for the unit is [~~are~~] calculated according to the greater of the following applicable formulas:

$$\text{NO-NEW-TAXES } [\del{EFFECTIVE}] \text{ TAX RATE} = [(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + \text{SALES TAX LOSS RATE}$$

and

$$\text{ROLLBACK TAX RATE} = [(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times \underline{1.05} \text{ } [\del{1.08}])] / ([\del{TOTAL}] \text{ CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + \text{CURRENT DEBT RATE}$$

or

ROLLBACK TAX RATE = [LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + \$0.03 + CURRENT DEBT RATE

where "sales tax loss rate" means a number expressed in dollars per \$100 of taxable value, calculated by dividing the amount of sales and use tax revenue generated in the last four quarters for which the information is available by the current total value and "last year's maintenance and operations expense" means the amount spent for maintenance and operations from property tax and additional sales and use tax revenues in the preceding year.

(3) In SECTION 60 of the bill, in amended Section 49.236, Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, in added Subsection (a)(3)(A) of the section (page 31, line 49), strike "four [~~eight~~] percent" and substitute "the greater of five [~~eight~~] percent or \$0.03 per \$100 of taxable value".

(4) In SECTION 60 of the bill, in amended Section 49.236, Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, in added Subsection (a)(3)(B) of the section (page 31, line 58), strike "four percent" and substitute "the greater of five percent or \$0.03 per \$100 of taxable value".

(5) In SECTION 60 of the bill, in amended Section 49.236, Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, strike Subsections (d), (e), and (j) of the section (page 31, line 61, through page 32, line 20, and page 32, line 64, through page 33, line 7) and substitute the following:

(d) This subsection applies to a district only if there are not any new improvements included in the appraisal roll for the district for the current tax year. If the board [~~governing body~~] of the [~~a~~] district adopts a combined debt service, operation and maintenance, and contract tax rate that exceeds the greater of the rate that would impose 1.05 [~~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, or the rate that is equal to the sum of the rate that would impose 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, and \$0.03 per \$100 of taxable value, [~~the qualified voters of the district by petition may require that~~] an election must be held to determine whether [~~or not~~] to ratify [~~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-2) [~~26.07(b)-(g) and 26.081~~], Tax Code.

(e) This subsection and Subsections (f)-(i) apply to a district only if there are any new improvements included in the appraisal roll for the district for the current tax year. If the board of the district adopts a combined debt service, operation and maintenance, and contract tax rate that exceeds the greater of the rate that would impose 1.05 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, or the rate that is equal to the sum of the rate that would impose 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, and \$0.03 per \$100 of taxable value, the qualified voters of the district by petition may require that an election be held to determine whether to ratify the tax rate adopted for the current year in accordance with the procedures provided by Subsections (f)-(i) of this section and Section 26.081, Tax Code.

(j) For purposes of an election under Subsection (d) or (e), as applicable [~~Sections 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 is equal to the greater of the following rates:

(A) the rate that would impose 1.05 ~~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; or

(B) the rate that is equal to the sum of the following rates:

(i) the rate that would impose 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; and

(ii) \$0.03 per \$100 of taxable value.

(6) In SECTION 60 of the bill, in amended Section 49.236, Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, in added Subsection (k) of the section (page 33, line 9), strike "four" and substitute "five".