

Amend CSSB 2 (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION _____. Chapter 26, Tax Code, is amended by adding Section 26.0443 to read as follows:

Sec. 26.0443. TAX RATE ADJUSTMENT FOR ECONOMIC DEVELOPMENT EXPENDITURES. (a) In this section, "economic development expenditures" for a tax year means the amount of expenditures other than expenditures from debt made by a 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 obligations made pursuant to Chapter 312 of this code and Chapters 380 and 381, Local Government Code.

(b) If a taxing unit's economic development expenditures exceed the amount of those expenditures for the preceding tax year, the no-new-revenue maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

$$\frac{\text{(Current Tax Year's Economic Development Expenditures - Preceding Tax Year's Economic Development Expenditures)}}{\text{(Current Total Value - New Property Value)}}$$

(c) The taxing unit shall include a notice of the increase in the no-new-revenue maintenance and operations rate provided by this section, including a description and the amount of the economic development expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.