

Amend Floor Amendment No. 1 to CSSB 2 by adding the following appropriately numbered SECTION 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 ESSENTIAL COUNTY EXPENDITURES. (a) In this section, "essential county expenditures" for a tax year means the amount of expenditures made by a county 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 for the following:

- (1) the administration of justice;
- (2) elections and voter registration;
- (3) law enforcement and corrections;
- (4) public buildings;
- (5) public health and medical services;
- (6) fire protection;
- (7) financial administration;
- (8) transportation;
- (9) tax appraisals and collection; and
- (10) public records.

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

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

(c) The county 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 essential county expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.