

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 MUNICIPAL EXPENDITURES. (a) In this section, "essential municipal expenditures" for a tax year means the amount of expenditures made by a municipality 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) law enforcement and corrections;
- (3) public buildings;
- (4) public health and medical services;
- (5) fire protection;
- (6) financial administration;
- (7) transportation;
- (8) tax collection; and
- (9) public records.

(b) If a municipality's essential municipal 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:

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