

Amend Floor Amendment No. 1 to CSSB 2 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 26.0442 to read as follows:

Sec. 26.0442. TAX RATE ADJUSTMENT FOR COST OF TAX ABATEMENT AGREEMENT. (a) In this section, "tax abatement agreement costs" means the amount of tax revenue that a taxing unit was unable to collect in the preceding tax year as a result of tax abatement agreements entered into by the taxing unit under Chapter 312, calculated by multiplying the adopted tax rate of the taxing unit for the preceding tax year by the appraised value of property that was not taxable by the taxing unit in that tax year because of a tax abatement agreement entered into by the taxing unit under Chapter 312.

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

$$\frac{\text{(Current Tax Year's Tax Abatement Agreement Costs - Preceding Tax Year's Tax Abatement Agreement Costs)}}{\text{(Current Total Value - New Property Value)}}$$

(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 of the taxing unit's tax abatement agreement costs, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or Section 26.061.