

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

(1) In SECTION 25 of the amendment, in the introductory language (page 20, lines 5-6), strike "Section 26.012, Tax Code, is amended by amending Subdivision (10) and adding Subdivision (19)" and substitute "Section 26.012(10), Tax Code, is amended".

(2) In SECTION 25 of the amendment, strike added Section 26.012(19), Tax Code (page 20, lines 13 through 15).

(3) In SECTION 27 of the amendment, in the introductory language (page 20, line 30), strike "(c-1)".

(4) In SECTION 27 of the amendment, strike amended Section 26.04(c)(2), Tax Code (page 21, line 27 through page 22, line 7), and substitute the following:

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

$$\frac{\text{VOTER-APPROVED} \quad [\text{ROLLBACK}] \quad \text{TAX} \quad \text{RATE}}{(\text{NO-NEW-REVENUE} \quad [\text{EFFECTIVE}] \quad \text{MAINTENANCE} \quad \text{AND} \quad \text{OPERATIONS RATE} \times 1.08) + \text{CURRENT DEBT RATE}} =$$

(5) In SECTION 27 of the amendment, strike added Section 26.04(c-1), Tax Code (page 22, lines 8 through 25).

(6) In SECTION 28 of the amendment, in the introductory language (page 30, lines 1 through 3), strike "Section 26.041, Tax Code, is amended by amending Subsections (a), (b), (c), (e), (g), and (h) and adding Subsection (c-1)" and substitute "Sections 26.041(a), (b), (c), (e), (g), and (h), Tax Code, are amended".

(7) In SECTION 28 of the amendment, strike amended Sections 26.041(a), (b), and (c), Tax Code (page 30, line 4, through page 32, line 13), 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-revenue [~~effective~~] tax rate and voter-approved [~~rollback~~] tax rate for the taxing unit are calculated according to the following formulas:

$$\frac{\text{NO-NEW-REVENUE} \quad [\text{EFFECTIVE}] \quad \text{TAX} \quad \text{RATE}}{[(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] - \text{SALES TAX GAIN RATE}} =$$

and

$$\begin{aligned} & \text{VOTER-APPROVED TAX } [\text{ROLLBACK}] \text{ RATE} = \\ & (\text{NO-NEW-REVENUE } [\text{EFFECTIVE}] \text{ MAINTENANCE AND} \\ & \text{OPERATIONS RATE} \times 1.08) + \text{CURRENT DEBT RATE} - \text{SALES TAX} \\ & \text{GAIN RATE} \end{aligned}$$

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 voter-approved [~~rollback~~] tax rate for the taxing unit is calculated according to the following formula, regardless of whether the taxing unit levied a property tax in the preceding year:

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

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-revenue [~~effective~~] tax rate and voter-approved [~~rollback~~] tax rate for the taxing unit are calculated according to the following formulas:

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

and

VOTER-APPROVED [~~ROLLBACK~~] TAX RATE = [(LAST
YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x 1.08) /
(~~[TOTAL]~~ CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] +
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.

(8) In SECTION 28 of the amendment, strike added Section 26.041(c-1), Tax Code (page 32, lines 14-31).

(9) Strike SECTION 34 of the amendment adding Section 26.0446, Tax Code (page 37, lines 7-31).

(9) In SECTION 43 of the amendment, strike amended Section 26.08(n)(1), Tax Code (page 62, lines 4 through 10) and substitute the following:

(1) the rate per \$100 of taxable value that is equal to the product of the no-new-revenue maintenance and operations tax rate of the district as computed under Subsection (i) and 1.08 [~~for the 2006 tax year, the sum of the rate that is equal to 88.67 percent of the maintenance and operations tax rate adopted by the district for the 2005 tax year, the rate of \$0.04 per \$100 of taxable value, and the district's current debt rate~~]; and

(10) Renumber the SECTIONS of the bill and cross-references to those SECTIONS accordingly.