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HOUSE OF REPRESENTATIVES

BY: *Kevin Murphy*

FLOOR AMENDMENT NO. _____

1 Amend C.S.H.B. No. 2 (house committee printing) as follows:

2 (1) On page 106, lines 13-15, strike "Sections 49.236(a) and
3 (d), Water Code, as added by Chapter 335 (S.B. 392), Acts of the
4 78th Legislature, Regular Session, 2003, are amended" and
5 substitute "Section 49.236, Water Code, as added by Chapter 335
6 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, is
7 amended by amending Subsections (a) and (d) and adding Subsections
8 (e), (f), and (g)"

9 (2) On page 107, line 11, strike "total" and substitute
10 "[~~total~~]".

11 (3) On page 108, line 11, strike "[~~and~~]" and substitute
12 "and".

13 (4) Strike page 108, line 17, through page 110, line 4, and
14 substitute the following:

15 the proposed tax rate is adopted; [~~and~~]

16 (3) if development in the district was substantially
17 complete for the duration of the preceding tax year and the proposed
18 combined debt service, operation and maintenance, and contract tax
19 rate exceeds the rollback tax rate, contain a statement in
20 substantially the following form:

21 "NOTICE OF PROPOSED TAX RATE IN EXCESS OF ROLLBACK TAX RATE

22 "The proposed tax rate exceeds the rollback tax rate. The
23 purpose of the proposed taxes are (state purpose)."; and

24 (4) if development in the district was substantially
25 complete for the duration of the preceding tax year, contain a
26 statement in substantially the following form:

27 "NOTICE OF VOTE ON TAX RATE [~~TAXPAYERS' RIGHT TO ROLLBACK ELECTION~~]

28 "If taxes on the average residence homestead increase by more
29 than the amount provided by Section 49.236(e), Water Code, [eight

1 ~~percent, the qualified voters of the district by petition may~~
2 ~~require that~~ an election must be held to determine whether to
3 approve [~~reduce~~] the operation and maintenance tax rate [~~to the~~
4 ~~rollback tax rate~~] under Section 49.236(d), Water Code."

5 (d) This subsection applies to a district only if
6 development within the district was substantially complete for the
7 duration of the preceding tax year. If the governing body of a
8 district adopts a combined debt service, operation and maintenance,
9 and contract tax rate that exceeds the tax approval election rate,
10 [~~would impose more than 1.08 times the amount of tax imposed by the~~
11 ~~district in the preceding year on a residence homestead appraised~~
12 ~~at the average appraised value of a residence homestead in the~~
13 ~~district in that year, disregarding any homestead exemption~~
14 ~~available only to disabled persons or persons 65 years of age or~~
15 ~~older, the qualified voters of the district by petition may require~~
16 ~~that~~] an election must be held to determine whether [~~or not~~] to
17 approve [~~reduce~~] the tax rate adopted for the current year [~~to the~~
18 ~~rollback tax rate~~] in accordance with the procedures provided by
19 Sections 26.07(b)-(g) [~~and 26.081~~], Tax Code.

20 (e) For purposes of Subsection (d), the tax approval
21 election rate is the sum of the debt service tax rate, the contract
22 tax rate, the operation and maintenance tax rate, the district's
23 revenue enrichment rate, as defined by Section 26.012, Tax Code,
24 and the district's unused increment rate, as defined by Section
25 26.012, Tax Code, that would impose more than 1.025 times the amount
26 of tax imposed by the district in the preceding year on a residence
27 homestead appraised at the average appraised value of a residence
28 homestead in the district in that year, disregarding any homestead
29 exemption available only to disabled persons or persons 65 years of
30 age or older.

31 (f) For purposes of Sections 26.07(b)-(g), Tax Code, and

1 this ~~section~~ ~~[subsection]~~, the rollback tax rate is the sum of the
2 following tax rates:

3 (1) the current year's debt service tax rate;

4 (2) the current year's ~~and~~ contract tax rate;

5 (3) 1.025 times the preceding year's ~~[rates plus the]~~
6 operation and maintenance tax rate;

7 (4) the district's revenue enrichment rate, as defined
8 by Section 26.012, Tax Code; and

9 (5) the district's unused increment rate, as defined
10 by Section 26.012, Tax Code ~~[that would impose 1.08 times the amount~~
11 ~~of the operation and maintenance tax imposed by the district in the~~
12 ~~preceding year on a residence homestead appraised at the average~~
13 ~~appraised value of a residence homestead in the district in that~~
14 ~~year, disregarding any homestead exemption available only to~~
15 ~~disabled persons or persons 65 years of age or older].~~

16 (g) For purposes of this section, development within a
17 district is considered substantially complete if the district has
18 financed, completed, and issued bonds to pay for all land, works,
19 improvements, facilities, plants, equipment, and appliances
20 necessary to serve at least 95 percent of the projected build-out of
21 the district in accordance with the purposes for its creation or the
22 purposes authorized by the constitution, this code, or any other
23 law.