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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. _____

BY: _____ Zwiener _____

Amend C.S.H.B. No. 2 (house committee printing) 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 CERTAIN WATER PROJECTS.

(a) In this section, "water project expenditures" for a tax year means the amount of expenditures made by a county or municipality in the period beginning on July 1 of the preceding tax year and ending on June 30 of the current tax year on projects under the state water plan adopted under Section 16.051, Water Code, water supply projects, wastewater infrastructure projects, or stormwater management.

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

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

(c) The municipality or 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 water project expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by

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Section 26.06 or 26.061.