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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. _____

BY: Burrows

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

2 (1) On page 6, line 4, following the underlined period, add
3 "If the training is provided to a person other than a person who has
4 agreed to serve as an arbitrator under Chapter 41A, the comptroller
5 may assess a fee not to exceed \$50 for each person trained."

6 (2) On page 7, lines 11-12, strike "and using values that
7 are the same as the values shown in the taxing unit's certified
8 appraisal roll" and substitute "and using values that are the same
9 as the values shown in, as applicable:

10 (A) the taxing unit's certified appraisal roll;
11 or

12 (B) the certified estimate of taxable value of
13 property in the taxing unit prepared under Section 26.01(a-1)".

14 (3) On page 8, line 10, strike "Section 5.09(a), Tax Code,
15 is amended" and substitute "Section 5.09, Tax Code, is amended by
16 amending Subsection (a) and adding Subsection (a-1)".

17 (4) On page 8, lines 16-20, strike "The comptroller shall
18 review and verify the values and tax rates reported to the
19 comptroller for the purpose of preparing the report and prepare the
20 report so that the information provided to the comptroller is
21 presented in a consistent manner." and substitute the following:

22 (a-1) The comptroller shall:

23 (1) prescribe the format by which an appraisal
24 district or taxing unit must submit information under this section
25 to the comptroller;

26 (2) collect and review in detail the information
27 submitted that relates to each county, municipality, and school
28 district; and

29 (3) collect and review the information submitted that

1 relates to each special district.

2 (5) On page 10, line 17, strike "form".

3 (6) On page 10, line 22, strike "form" and substitute
4 "survey".

5 (7) Strike page 10, lines 23-25, and substitute the
6 following:

7 (3) implement and maintain a method that allows an
8 individual described by Subsection (b) to electronically complete
9 and submit the survey through a uniform resource locator (URL)
10 address.

11 (8) On page 11, line 2, strike "form".

12 (9) On page 11, line 8, strike "form".

13 (10) On page 11, line 15, strike "survey form under this
14 section a document" and substitute "survey under this section a
15 notice".

16 (11) On page 11, line 18, strike "form".

17 (12) On page 11, line 19, strike "form" and substitute
18 "survey".

19 (13) Strike page 11, lines 23-24, and substitute the
20 following:

21 (D) through the uniform resource locator (URL)
22 address described by Subsection (a)(3); and

23 (14) On page 11, line 25, strike "form" and substitute
24 "survey".

25 (15) On page 11, line 26, strike "form" and substitute
26 "survey".

27 (16) On page 11, line 27, strike "document" and substitute
28 "notice".

29 (17) On page 12, lines 1-2, strike "of the web page required
30 to be established by the comptroller under" and substitute
31 "described by".

1 (18) On page 12, line 3, strike "document" and substitute
2 "notice".

3 (19) Strike page 12, lines 13-23, and substitute the
4 following:

5 (g) At or before the first hearing on the motion or protest
6 described by Subsection (b) by the appraisal review board
7 established for the appraisal district or by a panel of the board,
8 the board or panel must provide verbal notice to the property owner
9 or designated agent of the owner of the owner or agent's right to
10 complete and submit the survey.

11 (h) Notwithstanding Subsections (d), (f), and (g), if an
12 appraisal district provides the notice described by Subsection (d),
13 or an appraisal review board provides the verbal notice required by
14 Subsection (g), to a property owner or the designated agent of the
15 owner at or before a hearing on a motion or protest described by
16 Subsection (b), the appraisal district or board, as applicable, is
17 not required to provide another notice in the same manner to the
18 owner or agent at or before another hearing on a motion or protest
19 held on the same day.

20 (i) An individual who elects to submit the survey must
21 submit the survey to the comptroller as provided by this section. An
22 individual may submit only one survey for each hearing.

23 (20) On page 12, line 24, strike "(i)" and substitute "(j)".

24 (21) On page 12, line 25, strike "form".

25 (22) On page 13, lines 2-3, strike "the web page required to
26 be established by the comptroller under" and substitute "the
27 uniform resource locator (URL) address described by".

28 (23) On page 13, line 4, strike "(j)" and substitute "(k)".

29 (24) On page 13, line 5, strike "form".

30 (25) On page 13, line 7, strike "(k)" and substitute "(l)".

31 (26) On page 13, line 8, strike "survey forms" and

1 substitute "surveys".

2 (27) On page 13, line 10, strike "form".

3 (28) On page 13, line 11, strike "(1)" and substitute "(m)".

4 (29) On page 20, line 20, strike "may" and substitute "shall
5 [may]".

6 (30) On page 24, strike lines 5-7, and substitute the
7 following:

8 SECTION 24. Section 26.012, Tax Code, is amended by adding
9 Subdivisions (8-a), (8-b), (10-a), and (19) and amending
10 Subdivision (10) to read as follows:

11 (31) Strike page 24, lines 8-15, and substitute the
12 following:

13 (8-a) "De minimis amount" means the amount for the
14 current tax year published by the comptroller under Section
15 26.04(b-1).

16 (8-b) "De minimis rate" means the rate equal to the sum
17 of:

18 (A) a taxing unit's no-new-revenue maintenance
19 and operations rate;

20 (B) the rate that, when applied to a taxing
21 unit's current total value, will impose an amount of taxes equal to
22 the de minimis amount; and

23 (C) a taxing unit's current debt rate.

24 (32) Strike page 24, line 26, through page 25, line 4.

25 (33) On page 25, line 5, strike "(21)" and substitute
26 "(19)".

27 (34) Strike page 25, lines 13-22.

28 (35) Strike page 26, lines 7-21, and substitute the
29 following:

30 Sec. 26.013. UNUSED INCREMENT RATE. (a) In this section:

31 (1) "Actual tax rate" means a taxing unit's actual tax

1 rate used to levy taxes in the applicable preceding tax year.

2 (2) "Rollback tax rate" means a taxing unit's rollback
3 tax rate in the applicable preceding tax year less the unused
4 increment rate for that preceding tax year.

5 (3) "Year 1" means the fifth tax year preceding the
6 current tax year.

7 (4) "Year 2" means the fourth tax year preceding the
8 current tax year.

9 (5) "Year 3" means the third tax year preceding the
10 current tax year.

11 (6) "Year 4" means the second tax year preceding the
12 current tax year.

13 (7) "Year 5" means the tax year preceding the current
14 tax year.

15 (b) In this chapter, "unused increment rate" means the
16 greater of:

17 (1) zero; or

18 (2) the rate expressed in dollars per \$100 of taxable
19 value calculated according to the following formula:

20 UNUSED INCREMENT RATE = (YEAR 1 ROLLBACK TAX RATE -
21 YEAR 1 ACTUAL TAX RATE) + (YEAR 2 ROLLBACK TAX RATE -
22 YEAR 2 ACTUAL TAX RATE) + (YEAR 3 ROLLBACK TAX RATE -
23 YEAR 3 ACTUAL TAX RATE) + (YEAR 4 ROLLBACK TAX RATE -
24 YEAR 4 ACTUAL TAX RATE) + (YEAR 5 ROLLBACK TAX RATE -
25 YEAR 5 ACTUAL TAX RATE)

26 (c) Notwithstanding Subsection (b)(2), for each tax year
27 before the 2020 tax year, the difference between the taxing unit's
28 rollback tax rate and actual tax rate is considered to be zero. This
29 subsection expires December 31, 2024.

30 (36) On page 27, line 17, strike "revenue enrichment"
31 and substitute "de minimis amount".

1 (37) On page 27, line 19, strike "revenue enrichment amount"
2 and substitute "de minimis amount".

3 (38) On page 27, line 20, strike "revenue enrichment amount"
4 and substitute "de minimis amount".

5 (39) On page 27, line 21, strike "revenue enrichment amount"
6 and substitute "de minimis amount".

7 (40) On page 27, line 26, strike "revenue enrichment amount"
8 and substitute "de minimis amount".

9 (41) On page 28, lines 22 and 23, strike "+ REVENUE
10 ENRICHMENT RATE".

11 (42) On page 38, lines 11 and 12, strike "+ REVENUE
12 ENRICHMENT RATE".

13 (43) On page 39, line 5, strike "+ REVENUE ENRICHMENT RATE".

14 (44) On page 40, line 5, strike "+ REVENUE ENRICHMENT RATE".

15 (45) On page 61, line 13, strike "Sections 26.061 and
16 26.062" and substitute "Sections 26.061, 26.062, and 26.063".

17 (46) On page 67, between lines 14 and 15, insert the
18 following:

19 Sec. 26.063. ALTERNATE PROVISIONS FOR TAX RATE NOTICE OF
20 TAXING UNIT OTHER THAN SPECIAL TAXING UNIT. (a) This section
21 applies only to a taxing unit:

22 (1) that is a taxing unit other than a special taxing
23 unit;

24 (2) that is required to provide notice under Section
25 26.06(b-1) or (b-3); and

26 (3) for which the de minimis rate exceeds the rollback
27 tax rate.

28 (b) In the notice required to be provided by the taxing unit
29 under Section 26.06(b-1) or (b-3), as applicable, the taxing unit
30 shall:

31 (1) substitute the following for the definition of

1 "rollback tax rate": "The rollback tax rate is the highest tax rate
2 that (name of taxing unit) may adopt without holding an election to
3 ratify the rate, unless the de minimis rate for (insert name of
4 taxing unit) exceeds the rollback tax rate for (insert name of
5 taxing unit), in which case the de minimis rate is the highest tax
6 rate that (name of taxing unit) may adopt without an election.";

7 (2) add the following definition of "de minimis rate":
8 "The de minimis rate is the rate that will raise the same amount of
9 revenue as the sum of the no-new-revenue maintenance and operations
10 rate for (name of taxing unit), the rate that will raise the de
11 minimis amount, and the current debt rate for (name of taxing
12 unit)."; and

13 (3) substitute the following for the provision that
14 provides notice that an election is required: "The proposed tax
15 rate is greater than the rollback tax rate. If (name of taxing
16 unit) adopts the proposed tax rate, (name of taxing unit) is
17 required to hold an election so that the voters may accept or reject
18 the proposed tax rate unless the de minimis rate exceeds the
19 rollback tax rate and the proposed tax rate is less than the de
20 minimis rate. If a majority of the voters reject the proposed tax
21 rate, the (name of taxing unit) will be required to adopt a new tax
22 rate that is not greater than the rollback tax rate. The election
23 will be held on (date of election). You may contact the (name of
24 office responsible for administering the election) for information
25 about voting locations. The hours of voting on election day are
26 (voting hours).".

27 (47) On page 68, strike lines 3-4 and substitute the
28 following:

29 (b) If the governing body of a special taxing unit adopts a
30 tax rate that exceeds the taxing unit's rollback tax rate or the
31 governing body of a taxing unit other than a special taxing unit

1 adopts a tax rate that exceeds the greater of the taxing unit's
2 rollback tax rate or de minimis rate [~~calculated as~~

3 (48) Strike page 87, lines 3-5, and substitute the
4 following:

5 (2) a copy of the appraisal review board survey
6 prepared under Section 5.104 and instructions for completing and
7 submitting the survey to the property owner.

8 (49) On page 94, line 10, strike "and" and substitute
9 "[~~and~~]".

10 (50) On page 94, line 14, between "association" and the
11 period, insert the following:

12 ; and

13 (4) complete a revised training program on property
14 tax law for the training and education of arbitrators established
15 under Section 5.043 not later than the 120th day after the date the
16 program is available to be taken if the comptroller:

17 (A) revises the program after the person is
18 included in the registry; and

19 (B) determines that the program is substantially
20 revised

21 (51) On page 95, line 4, strike "certifies" and substitute
22 "determines".

23 (52) On page 98, line 3, between "in the" and "study",
24 insert "final certification of the".

25 (53) On page 98, line 10, between "in the" and "study",
26 insert "final certification of the".

27 (54) On page 98, line 15, between "district" and the
28 underlined period, insert "regarding appraisal standards,
29 procedures, and methodologies".

30 (55) On page 99, line 5, immediately following "the", add
31 "chief appraiser and the".

1 (56) Strike page 106, line 13, through page 110, line 4, of
2 the bill and substitute the following:

3 SECTION 68. Section 49.236, Water Code, as added by Chapter
4 335 (S.B. 392), Acts of the 78th Legislature, Regular Session,
5 2003, is amended by amending Subsections (a) and (d) and adding
6 Subsections (e), (f), and (g) to read as follows:

7 (a) Before the board adopts an ad valorem tax rate for the
8 district for debt service, operation and maintenance purposes, or
9 contract purposes, the board shall give notice of each meeting of
10 the board at which the adoption of a tax rate will be considered.
11 The notice must:

12 (1) contain a statement in substantially the following
13 form:

14 "NOTICE OF PUBLIC HEARING ON TAX RATE

15 "The (name of the district) will hold a public hearing on a
16 proposed tax rate for the tax year (year of tax levy) on (date and
17 time) at (meeting place). Your individual taxes may increase at a
18 greater or lesser rate, or even decrease, depending on the tax rate
19 that is adopted and on the change in the taxable value of your
20 property in relation to the change in taxable value of all other
21 property [~~and the tax rate that is adopted~~]. The change in the
22 taxable value of your property in relation to the change in the
23 taxable value of all other property determines the distribution of
24 the tax burden among all property owners.

25 "(Names of all board members and, if a vote was taken, an
26 indication of how each voted on the proposed tax rate and an
27 indication of any absences.)";

28 (2) contain the following information:

29 (A) the district's total adopted tax rate for the
30 preceding year and the proposed tax rate, expressed as an amount per
31 \$100;

1 (B) the difference, expressed as an amount per
2 \$100 and as a percent increase or decrease, as applicable, in the
3 proposed tax rate compared to the adopted tax rate for the preceding
4 year;

5 (C) the average appraised value of a residence
6 homestead in the district in the preceding year and in the current
7 year; the district's total homestead exemption, other than an
8 exemption available only to disabled persons or persons 65 years of
9 age or older, applicable to that appraised value in each of those
10 years; and the average taxable value of a residence homestead in the
11 district in each of those years, disregarding any homestead
12 exemption available only to disabled persons or persons 65 years of
13 age or older;

14 (D) the amount of tax that would have been
15 imposed by the district in the preceding year on a residence
16 homestead appraised at the average appraised value of a residence
17 homestead in that year, disregarding any homestead exemption
18 available only to disabled persons or persons 65 years of age or
19 older;

20 (E) the amount of tax that would be imposed by the
21 district in the current year on a residence homestead appraised at
22 the average appraised value of a residence homestead in that year,
23 disregarding any homestead exemption available only to disabled
24 persons or persons 65 years of age or older, if the proposed tax
25 rate is adopted; ~~and~~

26 (F) the difference between the amounts of tax
27 calculated under Paragraphs (D) and (E), expressed in dollars and
28 cents and described as the annual percentage increase or decrease,
29 as applicable, in the tax to be imposed by the district on the
30 average residence homestead in the district in the current year if
31 the proposed tax rate is adopted; and

1 (G) if the proposed combined debt service,
2 operation and maintenance, and contract tax rate exceeds the
3 rollback tax rate, a description of the purpose of the proposed tax
4 increase; and

5 (3) contain a statement in substantially the following
6 form, as applicable:

7 (A) if the district is a special taxing unit:

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

9 "If operation and maintenance taxes on the average residence
10 homestead increase by more than eight percent, [the qualified
11 voters of the district by petition may require that] an election
12 must be held to determine whether to approve [reduce] the operation
13 and maintenance tax rate [to the rollback tax rate] under Section
14 49.236(d), Water Code."; or

15 (B) if the district is a taxing unit other than a
16 special taxing unit:

17 "NOTICE OF VOTE ON TAX RATE

18 "If operation and maintenance taxes on the average residence
19 homestead increase by more than 2.5 percent, an election must be
20 held to determine whether to approve the operation and maintenance
21 tax rate under Section 49.236(e), Water Code, unless the de minimis
22 rate exceeds the rollback tax rate and the proposed tax rate is
23 lower than the de minimis rate."

24 (d) This subsection applies only to a district that is a
25 special taxing unit. If the governing body of the [a] district
26 adopts a combined debt service, operation and maintenance, and
27 contract tax rate that exceeds the rollback tax rate, [would impose
28 more than 1.08 times the amount of tax imposed by the district in
29 the preceding year on a residence homestead appraised at the
30 average appraised value of a residence homestead in the district in
31 that year, disregarding any homestead exemption available only to

1 ~~disabled persons or persons 65 years of age or older, the qualified~~
2 ~~voters of the district by petition may require that]~~ an election
3 must be held to determine whether [~~or not~~] to approve [~~reduce~~] the
4 tax rate adopted for the current year [~~to the rollback tax rate~~] in
5 accordance with the procedures provided by Sections 26.07(b)-(g)
6 [~~and 26.081~~], Tax Code. For purposes of Sections 26.07(b)-(g), Tax
7 Code, and this subsection, the rollback tax rate is the sum of the
8 following tax rates:

- 9 (1) the current year's debt service tax rate;
10 (2) the current year's [and] contract tax rate; and
11 (3) [rates plus] the operation and maintenance tax
12 rate that would impose 1.08 times the amount of the operation and
13 maintenance tax imposed by the district in the preceding year on a
14 residence homestead appraised at the average appraised value of a
15 residence homestead in the district in that year, disregarding any
16 homestead exemption available only to disabled persons or persons
17 65 years of age or older.

18 (e) This subsection applies only to a district that is a
19 taxing unit other than a special taxing unit. If the governing body
20 of the district adopts a combined debt service, operation and
21 maintenance, and contract tax rate that exceeds the greater of the
22 rollback tax rate or de minimis rate, an election must be held to
23 determine whether to approve the tax rate adopted for the current
24 year in accordance with the procedures provided by Sections
25 26.07(b)-(g), Tax Code. For purposes of Sections 26.07(b)-(g), Tax
26 Code, and this subsection, the rollback tax rate is the sum of the
27 following tax rates:

- 28 (1) the current year's debt service tax rate;
29 (2) the current year's contract tax rate;
30 (3) the operation and maintenance tax rate that would
31 impose 1.025 times the amount of the operation and maintenance tax

1 imposed by the district in the preceding year on a residence
2 homestead appraised at the average appraised value of a residence
3 homestead in the district in that year, disregarding any homestead
4 exemption available only to disabled persons or persons 65 years of
5 age or older; and

6 (4) the district's unused increment rate.

7 (f) Notwithstanding any other provision of this section,
8 the board of a district that is a taxing unit other than a special
9 taxing unit may give notice under Subsection (a) and calculate the
10 rollback tax rate of the district in the manner provided for a
11 district that is a special taxing unit if any part of the district
12 is located in an area declared a disaster area during the current
13 tax year by the governor or by the president of the United States.

14 The board may continue doing so until the earlier of:

15 (1) the first tax year in which the total taxable value
16 of property taxable by the district as shown on the appraisal roll
17 for the district submitted by the assessor for the district to the
18 board exceeds the total taxable value of property taxable by the
19 district on January 1 of the tax year in which the disaster
20 occurred; or

21 (2) the fifth tax year after the tax year in which the
22 disaster occurred.

23 (g) In this section:

24 (1) "De minimis rate" and "special taxing unit" have
25 the meanings assigned by Section 26.012, Tax Code.

26 (2) "Taxing unit" has the meaning assigned by Section
27 1.04, Tax Code.

28 (3) "Unused increment rate" has the meaning assigned
29 by Section 26.013, Tax Code.

30 (57) On page 111, line 11, strike "form".

31 (58) On page 111, line 12, strike "form" and substitute

1 "survey".

2 (59) On page 111, line 15, strike "form".

3 (60) On page 111, line 16, strike "form" and substitute
4 "survey".

5 (61) Add the following appropriately numbered SECTIONS to
6 the bill:

7 SECTION _____. The first tax year that may be considered for
8 purposes of the condition to the applicability of Section
9 403.302(k-1), Government Code, as added by this Act, that the
10 comptroller of public accounts has determined in a study under
11 Section 403.302 of that code that a school district's local value as
12 determined by the appraisal district that appraises property for
13 the school district is not valid for three consecutive years is the
14 2020 tax year.

15 SECTION _____. Section 5.09, Tax Code, as amended by this
16 Act, applies only to information submitted to the comptroller of
17 public accounts that relates to a tax year beginning on or after
18 January 1, 2020.

19 (62) Renumber SECTIONS of the bill as appropriate.