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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. \_\_\_\_\_

BY: BLANCO

Amend C.S.H.B. No. 2 (house committee report) 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 DEFENSE COMMUNITY EXPENDITURES. (a) In this section:

(1) "Defense community," "defense facility," and "military base" have the meanings assigned by Section 397.001, Local Government Code.

(2) "Defense community expenditures" for a tax year means the amount of expenditures made by a taxing unit in the period beginning on July 1 of the year preceding the tax year for which a tax is adopted and ending on June 30 of the tax year for which the tax is adopted on costs to:

(A) meet an investment requirement necessary to receive federal assistance provided to a local governmental entity for responding to or recovering from an event described by Section 436.201(b), Government Code;

(B) construct, rehabilitate, or improve infrastructure, a defense facility, or another capital project necessary to accommodate a new, expanded, or retained military mission at a military base, to reduce the impact of an action of the United States Department of Defense that will negatively impact a defense facility located in or near a military base, or to prevent the reduction or closing of a defense facility;

(C) purchase property, including property of the

United States Department of Defense, capital equipment, or insurance, for a purpose described by Paragraph (B) or (D); and

(D) purchase or lease equipment to train defense workers who are:

(i) affected by an event described by Section 436.201(b), Government Code; or

(ii) needed to support military installations or defense facilities.

(b) If a taxing unit's defense community expenditures exceed the amount of those expenditures 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:

(Current Tax Year's Defense Community Expenditures - Preceding Tax Year's Defense Community Expenditures) / (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 and amount of defense community expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.