

# SENATE JOURNAL

EIGHTY-SIXTH LEGISLATURE — REGULAR SESSION

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AUSTIN, TEXAS

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PROCEEDINGS

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**THIRTY-SEVENTH DAY**

(Continued)

(Monday, April 15, 2019)

**AFTER RECESS**

The Senate met at 11:00 a.m. and was called to order by the President.

**SENATOR ANNOUNCED PRESENT**

Senator Kolkhorst, who had previously been recorded as "Absent-excused," was announced "Present."

**MOTION TO RECESS RECONSIDERED**

On motion of Senator Whitmire and by unanimous consent, the motion by which the Senate recessed was reconsidered.

Senator Whitmire withdrew his motion to recess.

Spencer Stocker, Saint Richard's Episcopal Church, Round Rock, offered the invocation as follows:

Lord, thank You for bringing us safely to this new today. Thank You for this great State of Texas. Bless our families and friends, keep them safe as this body convenes. Thank You for the men and women in law enforcement and armed forces who show us what it means to selflessly sacrifice for our country. May we each take time today to seek and serve You in our neighbors. Incline our hearts to listen to Your still small voice at work, especially in the obscure opportunities where You present Yourself. In His last days, Your Christ said, Peace I leave with you; my peace I give you. I do not give to you as the world gives. Do not let your hearts be troubled and do not be afraid. There is wisdom in grace. Help us to be reminded of that as we tackle the challenges before us. I pray that our leaders speak truth in love today as this body equips and empowers the community to love and serve You. May the Lord's peace be with you today and always. Amen.

**MESSAGES FROM THE GOVERNOR**

The following Messages from the Governor were read and were referred to the Committee on Nominations:

April 12, 2019  
Austin, Texas

TO THE SENATE OF THE EIGHTY-SIXTH LEGISLATURE, REGULAR SESSION:

I ask the advice, consent and confirmation of the Senate with respect to the following appointments:

To be a member of the Risk Management Board for a term to expire February 1, 2023:

Tomás "Tommy" Gonzalez  
El Paso, Texas  
*(Mr. Gonzalez is being reappointed)*

To be members of the Texas Emergency Services Retirement System Board of Trustees for terms to expire as indicated:

To Expire September 1, 2019:

Francisco R. "Frank" Torres  
Raymondville, Texas  
*(replacing Ronald V. "Ron" Larson of Horizon City who no longer qualifies)*

To Expire September 1, 2023:

Edward J. Keenan  
Houston, Texas  
*(replacing Stephen K. "Steve" Williams of Carthage whose term expired)*

Rodney A. "Rod" Ryalls  
Burkburnett, Texas  
*(replacing Francisco R. "Frank" Torres of Raymondville whose term expired)*

Stephanie L. "Steph" Wagner  
Wimberley, Texas  
*(replacing Don Richard Shipman of Colleyville whose term expired)*

Respectfully submitted,

/s/Greg Abbott  
Governor

### MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Monday, April 15, 2019 - 1

The Honorable President of the Senate  
Senate Chamber  
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

## THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

- HB 51** Canales  
Relating to the creation and promulgation of certain standard forms for statewide use in criminal actions.
- HB 53** Minjarez  
Relating to the transitional living services program for certain youth in foster care.
- HB 91** Martinez  
Relating to establishment of the disaster identification system for a declared state of disaster.
- HB 162** White  
Relating to the period of certain driver's license suspensions.
- HB 273** Swanson  
Relating to the time for providing a ballot to be voted by mail to a voter.
- HB 278** Oliverson  
Relating to the frequency and location of certain meetings required by a prescriptive authority agreement.
- HB 279** Craddick  
Relating to authorizing the Midland County Hospital District of Midland County, Texas, to impose a sales and use tax.
- HB 294** King, Ken  
Relating to a petition filed for a place on the ballot for the board of directors of the Muleshoe Area Hospital District.
- HB 381** Holland  
Relating to eligibility for the Texas Peace Officers' Memorial Monument.
- HB 389** Bailes  
Relating to the regulation of game rooms in certain counties.
- HB 392** Blanco  
Relating to long-term care insurance for state employees.
- HB 435** Shaheen  
Relating to the maintenance of information entered into a fee record.
- HB 468** Springer  
Relating to the authority of the Collingsworth County Hospital District to take certain actions regarding district property.
- HB 488** Springer  
Relating to the protection of public freshwater areas.
- HB 515** Bailes  
Relating to the establishment and operation of certain private family cemeteries.
- HB 541** González, Mary  
Relating to the right to express breast milk.
- HB 558** Thompson, Senfronia  
Relating to court-ordered support for a child with a disability.

- HB 687** Guillen  
Relating to a landowner's liability for injuries incurred during certain recreational activities.
- HB 881** Bell, Cecil  
Relating to the right of a parent of a deceased person to view the person's body before an autopsy is performed.
- HB 886** Springer  
Relating to the Muenster Hospital District.
- HB 929** Anchia  
Relating to the duties of a magistrate to inform an arrested person of consequences of a plea of guilty or nolo contendere.
- HB 965** González, Mary  
Relating to updating references to certain former health services state agencies and certain terms used to describe persons with intellectual or developmental disabilities in the Education Code.
- HB 1031** Deshotel  
Relating to the regulation of game rooms in certain counties.
- HB 1064** Ashby  
Relating to designating May 4 as Texas Firefighters Day.
- HB 1065** Ashby  
Relating to the establishment of a rural resident physician grant program.
- HB 1112** Davis, Sarah  
Relating to the removal of signs indicating that a freestanding emergency medical care facility is operational.
- HB 1181** Guillen  
Relating to the regulation of commercial catfish fishing on Falcon Lake.
- HB 1225** Guillen  
Relating to the re-creation of the Chronic Kidney Disease Task Force.
- HB 1227** Flynn  
Relating to authority of the Hunt Memorial Hospital District to appoint, contract for, or employ physicians.
- HB 1277** Perez  
Relating to authorizing a wellness and success center fee at the University of Houston-Downtown.
- HB 1279** Allen  
Relating to jury instructions regarding parole eligibility.
- HB 1404** Dean  
Relating to the regulation of game rooms in certain counties.
- HB 1465** Moody  
Relating to a study on expanding recovery housing in this state.
- HB 1476** Anderson, Charles "Doc"  
Relating to the regulation of game rooms in certain counties.

- HB 1480** VanDeaver  
Relating to assessment of public school students, providing accelerated instruction, appropriately crediting certain student performance, and eliminating requirements based on performance on certain assessment instruments.
- HB 1488** Harless  
Relating to financing of recreational facilities by the Charterwood Municipal Utility District of Harris County; providing authority to issue bonds.
- HB 1508** Oliverson  
Relating to designating March as Bleeding Disorders Awareness Month.
- HB 1516** Coleman  
Relating to the intercollegiate athletics fee at Texas Southern University; authorizing the continued imposition of a fee.
- HB 1518** Coleman  
Relating to the regulation of the sale of dextromethorphan to minors; providing civil penalties.
- HB 1554** Smithee  
Relating to the language of personal automobile or residential property insurance policy documents and related materials.
- HB 1555** Smithee  
Relating to the status of personal automobile or residential property insurance policy summary documents.
- HB 1570** White  
Relating to the board of directors of the Rayburn Country Municipal Utility District.
- HB 1574** Paddie  
Relating to the composition of the Riverbend Water Resources District and the terms of the board of directors of that district.
- HB 1697** Bell, Cecil  
Relating to the creation of the Wood Trace Municipal Utility District No. 4 of Montgomery County, Texas; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.
- HB 1710** Ramos  
Relating to discussing with a patient the risks of certain controlled substance prescriptions.
- HB 1755** Thompson, Ed  
Relating to assembled vehicles and former military vehicles, including the titling and registration of those vehicles.
- HB 1785** Capriglione  
Relating to the information required to be disclosed in a registration form for lobbyists.
- HB 1824** Murr  
Relating to use of funds collected by the Parks and Wildlife Commission from the sale of certain materials.

- HB 1828** Martinez  
Relating to prohibiting the sale and purchase of certain aquatic products; creating a criminal offense; increasing a criminal penalty.
- HB 1829** Stephenson  
Relating to the powers and duties of the Fort Bend County Municipal Utility District No. 225; providing authority to issue bonds; providing authority to impose a tax.
- HB 1837** Hefner  
Relating to the designation of a portion of U.S. Highway 67 in Titus County as the Titus County World War II Veterans Memorial Highway.
- HB 1838** Hefner  
Relating to the designation of a portion of U.S. Highway 271 in Titus County as the Titus County Korean War Veterans Memorial Highway.
- HB 1902** Bonnen, Greg  
Relating to maximum liability limits for windstorm and hail insurance coverage provided through the Texas Windstorm Insurance Association.
- HB 1934** Zerwas  
Relating to the creation of the Fort Bend County Municipal Utility District No. 229; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.
- HB 1935** Zerwas  
Relating to the powers and duties of the Fort Bend County Municipal Utility District No. 168; providing authority to issue bonds; providing authority to impose a tax.
- HB 1940** Lucio III  
Relating to eligibility of surplus lines insurers to provide windstorm and hail coverage.
- HB 1944** Lucio III  
Relating to extension of deadlines for claims and related settlement and dispute resolution under the Texas Windstorm Insurance Association Act.
- HB 2039** Shine  
Relating to the issuance of specialty license plates to Master Army Aviators.
- HB 2060** Stephenson  
Relating to the creation of the Fort Bend County Municipal Utility District No. 233; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.
- HB 2103** Capriglione  
Relating to a prohibition on contractors acting as public insurance adjusters in certain circumstances.
- HB 2107** Capriglione  
Relating to information provided by a local health jurisdiction on food regulation.
- HB 2198** Clardy  
Relating to the use of a perpetual trust fund for a cemetery by certain municipalities.

- HB 2218** Lozano  
Relating to creating a Class C menhaden boat license; imposing a fee; requiring a license.
- HB 2318** Darby  
Relating to facilities of the hospital system of the Reagan Hospital District of Reagan County, Texas.
- HB 2324** Geren  
Relating to the continuation of a health care provider participation program by the Tarrant County Hospital District.
- HB 2329** Springer  
Relating to the dissolution of the North Montague County Water Supply District.
- HB 2425** Kacal  
Relating to the authority of physicians to delegate to certain pharmacists the implementation and modification of a patient's drug therapy.
- HB 2477** Coleman  
Relating to automatic employee participation in and administration of a deferred compensation plan provided by certain hospital districts.
- HB 2634** Flynn  
Relating to municipal boundaries used to determine a cemetery location.
- HB 2641** Darby  
Relating to the release of a reversionary interest in certain real property by the Health and Human Services Commission and conditions related to that release.
- HB 2680** Schaefer  
Relating to the student recreational facility fee at The University of Texas at Tyler.
- HB 2778** King, Tracy O.  
Relating to the allocation of expenses of a joint election to certain school districts.
- HB 2888** Springer  
Relating to a petition filed for a place on the ballot as a candidate for the board of directors of the Wilbarger County Hospital District.
- HB 2900** Fierro  
Relating to the authority of a commodity producers board or a committee to hold meetings by telephone conference.
- HB 2941** Guillen  
Relating to requiring each state agency to post on the agency's Internet website information on suicide prevention.
- HB 2979** Bailes  
Relating to the creation of the Liberty Grand Municipal Utility District No. 1; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

**HB 3020**

Zerwas

Relating to the creation of the Fort Bend County Municipal Utility District No. 238; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

**HB 3093**

Zerwas

Relating to the powers and duties of the Fort Bend County Municipal Utility District No. 195; providing authority to issue bonds; providing authority to impose a tax.

**HB 3094**

Zerwas

Relating to the powers and duties of the Fort Bend County Municipal Utility District No. 198; providing authority to issue bonds; providing authority to impose a tax.

**HB 3095**

Zerwas

Relating to the board of directors and powers and duties of the Fort Bend County Municipal Utility District No. 214; providing authority to issue bonds; providing authority to impose fees and taxes.

**HB 3122**

Zerwas

Relating to the creation of the Fort Bend County Municipal Utility District No. 235; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

**HB 3463**

Frullo

Relating to authority of the Lubbock County Hospital District of Lubbock County, Texas, to employ physicians.

**HCR 19**

Herrero

Urging Congress to repeal the Government Pension Offset and the Windfall Elimination Provision of the Social Security Act.

**SB 306**

Watson

Sponsor: Israel

Relating to the release by a peace officer of certain individuals suspected of the offense of public intoxication.

Respectfully,

/s/Robert Haney, Chief Clerk  
House of Representatives

**PHYSICIAN OF THE DAY**

Senator Kolkhorst was recognized and presented Dr. Robert Stark of Chappell Hill as the Physician of the Day.

The Senate welcomed Dr. Stark and thanked him for his participation in the Physician of the Day program sponsored by the Texas Academy of Family Physicians.

**SENATE RESOLUTION 586**

Senator Fallon offered the following resolution:

**SR 586**, Recognizing Jacki Pick for her achievements in broadcasting.

The resolution was read and was adopted without objection.

**GUESTS PRESENTED**

Senator Fallon was recognized and introduced to the Senate Jacki Pick, Doug Deason, Brent Bennett, Kevin Roberts, and Jason Isaac.

The Senate welcomed its guests.

**BILLS SIGNED**

The President announced the signing of the following enrolled bills in the presence of the Senate after the captions had been read:

**SB 450, SB 726, SB 999, HB 1101.**

**GUESTS PRESENTED**

Senator Kolkhorst was recognized and introduced to the Senate the St. Joseph High School volleyball state championship team, accompanied by Coach Summer Brooks, other coaches, administrators, and parents.

The Senate welcomed its guests.

**CONCLUSION OF MORNING CALL**

The President at 11:34 a.m. announced the conclusion of morning call.

**COMMITTEE SUBSTITUTE  
SENATE BILL 2 ON SECOND READING**

Senator Bettencourt moved to suspend the regular order of business to take up for consideration **CSSB 2** at this time on its second reading:

**CSSB 2**, Relating to ad valorem taxation.

The motion prevailed by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Nays: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

The bill was read second time.

Senator Bettencourt offered the following amendment to the bill:

**Floor Amendment No. 1**

Amend **CSSB 2** (senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. This Act may be cited as the Texas Property Tax Reform and Relief Act of 2019.

SECTION 2. Section 1.085(a), Tax Code, is amended to read as follows:

(a) Notwithstanding any other provision in this title and except as provided by this section, any notice, rendition, application form, or completed application, or information requested under Section 41.461(a)(2), that is required or permitted by this title to be delivered between a chief appraiser, an appraisal district, an appraisal review board, or any combination of those persons and a property owner or ~~between~~

~~a chief appraiser, an appraisal district, an appraisal review board, or any combination of those persons and~~ a person designated by a property owner under Section 1.111(f) may be delivered in an electronic format if the chief appraiser and the property owner or person designated by the owner agree under this section.

SECTION 3. Chapter 5, Tax Code, is amended by adding Section 5.01 to read as follows:

Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD.

(a) The comptroller shall appoint the property tax administration advisory board to advise the comptroller with respect to the division or divisions within the office of the comptroller with primary responsibility for state administration of property taxation and state oversight of appraisal districts and local tax offices. The advisory board may make recommendations to the comptroller regarding improving the effectiveness and efficiency of the property tax system, best practices, and complaint resolution procedures.

(b) The advisory board is composed of at least six members appointed by the comptroller. The members of the board should include:

(1) representatives of property tax payers, appraisal districts, and school districts; and

(2) a person who has knowledge or experience in conducting ratio studies.

(c) The members of the advisory board serve at the pleasure of the comptroller.

(d) Any advice to the comptroller relating to a matter described by Subsection (a) that is provided by a member of the advisory board must be provided at a meeting called by the comptroller.

(e) Chapter 2110, Government Code, does not apply to the advisory board.

SECTION 4. Sections 5.041(b), (c), and (e-1), Tax Code, are amended to read as follows:

(b) A member of the appraisal review board established for an appraisal district must complete the course established under Subsection (a). The course must provide at least 16 hours of classroom training and education or, for a member appointed by the chairman of the appraisal review board to serve on a special panel under Section 6.425, 24 hours of classroom training and education. A member of the appraisal review board may not participate in a hearing conducted by the board unless the person has completed the course established under Subsection (a) and received a certificate of course completion.

(c) The comptroller may contract with service providers to assist with the duties imposed under Subsection (a), but the course required may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training course, but the fee may not exceed \$50 per person trained. If the training is provided to an individual other than a member of an appraisal review board, the comptroller may assess a fee not to exceed \$50 per person trained.

(e-1) In addition to the course established under Subsection (a), the comptroller shall approve curricula and provide materials for use in a continuing education course for members of an appraisal review board. The course must provide at least eight

hours of classroom training and education or, for a member appointed by the chairman of the appraisal review board to serve on a special panel under Section 6.425, 16 hours of classroom training and education. The curricula and materials must include information regarding:

- (1) the cost, income, and market data comparison methods of appraising property;
- (2) the appraisal of business personal property;
- (3) the determination of capitalization rates for property appraisal purposes;
- (4) the duties of an appraisal review board;
- (5) the requirements regarding the independence of an appraisal review board from the board of directors and the chief appraiser and other employees of the appraisal district;
- (6) the prohibitions against ex parte communications applicable to appraisal review board members;
- (7) the Uniform Standards of Professional Appraisal Practice;
- (8) the duty of the appraisal district to substantiate the district's determination of the value of property;
- (9) the requirements regarding the equal and uniform appraisal of property;
- (10) the right of a property owner to protest the appraisal of the property as provided by Chapter 41; and
- (11) a detailed explanation of each of the actions described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413, 41.42, and 41.43 so that members are fully aware of each of the grounds on which a property appraisal can be appealed.

SECTION 5. Chapter 5, Tax Code, is amended by adding Section 5.043 to read as follows:

Sec. 5.043. TRAINING OF ARBITRATORS. (a) This section applies only to persons who have agreed to serve as arbitrators under Chapter 41A.

(b) The comptroller shall:

(1) approve curricula and provide an arbitration manual and other materials for use in training and educating arbitrators;

(2) make all materials for use in training and educating arbitrators freely available online; and

(3) establish and supervise a training program on property tax law for the training and education of arbitrators.

(c) The training program must:

(1) emphasize the requirements regarding the equal and uniform appraisal of property; and

(2) be at least four hours in length.

(d) The training program may be provided online. The comptroller by rule may prescribe the manner by which the comptroller may verify that a person taking the training program online has taken and completed the program.

(e) The comptroller may contract with service providers to assist with the duties imposed under Subsection (b), but the training program may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal

review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training program, but the fee may not exceed \$50 for each person trained.

(f) The comptroller shall prepare an arbitration manual for use in the training program. The manual shall be updated regularly and may be revised on request, in writing, to the comptroller. The revised language must be approved by the unanimous agreement of a committee selected by the comptroller and representing, equally, taxpayers and chief appraisers. The person requesting the revision must pay the costs of mediation if the comptroller determines that mediation is required.

SECTION 6. Section 5.05, Tax Code, is amended by adding Subsections (c-1), (c-2), and (c-3) to read as follows:

(c-1) An appraisal district shall appraise property in accordance with any appraisal manuals prepared and issued by the comptroller under this section.

(c-2) Appraisal manuals issued under this section for the purpose of determining the market value of property shall be prepared based on generally accepted appraisal methods and techniques.

(c-3) Appraisal methods and techniques included in the most recent versions of the following are considered a basis for generally accepted appraisal methods and techniques for the purposes of this title:

(1) the Appraisal of Real Estate published by the Appraisal Institute;

(2) the Dictionary of Real Estate Appraisal published by the Appraisal Institute; and

(3) the Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation.

SECTION 7. Section 5.07, Tax Code, is amended by adding Subsections (f), (g), (h), and (i) to read as follows:

(f) The comptroller shall prescribe tax rate calculation forms to be used by the designated officer or employee of each:

(1) taxing unit other than a school district to calculate and submit the no-new-revenue tax rate and the voter-approved tax rate for the taxing unit as required by Chapter 26; and

(2) school district to calculate and submit the no-new-revenue tax rate, the voter-approved tax rate, and the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year as required by Chapter 26.

(g) The forms described by Subsection (f) must be in an electronic format and:

(1) have blanks that can be filled in electronically;

(2) be capable of being certified by the designated officer or employee after completion as accurately calculating the applicable tax rates and using values that are the same as the values shown in the taxing unit's certified appraisal roll; and

(3) be capable of being electronically incorporated into the property tax database maintained by each appraisal district under Section 26.17 and submitted electronically to the county assessor-collector of each county in which all or part of the territory of the taxing unit is located.

(h) For purposes of Subsections (f) and (g), the comptroller shall use the forms published on the comptroller's Internet website as of January 1, 2019, modified as necessary to comply with the requirements of those subsections. The comptroller shall update the forms as necessary to reflect any change in the values used to calculate a tax rate resulting from a statutory change in a value used to calculate a tax rate. The comptroller may also update the forms to reflect formatting or other nonsubstantive changes.

(i) The comptroller may revise the forms to reflect statutory changes other than those described by Subsection (h) or on receipt of a request in writing. A revision under this subsection must be approved by the agreement of a majority of the members of a committee selected by the comptroller who are present at a committee meeting at which a quorum is present. The members of the committee must represent, equally, taxpayers and either taxing units or persons designated by taxing units. In the case of a revision for which the comptroller receives a request in writing, the person requesting the revision shall pay the costs of mediation if the comptroller determines that mediation is required.

SECTION 8. Section 5.09(a), Tax Code, is amended to read as follows:

(a) The comptroller shall prepare a biennial report of the total appraised values and taxable values of taxable property by category and the tax rates of each county, municipality, special district, and school district in effect for the two years preceding the year in which the report is prepared. The comptroller shall review and verify the values and tax rates reported to the comptroller for the purpose of preparing the report and prepare the report so that the information provided to the comptroller is presented in a consistent manner.

SECTION 9. Section 5.091, Tax Code, is amended to read as follows:

Sec. 5.091. STATEWIDE LIST OF TAX RATES. (a) Each year the comptroller shall prepare a list that includes the total tax rate imposed by each taxing unit in this state, as [other than a school district, if the tax rate is] reported to the comptroller by each appraisal district, for the year [preceding the year] in which the list is prepared. The comptroller shall:

(1) prescribe the manner in which and deadline by which appraisal districts are required to submit the tax rates to the comptroller; and

(2) list the tax rates alphabetically according to:

(A) the county or counties in which each taxing unit is located; and

(B) the name of each taxing unit [in descending order].

(b) Not later than January 1 [~~December 31~~] of the following [each] year, the comptroller shall publish on the comptroller's Internet website the list required by Subsection (a).

SECTION 10. Sections 5.102(a) and (c), Tax Code, are amended to read as follows:

(a) At least once every two years, the comptroller shall review the governance of each appraisal district, the taxpayer assistance provided by each appraisal district, and the operating and appraisal standards, procedures, and methodology used by each appraisal district, to determine compliance with generally accepted standards, procedures, and methodology, including compliance with standards, procedures, and methodology prescribed by appraisal manuals prepared and issued by the comptroller.

After consultation with the property tax administration advisory board [~~committee created under Section 403.302, Government Code~~], the comptroller by rule may establish procedures and standards for conducting and scoring the review.

(c) At the conclusion of the review, the comptroller shall, in writing, notify the appraisal district concerning its performance in the review. If the review results in a finding that an appraisal district is not in compliance with generally accepted standards, procedures, and methodology, including compliance with standards, procedures, and methodology prescribed by appraisal manuals prepared and issued by the comptroller, the comptroller shall deliver a report that details the comptroller's findings and recommendations for improvement to:

(1) the appraisal district's chief appraiser and board of directors; and

(2) the superintendent and board of trustees of each school district participating in the appraisal district.

SECTION 11. Chapter 5, Tax Code, is amended by adding Section 5.104 to read as follows:

Sec. 5.104. APPRAISAL REVIEW BOARD SURVEY; REPORT. (a) The comptroller shall prepare:

(1) an appraisal review board survey form that allows an individual described by Subsection (b) to submit comments and suggestions to the comptroller regarding an appraisal review board; and

(2) instructions for completing and submitting the form.

(b) The following individuals may complete and submit a survey form under this section:

(1) a property owner who files a motion under Section 25.25 to correct the appraisal roll or a protest under Chapter 41;

(2) the designated agent of the property owner; or

(3) a designated representative of the appraisal district in which the motion or protest is filed who attends the hearing on the motion or protest.

(c) The survey form must allow an individual to submit comments and suggestions regarding:

(1) the matters listed in Section 5.103(b); and

(2) any other matter related to the fairness and efficiency of the appraisal review board.

(d) An appraisal district must provide the survey form and the instructions for completing and submitting the form to each property owner or designated agent of the owner at or before each hearing conducted under Section 25.25 or Chapter 41 by the appraisal review board established for the appraisal district or by a panel of the board.

(e) An individual who elects to submit the survey form must submit the form to the comptroller as provided by this section. An appraisal district may not accept a survey form submitted under this section. An individual may submit only one survey form for each motion or protest.

(f) The comptroller shall allow an individual to submit a survey form to the comptroller in the following manner:

(1) in person;

(2) by mail;

(3) by electronic mail; or

(4) through a web page on the comptroller's Internet website that allows the individual to complete and submit the form.

(g) An appraisal district may not require a property owner or the designated agent of the owner to complete a survey form at the appraisal office in order to be permitted to submit the form to the comptroller.

(h) A property owner, the designated agent of the owner, or a designated representative of an appraisal district who elects to submit a survey form must submit the form not later than the 45th day after the date the form is provided to the owner or agent under Subsection (d).

(i) The comptroller shall issue an annual report that summarizes the information included in the survey forms submitted during the preceding year. The report may not disclose the identity of an individual who submitted a survey form.

(j) The comptroller may adopt rules necessary to implement this section.

SECTION 12. Section 5.13(d), Tax Code, is amended to read as follows:

(d) In conducting a general audit, the comptroller shall consider and report on:

(1) the extent to which the district complies with applicable law or generally accepted standards of appraisal or other relevant practice, including appraisal standards and practices prescribed by appraisal manuals prepared and issued by the comptroller;

(2) the uniformity and level of appraisal of major kinds of property and the cause of any significant deviations from ideal uniformity and equality of appraisal of major kinds of property;

(3) duplication of effort and efficiency of operation;

(4) the general efficiency, quality of service, and qualification of appraisal district personnel; and

(5) except as otherwise provided by Subsection (b) [~~of this section~~], any other matter included in the request for the audit.

SECTION 13. Section 6.035(a-1), Tax Code, is amended to read as follows:

(a-1) An individual is ineligible to serve on an appraisal district board of directors if the individual has engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district at any time during the preceding three [five] years.

SECTION 14. Section 6.15, Tax Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) Subsections (a) and (b) do not prohibit a member of the board of directors of an appraisal district from transmitting to the chief appraiser without comment a complaint by a property owner or taxing unit about the appraisal of a specific property, provided that the transmission is in writing.

SECTION 15. Section 6.41, Tax Code, is amended by amending Subsections (b) and (d-9) and adding Subsections (b-1), (b-2), and (d-10) to read as follows:

(b) Except as provided by Subsection (b-1) or (b-2), an appraisal review [The] board consists of three members.

(b-1) An appraisal [However, the] district board of directors by resolution of a majority of the board's [its] members may increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate.

(b-2) An appraisal district board of directors for a district established in a county with a population of one million or more by resolution of a majority of the board's members shall increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate to manage the duties of the appraisal review board, including the duties of each special panel established under Section 6.425.

(d-9) In selecting individuals who are to serve as members of the appraisal review board for an appraisal district described by Subsection (b-2), the local administrative district judge shall select an adequate number of qualified individuals to permit the chairman of the appraisal review board to fill the positions on each special panel established under Section 6.425.

(d-10) Upon selection of the individuals who are to serve as members of the appraisal review board, the local administrative district judge shall enter an appropriate order designating such members and setting each member's respective term of office, as provided elsewhere in this section.

SECTION 16. Sections 6.412(a) and (d), Tax Code, are amended to read as follows:

(a) An individual is ineligible to serve on an appraisal review board if the individual:

(1) is related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to an individual who is engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district for which the appraisal review board is established;

(2) owns property on which delinquent taxes have been owed to a taxing unit for more than 60 days after the date the individual knew or should have known of the delinquency unless:

(A) the delinquent taxes and any penalties and interest are being paid under an installment payment agreement under Section 33.02; or

(B) a suit to collect the delinquent taxes is deferred or abated under Section 33.06 or 33.065; or

(3) is related within the third degree by consanguinity or within the second degree by affinity, as determined under Chapter 573, Government Code, to a member of:

(A) the appraisal district's board of directors; or

(B) the appraisal review board.

(d) A person is ineligible to serve on the appraisal review board of an appraisal district established for a county described by Section 6.41(d-1) ~~having a population of more than 100,000~~ if the person:

(1) is a former member of the board of directors, former officer, or former employee of the appraisal district;

(2) served as a member of the governing body or officer of a taxing unit for which the appraisal district appraises property, until the fourth anniversary of the date the person ceased to be a member or officer; ~~or~~

(3) appeared before the appraisal review board for compensation during the two-year period preceding the date the person is appointed; or

(4) served for all or part of three previous terms as a board member or auxiliary board member on the appraisal review board.

SECTION 17. Section 6.414(d), Tax Code, is amended to read as follows:

(d) An auxiliary board member may hear taxpayer protests before the appraisal review board. An auxiliary board member may not hear taxpayer protests before a special panel established under Section 6.425 unless the member is eligible to be appointed to the special panel. If one or more auxiliary board members sit on a panel established under Section 6.425 or 41.45 to conduct a protest hearing, the number of regular appraisal review board members required by that section to constitute the panel is reduced by the number of auxiliary board members sitting. An auxiliary board member sitting on a panel is considered a regular board member for all purposes related to the conduct of the hearing.

SECTION 18. Section 6.42, Tax Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) A majority of the appraisal review board constitutes a quorum. The local administrative district judge under Subchapter D, Chapter 74, Government Code, in the county in which ~~[board of directors of]~~ the appraisal district is established ~~[by resolution]~~ shall select a chairman and a secretary from among the members of the appraisal review board. The judge ~~[board of directors of the appraisal district]~~ is encouraged to select as chairman ~~[of the appraisal review board]~~ a member of the appraisal review board, if any, who has a background in law and property appraisal.

(d) The concurrence of a majority of the members of the appraisal review board present at a meeting of the board is sufficient for a recommendation, determination, decision, or other action by the board. The concurrence of a majority of the members of a panel of the board present at a meeting of the panel is sufficient for a recommendation by the panel. The concurrence of more than a majority of the members of the board or panel may not be required.

SECTION 19. Subchapter C, Chapter 6, Tax Code, is amended by adding Section 6.425 to read as follows:

Sec. 6.425. SPECIAL APPRAISAL REVIEW BOARD PANELS IN CERTAIN DISTRICTS. (a) This section applies only to the appraisal review board for an appraisal district described by Section 6.41(b-2).

(b) The appraisal review board shall establish special panels to conduct protest hearings under Chapter 41 relating to property that:

(1) has an appraised value of \$75 million or more as determined by the appraisal district; and

(2) is included in one of the following classifications:

(A) commercial real and personal property;

(B) real and personal property of utilities;

(C) industrial and manufacturing real and personal property; and

(D) multifamily residential real property.

(c) Each special panel described by this section consists of three members of the appraisal review board appointed by the chairman of the board.

(d) To be eligible to be appointed to a special panel described by this section, a member of the appraisal review board must:

(1) hold a juris doctor or equivalent degree;

(2) hold a master of business administration degree;

(3) be licensed as a certified public accountant under Chapter 901, Occupations Code;

(4) be accredited by the American Society of Appraisers as an accredited senior appraiser;

(5) possess an MAI professional designation from the Appraisal Institute;

(6) possess a Certified Assessment Evaluator (CAE) professional designation from the International Association of Assessing Officers;

(7) have at least 10 years of experience in property tax appraisal or consulting; or

(8) be licensed as a real estate broker or sales agent under Chapter 1101, Occupations Code.

(e) Notwithstanding Subsection (d), the chairman of the appraisal review board may appoint to a special panel described by this section a member of the appraisal review board who does not meet the qualifications prescribed by that subsection if:

(1) the number of persons appointed to the board by the local administrative district judge who meet those qualifications is not sufficient to fill the positions on each special panel; and

(2) the board member being appointed to the panel holds a bachelor's degree in any field.

(f) In addition to conducting protest hearings relating to property described by Subsection (b) of this section, a special panel may conduct protest hearings under Chapter 41 relating to property not described by Subsection (b) of this section as assigned by the chairman of the appraisal review board.

SECTION 20. Section 11.4391(a), Tax Code, is amended to read as follows:

(a) The chief appraiser shall accept and approve or deny an application for an exemption for freeport goods under Section 11.251 after the deadline for filing it has passed if it is filed on or before the ~~not~~ later of:

(1) ~~than~~ June 15; or

(2) if applicable, the 60th day after the date on which the chief appraiser delivers notice to the property owner under Section 22.22.

SECTION 21. Section 22.23(d), Tax Code, is amended to read as follows:

(d) Notwithstanding any other provision of this section, rendition statements and property reports required to be filed by a property owner ~~for property~~ regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission must be delivered to the chief appraiser not later than April 30, except as provided by Section 22.02. On written request by the property owner, the ~~The~~ chief appraiser shall extend the filing deadline to May 15. The chief appraiser may further extend the ~~filing~~ deadline an additional 15 days for good cause shown in writing by the property owner.

SECTION 22. Section 25.19, Tax Code, is amended by amending Subsections (b) and (i) and adding Subsections (b-3) and (b-4) to read as follows:

(b) The chief appraiser shall separate real from personal property and include in the notice for each:

(1) a list of the taxing units in which the property is taxable;

(2) the appraised value of the property in the preceding year;  
 (3) the taxable value of the property in the preceding year for each taxing unit taxing the property;

(4) the appraised value of the property for the current year, the kind and amount of each exemption and partial exemption, if any, approved for the property for the current year and for the preceding year, and, if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year, the amount of the exemption or partial exemption canceled or reduced;

(5) ~~if the appraised value is greater than it was in the preceding year, the amount of tax that would be imposed on the property on the basis of the tax rate for the preceding year;~~

~~(6)~~ in italic typeface, the following statement: "The Texas Legislature does not set the amount of your local taxes. Your property tax burden is decided by your locally elected officials, and all inquiries concerning your taxes should be directed to those officials";

~~(6)~~ a detailed explanation of the time and procedure for protesting the value;

~~(7)~~ the date and place the appraisal review board will begin hearing protests; and

~~(8)~~ a brief explanation that the governing body of each taxing unit decides whether or not taxes on the property will increase and the appraisal district only determines the value of the property.

(b-3) This subsection applies only to an appraisal district described by Section 6.41(b-2). In addition to the information required by Subsection (b), the chief appraiser shall state in a notice of appraised value of property described by Section 6.425(b) that the property owner has the right to have a protest relating to the property heard by a special panel of the appraisal review board.

(b-4) Subsection (b)(5) applies only to a notice of appraised value required to be delivered by the chief appraiser of an appraisal district established in a county with a population of less than 120,000. This subsection expires January 1, 2022.

(i) Delivery with a notice required by Subsection (a) or (g) of a copy of the pamphlet published by the comptroller under Section 5.06 or a copy of the notice published by the chief appraiser under Section 41.70 is sufficient to comply with the requirement that the notice include the information specified by Subsection ~~(b)(6)~~ ~~(b)(7)~~ or (g)(3), as applicable.

SECTION 23. Section 26.01, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) If by July 25 the appraisal review board for an appraisal district has not approved the appraisal records for the district as required under Section 41.12, the chief appraiser shall prepare and certify to the assessor for each taxing unit participating in the district an estimate of the taxable value of property in that taxing unit.

SECTION 24. Section 26.012(9), Tax Code, is redesignated as Section 26.012(18), Tax Code, and amended to read as follows:

(18) "No-new-revenue [~~(9) -Effective~~] maintenance and operations rate" means a rate expressed in dollars per \$100 of taxable value and calculated according to the following formula:

NO-NEW-REVENUE [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE = (LAST YEAR'S LEVY - LAST YEAR'S DEBT LEVY - LAST YEAR'S JUNIOR COLLEGE LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

SECTION 25. Section 26.012, Tax Code, is amended by amending Subdivision (10) and adding Subdivision (19) to read as follows:

(10) "Excess collections" means the amount, if any, by which debt taxes collected in the preceding year exceeded the amount anticipated in the preceding year's calculation of the voter-approved tax [~~rollback~~] rate, as certified by the collector under Section 26.04(b) [~~of this code~~].

(19) "Small taxing unit" means a taxing unit, other than a school district, for which the sum of the following amounts is \$15 million or less:

(A) the total amount of property taxes that would be imposed by the taxing unit for the current tax year if the tax rate proposed for that tax year were applied to the current total value for the taxing unit; and

(B) the total amount of sales and use tax revenue received by the taxing unit, if any, for the last preceding four quarters for which that information is available.

SECTION 26. The heading to Section 26.04, Tax Code, is amended to read as follows:

Sec. 26.04. SUBMISSION OF ROLL TO GOVERNING BODY; NO-NEW-REVENUE [~~EFFECTIVE~~] AND VOTER-APPROVED [~~ROLLBACK~~] TAX RATES.

SECTION 27. Section 26.04, Tax Code, is amended by amending Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and adding Subsections (c-1), (c-2), (d-1), (d-2), (d-3), (e-2), (e-3), (e-4), (e-5), (h-1), and (h-2) to read as follows:

(b) The assessor shall submit the appraisal roll for the taxing unit showing the total appraised, assessed, and taxable values of all property and the total taxable value of new property to the governing body of the taxing unit by August 1 or as soon thereafter as practicable. By August 1 or as soon thereafter as practicable, the taxing unit's collector shall certify [~~an estimate of~~] the anticipated collection rate as calculated under Subsections (h), (h-1), and (h-2) for the current year to the governing body. If the collector certified an anticipated collection rate in the preceding year and the actual collection rate in that year exceeded the anticipated rate, the collector shall also certify the amount of debt taxes collected in excess of the anticipated amount in the preceding year.

(c) After the assessor for the taxing unit submits the appraisal roll for the taxing unit to the governing body of the taxing unit as required by Subsection (b), an [~~An~~] officer or employee designated by the governing body shall calculate the no-new-revenue [~~effective~~] tax rate and the voter-approved [~~rollback~~] tax rate for the taxing unit, where:

(1) "No-new-revenue [~~Effective~~] tax rate" means a rate expressed in dollars per \$100 of taxable value calculated according to the following formula:

NO-NEW-REVENUE [~~EFFECTIVE~~] TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

; and

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

(A) for a small taxing unit:

VOTER-APPROVED [~~ROLLBACK~~] TAX RATE = (NO-NEW-REVENUE [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE

; or

(B) for a taxing unit other than a small taxing unit:

VOTER-APPROVED TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.035) + CURRENT DEBT RATE

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a small taxing unit may direct the designated officer or employee to calculate the voter-approved tax rate of the taxing unit in the manner provided for a small taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the voter-approved tax rate in the manner provided by this subsection until the earlier of:

(1) the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or

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

(c-2) Notwithstanding any other provision of this section, if the assessor for a taxing unit receives a certified estimate of the taxable value of property in the taxing unit under Section 26.01(a-1), the officer or employee designated by the governing body of the taxing unit shall calculate the no-new-revenue tax rate and voter-approved tax rate using the certified estimate of taxable value.

(d) The no-new-revenue [~~effective~~] tax rate for a county is the sum of the no-new-revenue [~~effective~~] tax rates calculated for each type of tax the county levies and the voter-approved [~~rollback~~] tax rate for a county is the sum of the voter-approved [~~rollback~~] tax rates calculated for each type of tax the county levies.

(d-1) The designated officer or employee shall use the tax rate calculation forms prescribed by the comptroller under Section 5.07 in calculating the no-new-revenue tax rate and the voter-approved tax rate.

(d-2) The designated officer or employee may not submit the no-new-revenue tax rate and the voter-approved tax rate to the governing body of the taxing unit and the taxing unit may not adopt a tax rate until the designated officer or employee

certifies on the tax rate calculation forms that the designated officer or employee has accurately calculated the tax rates and has used values that are the same as the values shown in the taxing unit's certified appraisal roll in performing the calculations.

(d-3) As soon as practicable after the designated officer or employee calculates the no-new-revenue tax rate and the voter-approved tax rate of the taxing unit, the designated officer or employee shall submit the tax rate calculation forms used in calculating the rates to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located.

(e) By August 7 or as soon thereafter as practicable, the designated officer or employee shall submit the rates to the governing body. The designated officer or employee [He] shall [deliver by mail to each property owner in the unit or] publish in a newspaper and post prominently on the home page of the taxing unit's Internet website in the form prescribed by the comptroller:

(1) the no-new-revenue [effective] tax rate, the voter-approved [rollback] tax rate, and an explanation of how they were calculated;

(2) the estimated amount of interest and sinking fund balances and the estimated amount of maintenance and operation or general fund balances remaining at the end of the current fiscal year that are not encumbered with or by corresponding existing debt obligation;

(3) a schedule of the taxing unit's debt obligations showing:

(A) the amount of principal and interest that will be paid to service the taxing unit's debts in the next year from property tax revenue, including payments of lawfully incurred contractual obligations providing security for the payment of the principal of and interest on bonds and other evidences of indebtedness issued on behalf of the taxing unit by another political subdivision and, if the taxing unit is created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, payments on debts that the taxing unit anticipates to incur in the next calendar year;

(B) the amount by which taxes imposed for debt are to be increased because of the taxing unit's anticipated collection rate; and

(C) the total of the amounts listed in Paragraphs (A)-(B), less any amount collected in excess of the previous year's anticipated collections certified as provided in Subsection (b);

(4) the amount of additional sales and use tax revenue anticipated in calculations under Section 26.041;

(5) a statement that the adoption of a tax rate equal to the no-new-revenue [effective] tax rate would result in an increase or decrease, as applicable, in the amount of taxes imposed by the taxing unit as compared to last year's levy, and the amount of the increase or decrease;

(6) in the year that a taxing unit calculates an adjustment under Subsection (i) or (j), a schedule that includes the following elements:

(A) the name of the taxing unit discontinuing the department, function, or activity;

(B) the amount of property tax revenue spent by the taxing unit listed under Paragraph (A) to operate the discontinued department, function, or activity in the 12 months preceding the month in which the calculations required by this chapter are made; and

(C) the name of the taxing unit that operates a distinct department, function, or activity in all or a majority of the territory of a taxing unit that has discontinued operating the distinct department, function, or activity; and

(7) in the year following the year in which a taxing unit raised its voter-approved tax [~~rollback~~] rate as required by Subsection (j), a schedule that includes the following elements:

(A) the amount of property tax revenue spent by the taxing unit to operate the department, function, or activity for which the taxing unit raised the voter-approved tax [~~rollback~~] rate as required by Subsection (j) for the 12 months preceding the month in which the calculations required by this chapter are made; and

(B) the amount published by the taxing unit in the preceding tax year under Subdivision (6)(B).

(e-1) The tax rate certification requirements imposed by Subsection (d-2) and the notice requirements imposed by Subsections (e)(1)-(6) do not apply to a school district.

(e-2) By August 7 or as soon thereafter as practicable, the chief appraiser of each appraisal district shall deliver by regular mail or e-mail to each owner of property located in the appraisal district a notice that the estimated amount of taxes to be imposed on the owner's property by each taxing unit in which the property is located may be found in the property tax database maintained by the appraisal district under Section 26.17. The notice must include:

(1) a statement directing the property owner to an Internet website from which the owner may access information related to the actions taken or proposed to be taken by each taxing unit in which the property is located that may affect the taxes imposed on the owner's property;

(2) a statement that the property owner may request from the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Section 6.24(b), contact information for the assessor for each taxing unit in which the property is located, who must provide the information described by this subsection to the owner on request; and

(3) the name, address, and telephone number of the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Section 6.24(b).

(e-3) The statement described by Subsection (e-2)(1) must include a heading that is in bold, capital letters in type larger than that used in the other provisions of the notice.

(e-4) The comptroller:

(1) with the advice of the property tax administration advisory board, shall adopt rules prescribing the form of the notice required by Subsection (e-2); and

(2) may adopt rules regarding the format and delivery of the notice.

(e-5) The governing body of a taxing unit shall include as an appendix to the taxing unit's budget for a fiscal year the tax rate calculation forms used by the designated officer or employee of the taxing unit to calculate the no-new-revenue tax rate and the voter-approved tax rate of the taxing unit for the tax year in which the fiscal year begins.

(f) If as a result of consolidation of taxing units a taxing unit includes territory that was in two or more taxing units in the preceding year, the amount of taxes imposed in each in the preceding year is combined for purposes of calculating the no-new-revenue ~~[effective]~~ and voter-approved ~~[rollback]~~ tax rates under this section.

(g) A person who owns taxable property is entitled to an injunction prohibiting the taxing unit in which the property is taxable from adopting a tax rate if the assessor or designated officer or employee of the taxing unit, the chief appraiser of the applicable appraisal district, or the taxing unit, as applicable, has not complied with the computation, ~~[or]~~ publication, or posting requirements of this section or Section 26.17 or 26.18 ~~[and the failure to comply was not in good faith]~~. It is a defense in an action for an injunction under this subsection that the failure to comply was in good faith.

(h-1) Notwithstanding Subsection (h), if the anticipated collection rate of a taxing unit as calculated under that subsection is lower than the lowest actual collection rate of the taxing unit for any of the preceding three years, the anticipated collection rate of the taxing unit for purposes of this section is equal to the lowest actual collection rate of the taxing unit for any of the preceding three years.

(h-2) The anticipated collection rate of a taxing unit for purposes of this section is the rate calculated under Subsection (h) as modified by Subsection (h-1), if applicable, regardless of whether that rate exceeds 100 percent.

(i) This subsection applies to a taxing unit that has agreed by written contract to transfer a distinct department, function, or activity to another taxing unit and discontinues operating that distinct department, function, or activity if the operation of that department, function, or activity in all or a majority of the territory of the taxing unit is continued by another existing taxing unit or by a new taxing unit. The voter-approved ~~[rollback]~~ tax rate of a taxing unit to which this subsection applies in the first tax year in which a budget is adopted that does not allocate revenue to the discontinued department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the no-new-revenue ~~[effective]~~ maintenance and operations rate of the taxing unit is reduced by the amount of maintenance and operations tax revenue spent by the taxing unit to operate the department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the taxing unit operated the discontinued department, function, or activity. If the taxing unit did not operate that department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the taxing unit shall reduce last year's levy used for calculating the no-new-revenue ~~[effective]~~ maintenance and operations rate of the taxing unit by the amount of the revenue spent in the last full fiscal year in which the taxing unit operated the discontinued department, function, or activity.

(j) This subsection applies to a taxing unit that had agreed by written contract to accept the transfer of a distinct department, function, or activity from another taxing unit and operates a distinct department, function, or activity if the operation of a substantially similar department, function, or activity in all or a majority of the territory of the taxing unit has been discontinued by another taxing unit, including a dissolved taxing unit. The voter-approved ~~[rollback]~~ tax rate of a taxing unit to which this subsection applies in the first tax year after the other taxing unit discontinued the substantially similar department, function, or activity in which a budget is adopted that allocates revenue to the department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the no-new-revenue ~~[effective]~~ maintenance and operations rate of the taxing unit is increased by the amount of maintenance and operations tax revenue spent by the taxing unit that discontinued operating the substantially similar department, function, or activity to operate that department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the taxing unit operated the discontinued department, function, or activity. If the taxing unit did not operate the discontinued department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the taxing unit may increase last year's levy used to calculate the no-new-revenue ~~[effective]~~ maintenance and operations rate by an amount not to exceed the amount of property tax revenue spent by the discontinuing taxing unit to operate the discontinued department, function, or activity in the last full fiscal year in which the discontinuing taxing unit operated the department, function, or activity.

SECTION 28. Section 26.041, Tax Code, is amended by amending Subsections (a), (b), (c), (e), (g), and (h) and adding Subsection (c-1) to read as follows:

(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:

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

and

$$\text{VOTER-APPROVED TAX } \underline{\text{[ROLLBACK]}} \text{ RATE FOR SMALL TAXING UNIT} = \frac{(\text{NO-NEW-REVENUE } \underline{\text{[EFFECTIVE]}} \text{ MAINTENANCE AND OPERATIONS RATE} \times 1.08) + \text{CURRENT DEBT RATE} - \text{SALES TAX GAIN RATE}}$$

or

$$\text{VOTER-APPROVED TAX RATE FOR TAXING UNIT OTHER THAN SMALL TAXING UNIT} = \frac{(\text{NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE} \times 1.035) + \text{CURRENT DEBT RATE} - \text{SALES TAX GAIN RATE}}$$

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 applicable formula, regardless of whether the taxing unit levied a property tax in the preceding year:

VOTER-APPROVED TAX [~~ROLLBACK~~] RATE FOR SMALL TAXING UNIT =  $[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.08) / ((\text{TOTAL}) \text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + (\text{CURRENT DEBT RATE} - \text{SALES TAX REVENUE RATE})$

or

VOTER-APPROVED TAX RATE FOR TAXING UNIT OTHER THAN SMALL TAXING UNIT =  $[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.035) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + (\text{CURRENT DEBT RATE} - \text{SALES TAX REVENUE RATE})$

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:

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

[~~and~~]

VOTER-APPROVED [~~ROLLBACK~~] TAX RATE FOR SMALL TAXING UNIT =  $[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.08) / ((\text{TOTAL}) \text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + \text{CURRENT DEBT RATE}$

and

VOTER-APPROVED TAX RATE FOR TAXING UNIT OTHER THAN SMALL TAXING UNIT =  $[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.035) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + \text{CURRENT DEBT RATE}$

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.

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a small taxing unit may direct the designated officer or employee to calculate the voter-approved tax rate of the taxing unit in the manner provided for a small taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the voter-approved tax rate in the manner provided by this subsection until the earlier of:

(1) the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or

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

(e) If a city that imposes an additional sales and use tax receives payments under the terms of a contract executed before January 1, 1986, in which the city agrees not to annex certain property or a certain area and the owners or lessees of the property or of property in the area agree to pay at least annually to the city an amount determined by reference to all or a percentage of the property tax rate of the city and all or a part of the value of the property subject to the agreement or included in the area subject to the agreement, the governing body, by order adopted by a majority vote of the governing body, may direct the designated officer or employee to add to the no-new-revenue [effective] and voter-approved [rollback] tax rates the amount that, when applied to the total taxable value submitted to the governing body, would produce an amount of taxes equal to the difference between the total amount of payments for the tax year under contracts described by this subsection under the voter-approved [rollback] tax rate calculated under this section and the total amount of payments for the tax year that would have been obligated to the city if the city had not adopted an additional sales and use tax.

(g) If the rate of the additional sales and use tax is increased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) [~~of this section~~], of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the increase and the second projection must not take into account the increase. The designated officer or employee shall then subtract the amount of the result of the second projection from the amount of the result of the first projection to determine the revenue generated as a result of the increase in the additional sales and use tax. In the first year in which an additional sales and use tax is increased, the no-new-revenue [effective] tax rate for the taxing unit is the no-new-revenue [effective] tax rate before the increase minus a number the numerator of which is the revenue generated as a result of the increase in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

(h) If the rate of the additional sales and use tax is decreased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) [~~of this section~~], of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the decrease and the second

projection must not take into account the decrease. The designated officer or employee shall then subtract the amount of the result of the first projection from the amount of the result of the second projection to determine the revenue lost as a result of the decrease in the additional sales and use tax. In the first year in which an additional sales and use tax is decreased, the no-new-revenue [~~effective~~] tax rate for the taxing unit is the no-new-revenue [~~effective~~] tax rate before the decrease plus a number the numerator of which is the revenue lost as a result of the decrease in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

SECTION 29. The heading to Section 26.043, Tax Code, is amended to read as follows:

Sec. 26.043. VOTER-APPROVED AND NO-NEW-REVENUE [~~EFFECTIVE~~] TAX RATES [~~RATE~~] IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

SECTION 30. Sections 26.043(a) and (b), Tax Code, are amended to read as follows:

(a) In the tax year in which a city has set an election on the question of whether to impose a local sales and use tax under Subchapter H, Chapter 453, Transportation Code, the officer or employee designated to make the calculations provided by Section 26.04 may not make those calculations until the outcome of the election is determined. If the election is determined in favor of the imposition of the tax, the designated officer or employee [~~representative~~] shall subtract from the city's voter-approved [~~rollback~~] and no-new-revenue [~~effective~~] tax rates the amount that, if applied to the city's current total value, would impose an amount equal to the amount of property taxes budgeted in the current tax year to pay for expenses related to mass transit services.

(b) In a tax year to which this section applies, a reference in this chapter to the city's no-new-revenue [~~effective~~] or voter-approved [~~rollback~~] tax rate refers to that rate as adjusted under this section.

SECTION 31. The heading to Section 26.044, Tax Code, is amended to read as follows:

Sec. 26.044. NO-NEW-REVENUE [~~EFFECTIVE~~] TAX RATE TO PAY FOR STATE CRIMINAL JUSTICE MANDATE.

SECTION 32. Sections 26.044(a), (b), and (c), Tax Code, are amended to read as follows:

(a) The first time that a county adopts a tax rate after September 1, 1991, in which the state criminal justice mandate applies to the county, the no-new-revenue [~~effective~~] maintenance and operation rate for the county is increased by the rate calculated according to the following formula:

$$\text{(State Criminal Justice Mandate)} / (\text{Current Total Value} - \text{New Property Value})$$

(b) In the second and subsequent years that a county adopts a tax rate, if the amount spent by the county for the state criminal justice mandate increased over the previous year, the no-new-revenue [~~effective~~] maintenance and operation rate for the county is increased by the rate calculated according to the following formula:

(This Year's State Criminal Justice Mandate - Previous Year's State Criminal Justice Mandate) / (Current Total Value - New Property Value)

(c) The county shall include a notice of the increase in the no-new-revenue ~~effective~~ maintenance and operation rate provided by this section, including a description and amount of the state criminal justice mandate, in the information published under Section 26.04(e) and Section 26.06(b) ~~[of this code]~~.

SECTION 33. Sections 26.0441(a), (b), and (c), Tax Code, are amended to read as follows:

(a) In the first tax year in which a taxing unit adopts a tax rate after January 1, 2000, and in which the enhanced minimum eligibility standards for indigent health care established under Section 61.006, Health and Safety Code, apply to the taxing unit, the no-new-revenue ~~effective~~ maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

Amount of Increase = Enhanced Indigent Health Care Expenditures /  
(Current Total Value - New Property Value)

(b) In each subsequent tax year, if the taxing unit's enhanced indigent health care expenses exceed the amount of those expenses for the preceding year, the no-new-revenue ~~effective~~ maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

Amount of Increase = (Current Tax Year's Enhanced Indigent Health Care Expenditures - Preceding Tax Year's Indigent Health Care Expenditures) /  
(Current Total Value - New Property Value)

(c) The taxing unit shall include a notice of the increase in its no-new-revenue ~~effective~~ maintenance and operations rate provided by this section, including a brief description and the amount of the enhanced indigent health care expenditures, in the information published under Section 26.04(e) and, if applicable, Section 26.06(b).

SECTION 34. Chapter 26, Tax Code, is amended by adding Section 26.0446 to read as follows:

Sec. 26.0446. ELECTION TO APPLY LAW GOVERNING TAXING UNIT OTHER THAN SMALL TAXING UNIT TO SMALL TAXING UNIT. (a) On the uniform election date prescribed by Section 41.001, Election Code, in May of 2020, each taxing unit that would have been a small taxing unit in the 2019 tax year if Section 26.012(19) had been in effect in that tax year shall call an election for the purpose of allowing the voters in the taxing unit to determine whether the law governing a taxing unit other than a small taxing unit shall apply to the taxing unit. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Limiting the rate at which the maintenance and operations taxes of the (name of taxing unit) may be increased without voter approval to 3.5 percent rather than eight percent."

(b) If a majority of the votes cast in the election favor the proposition, the taxing unit is considered to be a taxing unit other than a small taxing unit regardless of whether it meets the definition of a small taxing unit under Section 26.012.

(c) If the proposition is not approved as provided by Subsection (b), the taxing unit is considered to be a taxing unit other than a small taxing unit only if it does not meet the definition of a small taxing unit under Section 26.012.

(d) The secretary of state by rule shall prescribe procedures for holding an election under this section.

SECTION 35. The heading to Section 26.045, Tax Code, is amended to read as follows:

Sec. 26.045. VOTER-APPROVED TAX RATE ~~[ROLLBACK]~~ RELIEF FOR POLLUTION CONTROL REQUIREMENTS.

SECTION 36. Sections 26.045(a), (c), and (i), Tax Code, are amended to read as follows:

(a) The voter-approved ~~[rollback]~~ tax rate for a political subdivision of this state is increased by the rate that, if applied to the ~~[total]~~ current total value, would impose an amount of taxes equal to the amount the political subdivision will spend out of its maintenance and operation funds under Section 26.012(16) to pay for a facility, device, or method for the control of air, water, or land pollution that is necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality.

(c) To receive an adjustment to the voter-approved ~~[rollback]~~ tax rate under this section, a political subdivision shall present information to the executive director of the Texas Commission on Environmental Quality in a permit application or in a request for any exemption from a permit that would otherwise be required detailing:

(1) the anticipated environmental benefits from the installation of the facility, device, or method for the control of air, water, or land pollution;

(2) the estimated cost of the pollution control facility, device, or method;

and

(3) the purpose of the installation of the facility, device, or method, and the proportion of the installation that is pollution control property.

(i) A political subdivision of the state seeking an adjustment in its voter-approved ~~[rollback]~~ tax rate under this section shall provide to its tax assessor a copy of the letter issued by the executive director of the Texas Commission on Environmental Quality under Subsection (d). The tax assessor shall accept the copy of the letter from the executive director as conclusive evidence that the facility, device, or method is used wholly or partly as pollution control property and shall adjust the voter-approved ~~[rollback]~~ tax rate for the political subdivision as provided for by Subsection (a).

SECTION 37. Section 26.05, Tax Code, is amended by amending Subsections (a), (b), (c), (d), (e), and (g) and adding Subsections (d-1), (d-2), and (e-1) to read as follows:

(a) The governing body of each taxing unit~~[, before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit,]~~ shall adopt a tax rate for the current tax year and shall notify the assessor for the taxing unit of the rate adopted. The governing body must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, except that the governing body must adopt a tax rate that exceeds the voter-approved tax rate not later than the 71st day before the next uniform election date prescribed by Section 41.001, Election Code, that occurs in November of that year. The tax rate consists of two components, each of which must be approved separately. The components are:

(1) for a taxing unit other than a school district, the rate that, if applied to the total taxable value, will impose the total amount published under Section 26.04(e)(3)(C), less any amount of additional sales and use tax revenue that will be used to pay debt service, or, for a school district, the rate calculated under Section 44.004(c)(5)(A)(ii)(b), Education Code; and

(2) the rate that, if applied to the total taxable value, will impose the amount of taxes needed to fund maintenance and operation expenditures of the taxing unit for the next year.

(b) A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget. For a taxing unit other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue ~~[effective]~~ tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. For a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the sum of the no-new-revenue ~~[effective]~~ maintenance and operations tax rate of the district as determined under Section 26.08(i) and the district's current debt rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue ~~[effective]~~ tax rate must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds the no-new-revenue ~~[effective]~~ tax rate) percent increase in the tax rate." If the ordinance, resolution, or order sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the taxing unit that exceeds the amount of taxes imposed for that purpose in the preceding year, the taxing unit must:

(1) include in the ordinance, resolution, or order in type larger than the type used in any other portion of the document:

(A) the following statement: "THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE."; and

(B) if the tax rate exceeds the no-new-revenue ~~[effective]~~ maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE ~~[EFFECTIVE]~~ MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."; and

(2) include on the home page of the ~~[any]~~ Internet website of ~~[operated by]~~ the taxing unit:

(A) the following statement: "(Insert name of taxing unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and

(B) if the tax rate exceeds the no-new-revenue ~~[effective]~~ maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE ~~[EFFECTIVE]~~ MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

(c) If the governing body of a taxing unit does not adopt a tax rate before the date required by Subsection (a), the tax rate for the taxing unit for that tax year is the lower of the no-new-revenue ~~[effective]~~ tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. A tax rate established by this subsection is treated as an adopted tax rate. Before the fifth day after the establishment of a tax rate by this subsection, the governing body of the taxing unit must ratify the applicable tax rate in the manner required by Subsection (b).

(d) The governing body of a taxing unit other than a school district may not adopt a tax rate that exceeds the lower of the voter-approved ~~[rollback]~~ tax rate or the no-new-revenue ~~[effective]~~ tax rate calculated as provided by this chapter until the governing body has held a public hearing ~~[two public hearings]~~ on the proposed tax rate and has otherwise complied with Section 26.06 and Section 26.065. The governing body of a taxing unit shall reduce a tax rate set by law or by vote of the electorate to the lower of the voter-approved ~~[rollback]~~ tax rate or the no-new-revenue ~~[effective]~~ tax rate and may not adopt a higher rate unless it first complies with Section 26.06.

(d-1) The governing body of a taxing unit other than a school district may not hold a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the fifth day after the date the chief appraiser of each appraisal district in which the taxing unit participates has:

- (1) delivered the notice required by Section 26.04(e-2); and
- (2) complied with Section 26.17(e).

(d-2) Notwithstanding Subsection (a), the governing body of a taxing unit other than a school district may not adopt a tax rate until the chief appraiser of each appraisal district in which the taxing unit participates has complied with Subsection (d-1).

(e) A person who owns taxable property is entitled to an injunction restraining the collection of taxes by a taxing unit in which the property is taxable if the taxing unit has not complied with the requirements of this section or Section 26.04 [and the failure to comply was not in good faith]. It is a defense in an action for an injunction under this subsection that the failure to comply was in good faith. An action to enjoin the collection of taxes must be filed not later than the 15th day after the date the taxing unit adopts a tax rate. A property owner is not required to pay the taxes imposed by a taxing unit on the owner's property while an action filed by the property owner to enjoin the collection of taxes imposed by the taxing unit on the owner's property is pending. If the property owner pays the taxes and subsequently prevails in the action,

the property owner is entitled to a refund of the taxes paid, together with reasonable attorney's fees and court costs. The property owner is not required to apply to the collector for the taxing unit to receive the refund [prior to the date a taxing unit delivers substantially all of its tax bills].

(e-1) The governing body of a taxing unit that imposes an additional sales and use tax may not adopt the component of the tax rate of the taxing unit described by Subsection (a)(1) of this section until the chief financial officer or the auditor for the taxing unit submits to the governing body of the taxing unit a written certification that the amount of additional sales and use tax revenue that will be used to pay debt service has been deducted from the total amount published under Section 26.04(e)(3)(C) as required by Subsection (a)(1) of this section. The comptroller shall adopt rules governing the form of the certification required by this subsection and the manner in which it is required to be submitted.

(g) Notwithstanding Subsection (a), the governing body of a school district that elects to adopt a tax rate before the adoption of a budget for the fiscal year that begins in the current tax year may adopt a tax rate for the current tax year before receipt of the certified appraisal roll for the school district if the chief appraiser of the appraisal district in which the school district participates has certified to the assessor for the school district an estimate of the taxable value of property in the school district as provided by Section 26.01(e). If a school district adopts a tax rate under this subsection, the no-new-revenue [effective] tax rate and the voter-approved [rollback] tax rate of the district shall be calculated based on the certified estimate of taxable value.

SECTION 38. Section 26.052, Tax Code, is amended by amending Subsection (e) and adding Subsection (f) to read as follows:

(e) Public notice provided under Subsection (c) must specify:

(1) the tax rate that the governing body proposes to adopt;  
(2) the date, time, and location of the meeting of the governing body of the taxing unit at which the governing body will consider adopting the proposed tax rate;  
and

(3) if the proposed tax rate for the taxing unit exceeds the taxing unit's no-new-revenue [effective] tax rate calculated as provided by Section 26.04, a statement substantially identical to the following: "The proposed tax rate would increase total taxes in (name of taxing unit) by (percentage by which the proposed tax rate exceeds the no-new-revenue [effective] tax rate)."

(f) A taxing unit to which this section applies that elects to provide public notice of its proposed tax rate under Subsection (c)(2) must also provide public notice of its proposed tax rate by posting notice of the proposed tax rate, including the information prescribed by Subsection (e), prominently on the home page of the Internet website of the taxing unit.

SECTION 39. Section 26.06, Tax Code, is amended by amending Subsections (a), (b), (c), (d), and (e) and adding Subsections (b-1), (b-2), (b-3), and (b-4) to read as follows:

(a) A public hearing required by Section 26.05 may not be held before the seventh day after the date the notice of the public hearing is given. The ~~[second hearing may not be held earlier than the third day after the date of the first hearing.~~

~~Each~~ hearing must be on a weekday that is not a public holiday. ~~The~~ ~~[Each]~~ hearing must be held inside the boundaries of the unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. At the hearing ~~[hearings]~~, the governing body must afford adequate opportunity for proponents and opponents of the tax increase to present their views.

(b) The notice of a public hearing may not be smaller than one-quarter page of a standard-size or a tabloid-size newspaper, and the headline on the notice must be in 24-point or larger type. ~~[The notice must contain a statement in the following form:~~

~~["NOTICE OF PUBLIC HEARING ON TAX INCREASE~~

~~["The (name of the taxing unit) will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax rate calculated under this chapter) percent. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.~~

~~["The first public hearing will be held on (date and time) at (meeting place).~~

~~["The second public hearing will be held on (date and time) at (meeting place).~~

~~["(Names of all members of the governing body, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating the absences.)~~

~~["The average taxable value of a residence homestead in (name of taxing unit) last year was \$ \_\_\_\_ (average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older). Based on last year's tax rate of \$ \_\_\_\_ (preceding year's adopted tax rate) per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$ \_\_\_\_ (tax on average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older).~~

~~["The average taxable value of a residence homestead in (name of taxing unit) this year is \$ \_\_\_\_ (average taxable value of a residence homestead in the taxing unit for the current tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older). If the governing body adopts the effective tax rate for this year of \$ \_\_\_\_ (effective tax rate) per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$ \_\_\_\_ (tax on average taxable value of a residence homestead in the taxing unit for the current tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older).~~

~~["If the governing body adopts the proposed tax rate of \$ \_\_\_\_ (proposed tax rate) per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$ \_\_\_\_ (tax on the average taxable value of a residence in the taxing unit for the current year disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older).~~

["Members of the public are encouraged to attend the hearings and express their views."]

(b-1) If the proposed tax rate exceeds the no-new-revenue tax rate and the voter-approved tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE           \$ \_\_\_\_\_ per \$100  
"NO-NEW-REVENUE TAX RATE   \$ \_\_\_\_\_ per \$100  
"VOTER-APPROVED TAX RATE   \$ \_\_\_\_\_ per \$100

"The no-new-revenue tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The voter-approved tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate.

"The proposed tax rate is greater than the no-new-revenue tax rate. This means that (name of taxing unit) is proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is also greater than the voter-approved tax rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate. If a majority of the voters reject the proposed tax rate, the (name of taxing unit) will be required to adopt a new tax rate that is not greater than the voter-approved tax rate. The election will be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).

"Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(Names of all members of the governing body, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating the absences.)"

(b-2) If the proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the voter-approved tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE           \$ \_\_\_\_\_ per \$100  
"NO-NEW-REVENUE TAX RATE   \$ \_\_\_\_\_ per \$100  
"VOTER-APPROVED TAX RATE   \$ \_\_\_\_\_ per \$100

"The no-new-revenue tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The voter-approved tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate.

"The proposed tax rate is greater than the no-new-revenue tax rate. This means that (name of taxing unit) is proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is not greater than the voter-approved tax rate. As a result, (name of taxing unit) is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public hearing mentioned above.

"Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(Names of all members of the governing body, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating the absences.)"

(b-3) If the proposed tax rate does not exceed the no-new-revenue tax rate but exceeds the voter-approved tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX RATE

"PROPOSED TAX RATE           \$ \_\_\_\_\_ per \$100

"NO-NEW-REVENUE TAX RATE   \$ \_\_\_\_\_ per \$100

"VOTER-APPROVED TAX RATE   \$ \_\_\_\_\_ per \$100

"The no-new-revenue tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The voter-approved tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate.

"The proposed tax rate is not greater than the no-new-revenue tax rate. This means that (name of taxing unit) is not proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is greater than the voter-approved tax rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate. If a majority of the voters reject the proposed tax rate, the (name of taxing unit) will be required to adopt a new tax rate that is not greater than the voter-approved tax rate. The election will be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).

"Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(Names of all members of the governing body, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating the absences.)"

(b-4) In addition to including the information described by Subsection (b-1), (b-2), or (b-3), as applicable, the notice must include the information described by Section 26.062.

(c) The notice of a public hearing under this section may be delivered by mail to each property owner in the taxing unit, or may be published in a newspaper. If the notice is published in a newspaper, it may not be in the part of the paper in which legal notices and classified advertisements appear. If the taxing unit publishes the notice in a newspaper [~~operates an Internet website~~], the taxing unit must also post the notice prominently on the home page of the Internet website of the taxing unit [~~must be posted on the website~~] from the date the notice is first published until the [~~second~~] public hearing is concluded.

(d) At the public hearing [~~hearings~~] the governing body shall announce the date, time, and place of the meeting at which it will vote on the proposed tax rate. After the [~~each~~] hearing the governing body shall give notice of the meeting at which it will vote on the proposed tax rate and the notice shall be in the same form as prescribed by Subsections (b) and (c), except that it must state the following:

#### "NOTICE OF TAX REVENUE INCREASE

"The (name of the taxing unit) conducted a public hearing [~~hearings~~] on (date of [~~first~~] hearing) [~~and (date of second hearing)~~] on a proposal to increase the total tax revenues of the (name of the taxing unit) from properties on the tax roll in the preceding year by (percentage by which proposed tax rate exceeds lower of voter-approved [~~rollback~~] tax rate or no-new-revenue [~~effective~~] tax rate calculated under this chapter) percent.

"The total tax revenue proposed to be raised last year at last year's tax rate of (insert tax rate for the preceding year) for each \$100 of taxable value was (insert total amount of taxes imposed in the preceding year).

"The total tax revenue proposed to be raised this year at the proposed tax rate of (insert proposed tax rate) for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is (insert amount computed by multiplying proposed tax rate by the difference between current total value and new property value).

"The total tax revenue proposed to be raised this year at the proposed tax rate of (insert proposed tax rate) for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is (insert amount computed by multiplying proposed tax rate by current total value).

"The (governing body of the taxing unit) is scheduled to vote on the tax rate that will result in that tax increase at a public meeting to be held on (date of meeting) at (location of meeting, including mailing address) at (time of meeting).

"The (governing body of the taxing unit) proposes to use the increase in total tax revenue for the purpose of (description of purpose of increase)."

(e) The meeting to vote on the tax increase may not be earlier than the third day or later than the seventh ~~[14th]~~ day after the date of the ~~[second]~~ public hearing. The meeting must be held inside the boundaries of the taxing unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. If the governing body does not adopt a tax rate that exceeds the lower of the voter-approved ~~[rollback]~~ tax rate or the no-new-revenue ~~[effective]~~ tax rate by the seventh ~~[14th]~~ day, it must give a new notice under Subsection (d) before it may adopt a rate that exceeds the lower of the voter-approved ~~[rollback]~~ tax rate or the no-new-revenue ~~[effective]~~ tax rate.

SECTION 40. Chapter 26, Tax Code, is amended by adding Sections 26.061 and 26.062 to read as follows:

Sec. 26.061. NOTICE OF MEETING TO VOTE ON PROPOSED TAX RATE THAT DOES NOT EXCEED LOWER OF NO-NEW-REVENUE OR VOTER-APPROVED TAX RATE. (a) This section applies only to the governing body of a taxing unit other than a school district that proposes to adopt a tax rate that does not exceed the lower of the no-new-revenue tax rate or the voter-approved tax rate calculated as provided by this chapter.

(b) The notice of the meeting at which the governing body of the taxing unit will vote on the proposed tax rate must contain a statement in the following form:

"NOTICE OF MEETING TO VOTE ON TAX RATE

<u>"PROPOSED TAX RATE</u>	<u>\$ _____</u>	<u>per \$100</u>
<u>"NO-NEW-REVENUE TAX RATE</u>	<u>\$ _____</u>	<u>per \$100</u>
<u>"VOTER-APPROVED TAX RATE</u>	<u>\$ _____</u>	<u>per \$100</u>

"The no-new-revenue tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The voter-approved tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate.

"The proposed tax rate is not greater than the no-new-revenue tax rate. This means that (name of taxing unit) is not proposing to increase property taxes for the (current tax year) tax year.

"A public meeting to vote on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is also not greater than the voter-approved tax rate. As a result, (name of taxing unit) is not required to hold an election to ratify the rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public meeting mentioned above.

"Your taxes owed under any of the above rates can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(Names of all members of the governing body, showing how each voted on the proposed tax rate or, if one or more were absent, indicating the absences.)"

(c) In addition to including the information described by Subsection (b), the notice must include the information described by Section 26.062.

Sec. 26.062. ADDITIONAL INFORMATION TO BE INCLUDED IN TAX RATE NOTICE. (a) In addition to the information described by Section 26.06(b-1), (b-2), or (b-3) or 26.061, as applicable, a notice required by that provision must include at the end of the notice:

(1) a statement in the following form:

"The following table compares the taxes imposed on the average residence homestead by (name of taxing unit) last year to the taxes proposed to be imposed on the average residence homestead by (name of taxing unit) this year:";

(2) a table in the form required by this section following the statement described by Subdivision (1); and

(3) a statement in the following form following the table:

(A) if the tax assessor for the taxing unit maintains an Internet website:

"For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address), or visit (Internet website address) for more information."; or

(B) if the tax assessor for the taxing unit does not maintain an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address)."

(b) The table must contain five rows and four columns.

(c) The first row must appear as follows:

(1) the first column of the first row must be left blank;

(2) the second column of the first row must state the year corresponding to the preceding tax year;

(3) the third column of the first row must state the year corresponding to the current tax year; and

(4) the fourth column of the first row must be entitled "Change".

(d) The second row must appear as follows:

(1) the first column of the second row must be entitled "Total tax rate (per \$100 of value)";

(2) the second column of the second row must state the adopted tax rate for the preceding tax year;

(3) the third column of the second row must state the proposed tax rate for the current tax year; and

(4) the fourth column of the second row must state the nominal and percentage difference between the adopted tax rate for the preceding tax year and the proposed tax rate for the current tax year as follows: "(increase or decrease, as applicable) of (nominal difference between tax rate stated in second column of second row and tax rate stated in third column of second row) per \$100, or (percentage difference between tax rate stated in second column of second row and tax rate stated in third column of second row)%".

(e) The third row must appear as follows:

(1) the first column of the third row must be entitled "Average homestead taxable value";

(2) the second column of the third row must state the average taxable value of a residence homestead in the taxing unit for the preceding tax year;

(3) the third column of the third row must state the average taxable value of a residence homestead in the taxing unit for the current tax year; and

(4) the fourth column of the third row must state the percentage difference between the average taxable value of a residence homestead in the taxing unit for the preceding tax year and the average taxable value of a residence homestead in the taxing unit for the current tax year as follows: "(increase or decrease, as applicable) of (percentage difference between amount stated in second column of third row and amount stated in third column of third row)%".

(f) The fourth row must appear as follows:

(1) the first column of the fourth row must be entitled "Tax on average homestead";

(2) the second column of the fourth row must state the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the preceding tax year;

(3) the third column of the fourth row must state the amount of taxes that would be imposed by the taxing unit in the current tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate; and

(4) the fourth column of the fourth row must state the nominal and percentage difference between the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the preceding tax year and the amount of taxes that would be imposed by the taxing unit in the current tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate, as follows: "(increase or decrease, as applicable) of (nominal difference between amount stated in second column of fourth row and amount stated in third column of fourth row), or (percentage difference between amount stated in second column of fourth row and amount stated in third column of fourth row)%".

(g) The fifth row must appear as follows:

(1) the first column of the fifth row must be entitled "Total tax levy on all properties";

(2) the second column of the fifth row must state the amount equal to last year's levy;

(3) the third column of the fifth row must state the amount computed by multiplying the proposed tax rate by the current total value and dividing the product by 100; and

(4) the fourth column of the fifth row must state the nominal and percentage difference between the total amount of taxes imposed by the taxing unit in the preceding tax year and the amount that would be imposed by the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate, as follows: "(increase or decrease, as applicable) of (nominal difference between amount stated in second

column of fifth row and amount stated in third column of fifth row), or (percentage difference between amount stated in second column of fifth row and amount stated in third column of fifth row)%".

(h) In calculating the average taxable value of a residence homestead in the taxing unit for the preceding tax year and the current tax year for purposes of Subsections (e) and (f), any residence homestead exemption available only to disabled persons, persons 65 years of age or older, or their surviving spouses must be disregarded.

SECTION 41. Section 26.065(b), Tax Code, is amended to read as follows:

(b) The [If the] taxing unit [owns, operates, or controls an Internet website, the unit] shall post notice of the public hearing prominently on the home page of the Internet website of the taxing unit continuously for at least seven days immediately before the public hearing on the proposed tax rate increase and at least seven days immediately before the date of the vote proposing the increase in the tax rate.

SECTION 42. The heading to Section 26.08, Tax Code, is amended to read as follows:

Sec. 26.08. ELECTION TO APPROVE TAX RATE OF TAXING UNIT [RATIFY SCHOOL TAXES].

SECTION 43. Section 26.08, Tax Code, is amended by amending Subsections (a), (b), (d), (d-1), (d-2), (e), (g), (h), (i), (n), and (p) and adding Subsections (b-1) and (q) to read as follows:

(a) If the governing body of a taxing unit [school district] adopts a tax rate that exceeds the taxing unit's voter-approved [district's rollback] tax rate, the registered voters of the taxing unit [district] at an election held for that purpose must determine whether to approve the adopted tax rate. When increased expenditure of money by a taxing unit [school district] is necessary to respond to a disaster, including a tornado, hurricane, flood, or other calamity, but not including a drought, that has impacted the taxing unit [a school district] and the governor has declared any part of [requested federal disaster assistance for] the area in which the taxing unit [school district] is located as a disaster area, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs.

(b) This subsection applies only to a taxing unit other than a school district. The governing body shall order that the election be held in the taxing unit [school district] on the uniform election date prescribed by [a date not less than 30 or more than 90 days after the day on which it adopted the tax rate.] Section 41.001, Election Code, that occurs in November of the applicable tax year. The order calling the election may not be issued later than August 15 [does not apply to the election unless a date specified by that section falls within the time permitted by this section]. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of \$ \_\_\_\_ per \$100 valuation in (name of taxing unit [school district]) for the current year, a rate that is \$ \_\_\_\_ higher per \$100 valuation than the voter-approved [school district rollback] tax rate of (name of taxing unit), for the purpose of (description of purpose of increase)." The ballot proposition must include the adopted tax rate and the difference between that rate and the voter-approved [rollback] tax rate in the appropriate places.

(b-1) This subsection applies only to a school district. The governing body of a school district shall order that the election be held in the school district on the uniform election date prescribed by Section 41.001, Election Code, that occurs in November of the applicable tax year. The order calling the election may not be issued later than August 15. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of \$ \_\_\_\_\_ per \$100 valuation in (name of school district) for the current year, a rate that is \$ \_\_\_\_\_ higher per \$100 valuation than the voter-approved tax rate of (name of school district), for the purpose of (description of purpose of increase). This rate will allow the school district to collect an amount of maintenance and operations tax revenue that is at least 2.5 percent greater than the amount of that revenue that was collected by the school district in the preceding year." The ballot proposition must include the adopted tax rate and the difference between that rate and the voter-approved tax rate in the appropriate places.

(d) If the proposition is not approved as provided by Subsection (c), the governing body may not adopt a tax rate for the taxing unit [school district] for the current year that exceeds the taxing unit's voter-approved [school district's rollback] tax rate.

(d-1) If, after tax bills for the taxing unit [school district] have been mailed, a proposition to approve the taxing unit's [school district's] adopted tax rate is not approved by the voters of the taxing unit [district] at an election held under this section, on subsequent adoption of a new tax rate by the governing body of the taxing unit [district], the assessor for the taxing unit [school] shall prepare and mail corrected tax bills. The assessor shall include with each bill a brief explanation of the reason for and effect of the corrected bill. The date on which the taxes become delinquent for the year is extended by a number of days equal to the number of days between the date the first tax bills were sent and the date the corrected tax bills were sent.

(d-2) If a property owner pays taxes calculated using the originally adopted tax rate of the taxing unit [school district] and the proposition to approve the adopted tax rate is not approved by the voters, the taxing unit [school district] shall refund the difference between the amount of taxes paid and the amount due under the subsequently adopted rate if the difference between the amount of taxes paid and the amount due under the subsequent rate is \$1 or more. If the difference between the amount of taxes paid and the amount due under the subsequent rate is less than \$1, the taxing unit [school district] shall refund the difference on request of the taxpayer. An application for a refund of less than \$1 must be made within 90 days after the date the refund becomes due or the taxpayer forfeits the right to the refund.

(e) For purposes of this section, local tax funds dedicated to a junior college district under Section 45.105(e), Education Code, shall be eliminated from the calculation of the tax rate adopted by the governing body of a [the] school district. However, the funds dedicated to the junior college district are subject to Section 26.085.

(g) In a school district that received distributions from an equalization tax imposed under former Chapter 18, Education Code, the no-new-revenue tax [effective] rate of that tax as of the date of the county unit system's abolition is added to the district's voter-approved [rollback] tax rate.

(h) For purposes of this section, increases in taxable values and tax levies occurring within a reinvestment zone designated under Chapter 311 [~~(Tax Increment Financing Act),~~] in which a school [~~the~~] district is a participant[~~;~~] shall be eliminated from the calculation of the tax rate adopted by the governing body of the school district.

(i) For purposes of this section, the no-new-revenue [~~effective~~] maintenance and operations tax rate of a school district is the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, would provide the same amount of state funds distributed under Chapter 42, Education Code, and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year.

(n) For purposes of this section, the voter-approved [~~rollback~~] tax rate of a school district [~~whose maintenance and operations tax rate for the 2005 tax year was \$1.50 or less per \$100 of taxable value~~] is the sum of 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 1.025 [~~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

(2) [~~for the 2007 and subsequent tax years, the lesser of the following:~~

[~~(A) the sum of the following:~~

[~~(i) the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Section 42.2516, Education Code, for the current year and \$1.50;~~

[~~(ii) the rate of \$0.04 per \$100 of taxable value;~~

[~~(iii) the rate that is equal to the sum of the differences for the 2006 and each subsequent tax year between the adopted tax rate of the district for that year if the rate was approved at an election under this section and the rollback tax rate of the district for that year; and~~

[~~(iv) the district's current debt rate; or~~

[~~(B) the sum of the following:~~

[~~(i) the effective maintenance and operations tax rate of the district as computed under Subsection (i) or (k), as applicable;~~

[~~(ii) the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Section 42.2516, Education Code, for the current year and \$0.06; and~~

[~~(iii) the district's current debt rate.~~

(p) Notwithstanding Subsections (i) and[~~;~~] (n), [~~and (o),~~] if for the preceding tax year a school district adopted a maintenance and operations tax rate that was less than the district's no-new-revenue [~~effective~~] maintenance and operations tax rate for that preceding tax year, the voter-approved [~~rollback~~] tax rate of the district for the current

tax year is calculated as if the district adopted a maintenance and operations tax rate for the preceding tax year that was equal to the district's no-new-revenue ~~[effective]~~ maintenance and operations tax rate for that preceding tax year.

(q) Except as otherwise expressly provided by law, this section does not apply to a tax imposed by a taxing unit if a provision of an uncodified local or special law enacted by the 86th Legislature, Regular Session, 2019, or by an earlier legislature provides that former Section 26.07 does not apply to a tax imposed by the taxing unit.

SECTION 44. The heading to Section 26.16, Tax Code, is amended to read as follows:

Sec. 26.16. POSTING OF TAX-RELATED INFORMATION ~~[TAX RATES]~~  
ON COUNTY'S INTERNET WEBSITE.

SECTION 45. Section 26.16, Tax Code, is amended by amending Subsections (a) and (d) and adding Subsections (a-1), (d-1), and (d-2) to read as follows:

(a) Each county shall maintain an Internet website. The county assessor-collector for each county ~~[that maintains an Internet website]~~ shall post on the Internet website maintained by ~~[of]~~ the county the following information for the most recent five tax years ~~[beginning with the 2012 tax year]~~ for each taxing unit all or part of the territory of which is located in the county:

- (1) the adopted tax rate;
- (2) the maintenance and operations rate;
- (3) the debt rate;
- (4) the no-new-revenue ~~[effective]~~ tax rate;
- (5) the no-new-revenue ~~[effective]~~ maintenance and operations rate; and
- (6) the voter-approved ~~[rollback]~~ tax rate.

(a-1) For purposes of Subsection (a), a reference to the no-new-revenue tax rate or the no-new-revenue maintenance and operations rate includes the equivalent effective tax rate or effective maintenance and operations rate for a preceding year. This subsection expires January 1, 2026.

(d) The county assessor-collector shall post immediately below the table prescribed by Subsection (c) the following statement:

"The county is providing this table of property tax rate information as a service to the residents of the county. Each individual taxing unit is responsible for calculating the property tax rates listed in this table pertaining to that taxing unit and providing that information to the county.

"The adopted tax rate is the tax rate adopted by the governing body of a taxing unit.

"The maintenance and operations rate is the component of the adopted tax rate of a taxing unit that will impose the amount of taxes needed to fund maintenance and operation expenditures of the taxing unit for the following year.

"The debt rate is the component of the adopted tax rate of a taxing unit that will impose the amount of taxes needed to fund the taxing unit's debt service for the following year.

"The no-new-revenue ~~[effective]~~ tax rate is the tax rate that would generate the same amount of revenue in the current tax year as was generated by a taxing unit's adopted tax rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year.

"The no-new-revenue ~~[effective]~~ maintenance and operations rate is the tax rate that would generate the same amount of revenue for maintenance and operations in the current tax year as was generated by a taxing unit's maintenance and operations rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year.

"The voter-approved ~~[rollback]~~ tax rate is the highest tax rate a taxing unit may adopt before requiring voter approval at an election. ~~An [In the case of a taxing unit other than a school district, the voters by petition may require that a rollback election be held if the unit adopts a tax rate in excess of the unit's rollback tax rate. In the case of a school district, an]~~ election will automatically be held if a taxing unit ~~[the district]~~ wishes to adopt a tax rate in excess of the taxing unit's voter-approved ~~[district's rollback]~~ tax rate."

(d-1) In addition to posting the information described by Subsection (a), the county assessor-collector shall post on the Internet website of the county for each taxing unit all or part of the territory of which is located in the county:

(1) the tax rate calculation forms used by the designated officer or employee of each taxing unit to calculate the no-new-revenue and voter-approved tax rates of the taxing unit for the most recent five tax years beginning with the 2020 tax year, as certified by the designated officer or employee under Section 26.04(d-2); and

(2) the name and official contact information for each member of the governing body of the taxing unit.

(d-2) Not later than August 1, the county assessor-collector shall post on the website the tax rate calculation forms described by Subsection (d-1)(1) for the current tax year.

SECTION 46. Chapter 26, Tax Code, is amended by adding Sections 26.17 and 26.18 to read as follows:

Sec. 26.17. DATABASE OF PROPERTY-TAX-RELATED INFORMATION.

(a) The chief appraiser of each appraisal district shall create and maintain a property tax database that:

(1) is identified by the name of the county in which the appraisal district is established instead of the name of the appraisal district;

(2) contains information that is provided by designated officers or employees of the taxing units that are located in the appraisal district in the manner required by the comptroller;

(3) is continuously updated as preliminary and revised data become available to and are provided by the designated officers or employees of taxing units;

(4) is accessible to the public; and

(5) is searchable by property address and owner, except to the extent that access to the information in the database is restricted by Section 25.025 or 25.026.

(b) The database must include, with respect to each property listed on the appraisal roll for the appraisal district:

(1) the property's identification number;

(2) the property's market value;

(3) the property's taxable value;

(4) the name of each taxing unit in which the property is located;

(5) for each taxing unit other than a school district in which the property is located;

(A) the no-new-revenue tax rate; and

(B) the voter-approved tax rate;

(6) for each school district in which the property is located:

(A) the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and

(B) the voter-approved tax rate;

(7) the tax rate proposed by the governing body of each taxing unit in which the property is located;

(8) for each taxing unit other than a school district in which the property is located, the taxes that would be imposed on the property if the taxing unit adopted a tax rate equal to:

(A) the no-new-revenue tax rate; and

(B) the proposed tax rate;

(9) for each school district in which the property is located, the taxes that would be imposed on the property if the district adopted a tax rate equal to:

(A) the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and

(B) the proposed tax rate;

(10) for each taxing unit other than a school district in which the property is located, the difference between the amount calculated under Subdivision (8)(A) and the amount calculated under Subdivision (8)(B);

(11) for each school district in which the property is located, the difference between the amount calculated under Subdivision (9)(A) and the amount calculated under Subdivision (9)(B);

(12) the date and location of the public hearing, if applicable, on the proposed tax rate to be held by the governing body of each taxing unit in which the property is located;

(13) the date and location of the public meeting at which the tax rate will be adopted to be held by the governing body of each taxing unit in which the property is located; and

(14) for each taxing unit in which the property is located, an e-mail address at which the taxing unit is capable of receiving written comments regarding the proposed tax rate of the taxing unit.

(c) The database must provide a link to the Internet website used by each taxing unit in which the property is located to post the information described by Section 26.18.

(d) The officer or employee designated by the governing body of each taxing unit in which the property is located to calculate the no-new-revenue tax rate and the voter-approved tax rate for the taxing unit must electronically incorporate into the database:

(1) the information described by Subsections (b)(5), (6), (7), (12), and (13), as applicable, as the information becomes available; and

(2) the tax rate calculation forms prepared under Section 26.04(d-1) at the same time the designated officer or employee submits the tax rates to the governing body of the taxing unit under Section 26.04(e).

(e) The chief appraiser shall make the information described by Subsection (d)(1) and the tax rate calculation forms described by Subsection (d)(2) available to the public not later than the third business day after the date the information and forms are incorporated into the database.

Sec. 26.18. POSTING OF TAX RATE AND BUDGET INFORMATION BY TAXING UNIT ON WEBSITE. Each taxing unit shall maintain an Internet website or have access to a generally accessible Internet website that may be used for the purposes of this section. Each taxing unit shall post or cause to be posted on the Internet website the following information in a format prescribed by the comptroller:

(1) the name of each member of the governing body of the taxing unit;

(2) the mailing address, e-mail address, and telephone number of the taxing unit;

(3) the official contact information for each member of the governing body of the taxing unit, if that information is different from the information described by Subdivision (2);

(4) the taxing unit's budget for the preceding two years;

(5) the taxing unit's proposed or adopted budget for the current year;

(6) the change in the amount of the taxing unit's budget from the preceding year to the current year, by dollar amount and percentage;

(7) in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for maintenance and operations for:

(A) the preceding two years; and

(B) the current year;

(8) in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for debt service for:

(A) the preceding two years; and

(B) the current year;

(9) the tax rate for maintenance and operations adopted by the taxing unit for the preceding two years;

(10) in the case of a taxing unit other than a school district, the tax rate for debt service adopted by the taxing unit for the preceding two years;

(11) in the case of a school district, the interest and sinking fund tax rate adopted by the district for the preceding two years;

(12) the tax rate for maintenance and operations proposed by the taxing unit for the current year;

(13) in the case of a taxing unit other than a school district, the tax rate for debt service proposed by the taxing unit for the current year;

(14) in the case of a school district, the interest and sinking fund tax rate proposed by the district for the current year; and

(15) the most recent financial audit of the taxing unit.

SECTION 47. Sections 31.12(a) and (b), Tax Code, are amended to read as follows:

(a) If a refund of a tax provided by Section 11.431(b), 26.08(d-2) [~~26.07(g)~~], 26.15(f), 31.11, 31.111, or 31.112 is paid on or before the 60th day after the date the liability for the refund arises, no interest is due on the amount refunded. If not paid on or before that 60th day, the amount of the tax to be refunded accrues interest at a rate of one percent for each month or part of a month that the refund is unpaid, beginning with the date on which the liability for the refund arises.

(b) For purposes of this section, liability for a refund arises:

(1) if the refund is required by Section 11.431(b), on the date the chief appraiser notifies the collector for the taxing unit of the approval of the late homestead exemption;

(2) if the refund is required by Section 26.08(d-2) [~~26.07(g)~~], on the date the subsequent tax rate is adopted [~~results of the election to reduce the tax rate are certified~~];

(3) if the refund is required by Section 26.15(f):

(A) for a correction to the tax roll made under Section 26.15(b), on the date the change in the tax roll is certified to the assessor for the taxing unit under Section 25.25; or

(B) for a correction to the tax roll made under Section 26.15(c), on the date the change in the tax roll is ordered by the governing body of the taxing unit;

(4) if the refund is required by Section 31.11, on the date the auditor for the taxing unit determines that the payment was erroneous or excessive or, if the amount of the refund exceeds the applicable amount specified by Section 31.11(a), on the date the governing body of the taxing unit approves the refund;

(5) if the refund is required by Section 31.111, on the date the collector for the taxing unit determines that the payment was erroneous; or

(6) if the refund is required by Section 31.112, on the date required by Section 31.112(d) or (e), as applicable.

SECTION 48. Section 33.08(b), Tax Code, is amended to read as follows:

(b) The governing body of the taxing unit or appraisal district, in the manner required by law for official action, may provide that taxes that become delinquent on or after June 1 under Section 26.08(d-1) [~~26.07(f)~~], 26.15(e), 31.03, 31.031, 31.032, 31.04, or 42.42 incur an additional penalty to defray costs of collection. The amount of the penalty may not exceed the amount of the compensation specified in the applicable contract with an attorney under Section 6.30 to be paid in connection with the collection of the delinquent taxes.

SECTION 49. Section 41.03(a), Tax Code, is amended to read as follows:

(a) A taxing unit is entitled to challenge before the appraisal review board:

(1) [~~the level of appraisals of any category of property in the district or in any territory in the district, but not the appraised value of a single taxpayer's property;~~

[~~2~~] an exclusion of property from the appraisal records;

[~~3~~] a grant in whole or in part of a partial exemption;

[~~4~~] a determination that land qualifies for appraisal as provided by Subchapter C, D, E, or H, Chapter 23; or

[~~5~~] failure to identify the taxing unit as one in which a particular property is taxable.

SECTION 50. Section 41.44(d), Tax Code, is amended to read as follows:

(d) A notice of protest is sufficient if it identifies the protesting property owner, including a person claiming an ownership interest in the property even if that person is not listed on the appraisal records as an owner of the property, identifies the property that is the subject of the protest, and indicates apparent dissatisfaction with some determination of the appraisal office. The notice need not be on an official form, but the comptroller shall prescribe a form that provides for more detail about the nature of the protest. The form must permit a property owner to include each property in the appraisal district that is the subject of a protest. The form must permit a property owner to request that the protest be heard by a special panel established under Section 6.425 if the protest will be determined by an appraisal review board to which that section applies and the property is included in a classification described by Section 6.425(b). The comptroller, each appraisal office, and each appraisal review board shall make the forms readily available and deliver one to a property owner on request.

SECTION 51. Section 41.45, Tax Code, is amended by amending Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to read as follows:

(d) This subsection does not apply to a special panel established under Section 6.425. An appraisal review board consisting of more than three members may sit in panels of not fewer than three members to conduct protest hearings. [However, the determination of a protest heard by a panel must be made by the board.] If the recommendation of a panel is not accepted by the board, the board may refer the matter for rehearing to a panel composed of members who did not hear the original protest ~~[hearing]~~ or, if there are not at least three members who did not hear the original protest, the board may determine the protest. ~~[Before determining a protest or conducting a rehearing before a new panel or the board, the board shall deliver notice of the hearing or meeting to determine the protest in accordance with the provisions of this subchapter.]~~

(d-1) An appraisal review board to which Section 6.425 applies shall sit in special panels established under that section to conduct protest hearings. A special panel may conduct a protest hearing relating to property only if the property is described by Section 6.425(b) and the property owner has requested that a special panel conduct the hearing or if the protest is assigned to the special panel under Section 6.425(f). If the recommendation of a special panel is not accepted by the board, the board may refer the matter for rehearing to another special panel composed of members who did not hear the original protest or, if there are not at least three other special panel members who did not hear the original protest, the board may determine the protest.

(d-2) The determination of a protest heard by a panel under Subsection (d) or (d-1) must be made by the board.

(d-3) The board must deliver notice of a hearing or meeting to determine a protest heard by a panel, or to rehear a protest, under Subsection (d) or (d-1) in accordance with the provisions of this subchapter.

SECTION 52. Section 41.46(a), Tax Code, is amended to read as follows:

(a) The appraisal review board before which a protest hearing is scheduled shall deliver written notice to the property owner initiating a protest of the date, time, ~~[and]~~ place, and subject matter of ~~[fixed for]~~ the hearing on the protest and of the property

owner's entitlement to a postponement of the hearing as provided by Section 41.45 unless the property owner waives in writing notice of the hearing. The board shall deliver the notice not later than the 15th day before the date of the hearing.

SECTION 53. Section 41.461, Tax Code, is amended to read as follows:

Sec. 41.461. NOTICE OF CERTAIN MATTERS BEFORE HEARING; DELIVERY OF REQUESTED INFORMATION. (a) At least 14 days before the first scheduled [a] hearing on a protest, the chief appraiser shall:

(1) deliver a copy of the pamphlet prepared by the comptroller under Section 5.06 ~~[5.06(a)]~~ to the property owner initiating the protest if the owner is representing himself, or to an agent representing the owner if requested by the agent;

(2) inform the property owner that the owner or the agent of the owner is entitled on request to [may inspect and may obtain] a copy of the data, schedules, formulas, and all other information the chief appraiser will [plans to] introduce at the hearing to establish any matter at issue; and

(3) deliver a copy of the hearing procedures established by the appraisal review board under Section 41.66 to the property owner.

(b) The chief appraiser may not charge a property owner or the designated agent of the owner for copies provided to the [an] owner or designated agent under this section, regardless of the manner in which the copies are prepared or delivered [may not exceed the charge for copies of public information as provided under Subchapter F, Chapter 552, Government Code, except:

~~[(1) the total charge for copies provided in connection with a protest of the appraisal of residential property may not exceed \$15 for each residence; and~~

~~[(2) the total charge for copies provided in connection with a protest of the appraisal of a single unit of property subject to appraisal, other than residential property, may not exceed \$25].~~

(c) A chief appraiser shall deliver information requested by a property owner or the agent of the owner under Subsection (a)(2):

(1) by regular first-class mail, deposited in the United States mail, postage prepaid, and addressed to the property owner or agent at the address provided in the request for the information;

(2) in an electronic format as provided by an agreement under Section 1.085; or

(3) subject to Subsection (d), by referring the property owner or the agent of the owner to a secure Internet website with user registration and authentication or to the exact Internet location or uniform resource locator (URL) address on an Internet website maintained by the appraisal district on which the requested information is identifiable and readily available.

(d) If a chief appraiser provides a property owner or the agent of the owner information under Subsection (c)(3), the notice must contain a statement in a conspicuous font that clearly indicates that the property owner or the agent of the owner may on request receive the information by regular first-class mail or in person at the appraisal office. On request by a property owner or the agent of the owner, the chief appraiser must provide the information by regular first-class mail or in person at the appraisal office.

SECTION 54. Section 41.47, Tax Code, is amended by amending Subsections (c) and (e) and adding Subsections (c-2), (f), and (g) to read as follows:

(c) If the protest is of the determination of the appraised value of the owner's property, the appraisal review board must state in the order the appraised value of the property, listed separately in the case of real property as the appraised value of the land and the appraised value of any improvement to the land:

(1) as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23; and

(2) as finally determined by the board.

(c-2) The board may not determine the appraised value of the property that is the subject of a protest to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23, except as requested and agreed to by the property owner.

(e) The notice of the issuance of the order must contain a prominently printed statement in upper-case bold lettering informing the property owner in clear and concise language of the property owner's right to appeal the order of the board [~~board's decision~~] to district court. The statement must describe the deadline prescribed by Section 42.06(a) [~~of this code~~] for filing a written notice of appeal[-] and the deadline prescribed by Section 42.21(a) [~~of this code~~] for filing the petition for review with the district court.

(f) The appraisal review board shall take the actions required by Subsections (a) and (d) not later than the 15th day after the date the hearing on the protest is concluded.

(g) The chief appraiser and the property owner or the designated agent of the owner may file a joint motion with the appraisal review board notifying the board that the chief appraiser and the property owner or the designated agent of the owner have agreed to a disposition of the protest and requesting the board to issue an agreed order. The joint motion must contain the terms of the disposition of the protest. The board shall issue the agreed order not later than the fifth day after the date on which the joint motion is filed with the board. The chief appraiser and the property owner or the designated agent of the owner may provide in the joint motion that the agreed order is appealable in the same manner as any other order issued by the board under this section.

SECTION 55. Section 41.66, Tax Code, is amended by amending Subsections (h), (i), (j), and (k) and adding Subsections (j-1), (k-1), and (p) to read as follows:

(h) The appraisal review board shall postpone a hearing on a protest if the property owner or the designated agent of the owner requests additional time to prepare for the hearing and establishes to the board that the chief appraiser failed to comply with Section 41.461. The board is not required to postpone a hearing more than one time under this subsection.

(i) A hearing on a protest filed by a property owner or the designated agent of the owner [~~who is not represented by an agent designated under Section 1.111~~] shall be set for a time and date certain. If the hearing is not commenced within two hours of the time set for the hearing, the appraisal review board shall postpone the hearing on the request of the property owner or the designated agent of the owner.

(j) On the request of a property owner or the [a] designated agent of the owner, an appraisal review board shall schedule hearings on protests concerning up to 20 designated properties to be held consecutively on the same day. The designated properties must be identified in the same notice of protest, and the notice must contain in boldfaced type the statement "request for same-day protest hearings." A property owner or the designated agent of the owner may ~~not~~ file more than one request under this subsection with the appraisal review board in the same tax year. The appraisal review board may schedule hearings on protests concerning more than 20 properties filed by the same property owner or the designated agent of the owner and may use different panels to conduct the hearings based on the board's customary scheduling. The appraisal review board may follow the practices customarily used by the board in the scheduling of hearings under this subsection.

(j-1) An appraisal review board may schedule the hearings on all protests filed by a property owner or the designated agent of the owner to be held consecutively. The notice of the hearings must state the date and time that the first hearing will begin, state the date the last hearing will end, and list the order in which the hearings will be held. The order of the hearings listed in the notice may not be changed without the agreement of the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. The board may not reschedule a hearing for which notice is given under this subsection to a date earlier than the seventh day after the date the last hearing was scheduled to end unless agreed to by the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. Unless agreed to by the parties, the board must provide written notice of the date and time of the rescheduled hearing to the property owner or the designated agent of the owner not later than the seventh day before the date of the hearing.

(k) This subsection does not apply to a special panel established under Section 6.425. If an appraisal review board sits in panels to conduct protest hearings, protests shall be randomly assigned to panels, except that the board may consider the type of property subject to the protest or the ground of the protest for the purpose of using the expertise of a particular panel in hearing protests regarding particular types of property or based on particular grounds. If a protest is scheduled to be heard by a particular panel, the protest may not be reassigned to another panel without the consent of the property owner or the designated agent of the owner. If the appraisal review board has cause to reassign a protest to another panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another panel.

(k-1) On the request of a property owner or the designated agent of the owner, an appraisal review board to which Section 6.425 applies shall assign a protest relating to property described by Section 6.425(b) to a special panel. In addition, the chairman of the appraisal review board may assign a protest relating to property not described by Section 6.425(b) to a special panel as authorized by Section 6.425(f), but only if the assignment is requested or consented to by the property owner or the designated agent of the owner. Protests assigned to special panels shall be randomly

assigned to those panels. If a protest is scheduled to be heard by a particular special panel, the protest may not be reassigned to another special panel without the consent of the property owner or the designated agent of the owner. If the board has cause to reassign a protest to another special panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a special panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another special panel.

(p) At the end of a hearing on a protest, the appraisal review board shall provide the property owner or the designated agent of the owner one or more documents indicating that the members of the board hearing the protest signed the affidavit required by Subsection (g).

SECTION 56. Section 41.67(d), Tax Code, is amended to read as follows:

(d) Information that was previously requested under Section 41.461 by the protesting party that was not delivered [~~made available~~] to the protesting party at least 14 days before the scheduled or postponed hearing may not be used or offered in any form as evidence in the hearing, including as a document or through argument or testimony.

SECTION 57. Section 41.71, Tax Code, is amended to read as follows:

Sec. 41.71. EVENING AND WEEKEND HEARINGS. (a) An appraisal review board by rule shall provide for hearings on protests [~~in the evening or~~] on a Saturday or after 5 p.m. on a weekday [~~Sunday~~].

(b) The board may not schedule:

(1) the first hearing on a protest held on a weekday evening to begin after 7 p.m.; or

(2) a hearing on a protest on a Sunday.

SECTION 58. Section 41A.03(a), Tax Code, is amended to read as follows:

(a) To appeal an appraisal review board order under this chapter, a property owner must file with the appraisal district not later than the 60th [~~45th~~] day after the date the property owner receives notice of the order:

(1) a completed request for binding arbitration under this chapter in the form prescribed by Section 41A.04; and

(2) an arbitration deposit made payable to the comptroller in the amount of:

(A) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;

(B) \$500, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;

(C) \$500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$800, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order;

(E) \$1,050, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,550, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

SECTION 59. Section 41A.05, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) The comptroller may not reject an application submitted to the comptroller under this section unless:

(1) the comptroller delivers written notice to the applicant of the defect in the application that would be the cause of the rejection; and

(2) the applicant fails to cure the defect on or before the 15th day after the date the comptroller delivers the notice.

SECTION 60. Section 41A.06(b), Tax Code, is amended to read as follows:

(b) To initially qualify to serve as an arbitrator under this chapter, a person must:

(1) meet the following requirements, as applicable:

(A) be licensed as an attorney in this state; or

(B) have:

(i) completed at least 30 hours of training in arbitration and alternative dispute resolution procedures from a university, college, or legal or real estate trade association; and

(ii) been licensed or certified continuously during the five years preceding the date the person agrees to serve as an arbitrator as:

(a) a real estate broker or sales agent under Chapter 1101, Occupations Code;

(b) a real estate appraiser under Chapter 1103, Occupations Code; or

(c) a certified public accountant under Chapter 901, Occupations Code; ~~and~~

(2) complete the course for training and education of appraisal review board members established under Section 5.041 and be issued a certificate indicating course completion;

(3) complete the training program on property tax law for the training and education of arbitrators established under Section 5.043; and

(4) agree to conduct an arbitration for a fee that is not more than:

(A) \$400, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;

(B) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;

(C) \$450, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$750, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order;

(E) \$1,000, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

SECTION 61. Section 41A.061(b), Tax Code, is amended to read as follows:

(b) To renew the person's agreement to serve as an arbitrator, the person must:

(1) file a renewal application with the comptroller at the time and in the manner prescribed by the comptroller;

(2) continue to meet the requirements provided by Sections 41A.06(b)(1) and (4) [~~Section 41A.06(b)~~]; and

(3) during the preceding two years have completed at least eight hours of continuing education in arbitration and alternative dispute resolution procedures offered by a university, college, real estate trade association, or legal association.

SECTION 62. Section 41A.07, Tax Code, is amended by amending Subsections (e), (f), and (g) and adding Subsection (h) to read as follows:

(e) To be eligible for appointment as an arbitrator under this section [~~Subsection (a)~~], the arbitrator must reside[+:

~~[(1) in the county in which the property that is the subject of the appeal is located; or~~

~~[(2) in this state [if no available arbitrator on the registry resides in that county].~~

(f) A person is not eligible for appointment as an arbitrator under this section [~~Subsection (a)~~] if at any time during the preceding five years, the person has:

(1) represented a person for compensation in a proceeding under this title in the appraisal district in which the property that is the subject of the appeal is located;

(2) served as an officer or employee of that appraisal district; or

(3) served as a member of the appraisal review board for that appraisal district.

(g) The comptroller may not appoint an arbitrator under this section [~~Subsection (a)~~] if the comptroller determines that there is good cause not to appoint the arbitrator, including information or evidence indicating repeated bias or misconduct by the person while acting as an arbitrator.

(h) A property owner may request that, in appointing an initial arbitrator under this section, the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located or an arbitrator who resides outside that county. In appointing an initial arbitrator under Subsection (a), the comptroller shall comply with the request of the property owner unless the property owner requests that the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located and there is not an available arbitrator who resides in that county. In appointing a substitute arbitrator under Subsection (d), the comptroller shall consider but is not required to comply with the request of the property owner. This subsection does not authorize a property owner to request the appointment of a specific individual as an arbitrator.

SECTION 63. Section 41A.09, Tax Code, is amended by amending Subsection (b) and adding Subsection (f) to read as follows:

(b) An award under this section:

(1) must include a determination of the appraised or market value, as applicable, of the property that is the subject of the appeal;

(2) may include any remedy or relief a court may order under Chapter 42 in an appeal relating to the appraised or market value of property;

(3) shall specify the arbitrator's fee, which may not exceed the amount provided by Section 41A.06(b)(4) [~~41A.06(b)(2)~~];

(4) is final and may not be appealed except as permitted under Section 171.088, Civil Practice and Remedies Code, for an award subject to that section; and

(5) may be enforced in the manner provided by Subchapter D, Chapter 171, Civil Practice and Remedies Code.

(f) The arbitrator may not determine the appraised value of the property that is the subject of an arbitration to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the appraisal review board by the chief appraiser under Section 25.22 or 25.23, except as requested and agreed to by the property owner.

SECTION 64. Subchapter A, Chapter 42, Tax Code, is amended by adding Section 42.081 to read as follows:

Sec. 42.081. DEFERRAL OF DELINQUENT TAX SUIT DURING APPEAL.

A taxing unit that imposes taxes on property that is the subject of an appeal under this chapter may not file a suit to collect a delinquent tax on the property during the pendency of the appeal unless it is determined by the court that the property owner failed to comply with Section 42.08.

SECTION 65. Section 42.23, Tax Code, is amended by adding Subsections (j), (k), and (l) to read as follows:

(j) An entity is not required to be registered to do business in this state in order to file an appeal under this chapter or to be considered a proper party to bring a petition. A request for information regarding an entity's registration status is outside the scope of permissible discovery in an appeal under this chapter and may not be made a prerequisite to a settlement discussion related to that appeal.

(k) A party to an appeal under this chapter may file an objection to third-party discovery. The court shall grant third-party discovery subject to the objection only if the discovery:

(1) is necessary under generally accepted appraisal methods and techniques to determine the value of the property that is the subject of the appeal; and

(2) would be admissible at trial.

(l) A party to an appeal under Section 42.26 may file an objection to a discovery request for a closing statement, a rent roll, or an operating statement. The court shall grant the discovery request subject to the objection only if the discovery:

(1) is necessary under generally accepted appraisal methods and techniques to determine the value of the property that is the subject of the appeal; and

(2) would be admissible at trial.

SECTION 66. Section 42.24, Tax Code, is amended to read as follows:

Sec. 42.24. ACTION BY COURT. (a) In determining an appeal, the district court may:

(1) fix the appraised value of property in accordance with the requirements of law if the appraised value is at issue;

(2) enter the orders necessary to ensure equal treatment under the law for the appealing property owner if inequality in the appraisal of his property is at issue; or

(3) enter other orders necessary to preserve rights protected by and impose duties required by the law.

(b) The district court may not enter an order fixing the appraised value of the property that is the subject of an appeal to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the appraisal review board by the chief appraiser under Section 25.22 or 25.23, except as requested and agreed to by the property owner.

SECTION 67. Section 45.105(e), Education Code, is amended to read as follows:

(e) The governing body of an independent school district that governs a junior college district under Subchapter B, Chapter 130, in a county with a population of more than two million may dedicate a specific percentage of the local tax levy to the use of the junior college district for facilities and equipment or for the maintenance and operating expenses of the junior college district. To be effective, the dedication must be made by the governing body on or before the date on which the governing body adopts its tax rate for a year. The amount of local tax funds derived from the percentage of the local tax levy dedicated to a junior college district from a tax levy may not exceed the amount that would be levied by five percent of the ~~no-new-revenue~~ ~~effective~~ tax rate for the tax year calculated as provided by Section 26.04, Tax Code, on all property taxable by the school district. All real property purchased with these funds is the property of the school district, but is subject to the exclusive control of the governing body of the junior college district for as long as the junior college district uses the property for educational purposes.

SECTION 68. Section 130.016(b), Education Code, is amended to read as follows:

(b) If the board of trustees of an independent school district that divests itself of the management, control, and operation of a junior college district under this section or under Section 130.017 ~~[of this code]~~ was authorized by ~~[Subsection (e) of]~~ Section 45.105(e) or under former Section 20.48(e) ~~[20.48 of this code]~~ to dedicate a portion

of its tax levy to the junior college district before the divestment, the junior college district may levy an ad valorem tax from and after the divestment. In the first two years in which the junior college district levies an ad valorem tax, the tax rate adopted by the governing body may not exceed the rate that, if applied to the total taxable value submitted to the governing body under Section 26.04, Tax Code, would impose an amount equal to the amount of taxes of the school district dedicated to the junior college under ~~[Subsection (e) of]~~ Section 45.105(e) or former Section 20.48(e) ~~[20.48 of this code]~~ in the last dedication before the divestment. In subsequent years, the tax rate of the junior college district is subject to Section 26.08 ~~[26.07]~~, Tax Code.

SECTION 69. Section 403.302(o), Government Code, is amended to read as follows:

(o) The comptroller shall adopt rules governing the conduct of the study after consultation with the comptroller's property tax administration advisory board ~~[Comptroller's Property Value Study Advisory Committee]~~.

SECTION 70. Sections 281.124(d) and (e), Health and Safety Code, are amended to read as follows:

(d) If a majority of the votes cast in the election favor the proposition, the tax rate for the specified tax year is the rate approved by the voters, and that rate is not subject to ~~[a rollback election under]~~ Section 26.08 ~~[26.07]~~, Tax Code. The board shall adopt the tax rate as provided by Chapter 26, Tax Code.

(e) If the proposition is not approved as provided by Subsection (d) ~~[(e)]~~, the board may not adopt a tax rate for the district for the specified tax year that exceeds the rate that was not approved, and Section 26.08 ~~[26.07]~~, Tax Code, applies to the adopted rate if that rate exceeds the district's voter-approved ~~[rollback]~~ tax rate.

SECTION 71. Section 102.007(d), Local Government Code, is amended to read as follows:

(d) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the governing body by name voting on the adoption of the budget;

(3) the municipal property tax rates for the preceding fiscal year, and each municipal property tax rate that has been adopted or calculated for the current fiscal year, including:

- (A) the property tax rate;
- (B) the no-new-revenue ~~effective~~ tax rate;
- (C) the no-new-revenue ~~effective~~ maintenance and operations tax rate;
- (D) the voter-approved ~~rollback~~ tax rate; and
- (E) the debt rate; and

(4) the total amount of municipal debt obligations.

SECTION 72. Section 111.008(d), Local Government Code, is amended to read as follows:

(d) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget;

(3) the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year, including:

- (A) the property tax rate;
- (B) the no-new-revenue ~~effective~~ tax rate;
- (C) the no-new-revenue ~~effective~~ maintenance and operations tax rate;
- (D) the voter-approved ~~rollback~~ tax rate; and
- (E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION 73. Section 111.039(d), Local Government Code, is amended to read as follows:

(d) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget;

(3) the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year, including:

(A) the property tax rate;

(B) the no-new-revenue [~~effective~~] tax rate;

(C) the no-new-revenue [~~effective~~] maintenance and operations tax rate;

(D) the voter-approved [~~rollback~~] tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION 74. Section 111.068(c), Local Government Code, is amended to read as follows:

(c) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget;

(3) the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year, including:

(A) the property tax rate;

(B) the no-new-revenue ~~[effective]~~ tax rate;

(C) the no-new-revenue ~~[effective]~~ maintenance and operations tax rate;

(D) the voter-approved ~~[rollback]~~ tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION 75. Section 1101.254(f), Special District Local Laws Code, is amended to read as follows:

(f) This section does not affect the applicability of ~~[any rights district voters may have to petition for an election under]~~ Section 26.08 ~~[26.07]~~, Tax Code, to the district's tax rate, except that if district voters approve a tax rate increase under this section, ~~[the voters may not petition for an election under]~~ Section 26.08 ~~[26.07]~~, Tax Code, does not apply ~~[as]~~ to the tax rate for that year.

SECTION 76. Sections 1122.2522, 3828.157, and 8876.152, Special District Local Laws Code, are amended to read as follows:

Sec. 1122.2522. VOTER-APPROVED ~~[ROLLBACK]~~ TAX RATE PROVISIONS APPLICABLE. ~~[(a)]~~ If in any year the board adopts a tax rate that exceeds the voter-approved ~~[rollback]~~ tax rate calculated as provided by Chapter 26, Tax Code, ~~[the qualified voters of the district by petition may require that]~~ an election under Section 26.08 of that code must be held to determine whether or not to approve ~~[reduce]~~ the tax rate adopted by the board for that year ~~[to the rollback tax rate]~~.

~~[(b) To the extent a conflict exists between this section and a provision of the Tax Code, the provision of the Tax Code prevails.]~~

Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE PROVISIONS. Sections 26.04, 26.05, and 26.08 ~~[26.07]~~, Tax Code, do not apply to a tax imposed under Section 3828.153 or 3828.156.

Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS. (a) Sections 26.04, 26.05, 26.06, 26.061, and 26.08 ~~[26.07]~~, Tax Code, do not apply to a tax imposed by the district.

(b) Sections 49.236(a)(1) and (2) and (b) ~~[Section 49.236]~~, Water Code, apply ~~[as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003, applies]~~ to the district.

SECTION 77. Section 49.107(g), Water Code, is amended to read as follows:

(g) Sections 26.04, 26.05, 26.061, and 26.08 ~~[26.07]~~, Tax Code, do not apply to a tax levied and collected under this section or an ad valorem tax levied and collected for the payment of the interest on and principal of bonds issued by a district.

SECTION 78. Section 49.108(f), Water Code, is amended to read as follows:

(f) Sections 26.04, 26.05, 26.061, and 26.08 [~~26.07~~], Tax Code, do not apply to a tax levied and collected for payments made under a contract approved in accordance with this section.

SECTION 79. Section 49.236, Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, is amended by amending Subsections (a) and (d) and adding Subsections (e) and (f) to read as follows:

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

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

"NOTICE OF PUBLIC HEARING ON TAX RATE

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

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

(2) contain the following information:

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

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

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

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

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

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

(G) if the proposed combined debt service, operation and maintenance, and contract tax rate requires an election in the district to ratify the tax rate, a description of the purpose of the proposed tax increase; and

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

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

"If operation and maintenance taxes on the average residence homestead increase by more than 3.5 [eight] percent, [the qualified voters of the district by petition may require that] an election must be held to determine whether to ratify [reduce] the [operation and maintenance] tax rate [to the rollback tax rate] under Section 49.236(d), Water Code."

(d) This subsection applies to a district only if development in the district was substantially complete for the duration of the preceding tax year. If the board [governing body] of the [a] district adopts a combined debt service, operation and maintenance, and contract tax rate that exceeds the voter-approved tax rate, [would impose more than 1.08 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, the qualified voters of the district by petition may require that] an election must be held to determine whether [or not] to ratify [reduce] the tax rate adopted for the current year [to the rollback tax rate] in accordance with the procedures provided by Sections 26.08(b), (c), and (d) [26.07(b) (g) and 26.08], Tax Code.

(e) For purposes of Sections 26.08(b), (c), and (d), Tax Code, [26.07(b) (g)] and this section [subsection], the voter-approved [rollback] tax rate of a district is the sum of the following tax rates:

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

(2) the current year's [and] contract tax rate; and

(3) [rates plus] the operation and maintenance tax rate that would impose 1.035 [1.08] times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older.

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

SECTION 80. Section 6B(f), Chapter 1472, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(f) The district may provide that payments required by any of the district's contracts, agreements, or leases may be payable from the sale of notes, taxes, or bonds, or any combination of notes, taxes, or bonds, or may be secured by a lien on or a pledge of any available funds, including proceeds of the district's maintenance tax, and may be payable subject to annual appropriation by the district. The district may pledge to impose and may impose a maintenance tax in an amount sufficient to comply with the district's obligations under the district's contracts, leases, and agreements at a maximum aggregate rate not to exceed 10 cents for each \$100 valuation of taxable property in the district. Sections 26.012, 26.04, 26.05, and 26.08 [~~26.07, and 26.012~~], Tax Code, do not apply to maintenance taxes levied and collected for payments under a contract, agreement, lease, time warrant, or maintenance note issued or executed under this section.

SECTION 81. The following provisions are repealed:

- (1) Sections 403.302(m-1) and (n), Government Code;
- (2) Section 140.010, Local Government Code;
- (3) Section 1063.255, Special District Local Laws Code;
- (4) Sections 5.103(e) and (f), 6.412(e), 22.23(c), 26.07, 26.08(o), and 41A.06(c), Tax Code;
- (5) Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003; and
- (6) Section 49.2361, Water Code.

SECTION 82. (a) Section 9, Chapter 481 (S.B. 1760), Acts of the 84th Legislature, Regular Session, 2015, which added Section 42.23(i), Tax Code, effective January 1, 2020, is repealed.

(b) This section takes effect September 1, 2019.

SECTION 83. Section 5.041, Tax Code, as amended by this Act, applies only to an appraisal review board member appointed to serve a term of office that begins on or after January 1, 2020.

SECTION 84. The comptroller of public accounts shall implement Section 5.043, Tax Code, as added by this Act, as soon as practicable after January 1, 2020.

SECTION 85. Sections 5.05, 5.102, and 5.13, Tax Code, as amended by this Act, apply only to the appraisal of property for ad valorem tax purposes for a tax year beginning on or after January 1, 2020.

SECTION 86. (a) The comptroller of public accounts shall comply with Sections 5.07(f), (g), (h), and (i), Tax Code, as added by this Act, as soon as practicable after January 1, 2020.

(b) The comptroller of public accounts shall comply with Section 5.091, Tax Code, as amended by this Act, not later than January 1, 2021.

SECTION 87. The comptroller of public accounts shall prepare and make available the survey form and instructions for completing and submitting the form required by Section 5.104, Tax Code, as added by this Act, as soon as practicable after January 1, 2020. An appraisal district is not required to provide the survey form or instructions under a requirement of that section until the form and instructions are prepared and made available by the comptroller of public accounts.

SECTION 88. Section 6.41(d-9), Tax Code, as amended by this Act, applies only to the appointment of appraisal review board members to terms beginning on or after January 1, 2021.

SECTION 89. Section 6.412, Tax Code, as amended by this Act, does not affect the eligibility of a person serving on an appraisal review board immediately before January 1, 2020, to continue to serve on the board for the term to which the member was appointed.

SECTION 90. Section 6.42(d), Tax Code, as added by this Act, applies only to a recommendation, determination, decision, or other action by an appraisal review board or a panel of such a board on or after January 1, 2020. A recommendation, determination, decision, or other action by an appraisal review board or a panel of such a board before January 1, 2020, is governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.

SECTION 91. Sections 11.4391(a) and 22.23(d), Tax Code, as amended by this Act, apply only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2020.

SECTION 92. (a) An appraisal district established in a county with a population of 120,000 or more and each taxing unit located wholly or partly in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2021 tax year.

(b) An appraisal district established in a county with a population of less than 120,000 and each taxing unit located wholly in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2022 tax year.

SECTION 93. (a) Not later than the 30th day after the date this section takes effect:

(1) the designated officer or employee of each taxing unit shall submit to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located the worksheets used by the designated officer or employee to calculate the effective and rollback tax rates of the taxing unit for the 2015-2019 tax years; and

(2) the county assessor-collector for each county shall post the worksheets submitted to the county assessor-collector under Subdivision (1) of this subsection on the Internet website of the county.

(b) This section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this section takes effect on the 91st day after the last day of the legislative session.

SECTION 94. A taxing unit that does not own, operate, or control an Internet website is not required to comply with Sections 26.05(b)(2) and 26.065(b), Tax Code, as amended by this Act, until the first tax year in which the taxing unit is required by law to maintain or have access to an Internet website.

SECTION 95. Section 33.08(b), Tax Code, as amended by this Act, applies only to taxes that become delinquent on or after January 1, 2020. Taxes that become delinquent before that date are governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.

SECTION 96. Section 41.03(a), Tax Code, as amended by this Act, applies only to a challenge under Chapter 41, Tax Code, for which a challenge petition is filed on or after January 1, 2020. A challenge under Chapter 41, Tax Code, for which a challenge petition was filed before January 1, 2020, is governed by the law in effect on the date the challenge petition was filed, and the former law is continued in effect for that purpose.

SECTION 97. Sections 41.45 and 41.66(k), Tax Code, as amended by this Act, and Section 41.66(k-1), Tax Code, as added by this Act, apply only to a protest filed under Chapter 41, Tax Code, on or after January 1, 2021. A protest filed under that chapter before January 1, 2021, is governed by the law in effect on the date the protest was filed, and the former law is continued in effect for that purpose.

SECTION 98. Sections 41.46, 41.461, 41.47, 41.66(h), (i), and (j), and 41.67, Tax Code, as amended by this Act, and Sections 41.66(j-1) and (p), Tax Code, as added by this Act, apply only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board established for an appraisal district on or after January 1, 2020.

SECTION 99. Section 41.71, Tax Code, as amended by this Act, applies only to a hearing on a protest under Chapter 41, Tax Code, that is scheduled on or after January 1, 2020. A hearing on a protest under Chapter 41, Tax Code, that is scheduled before January 1, 2020, is governed by the law in effect on the date the hearing was scheduled, and that law is continued in effect for that purpose.

SECTION 100. Section 41A.03(a), Tax Code, as amended by this Act, applies only to an appeal of an appraisal review board order that a property owner receives notice of on or after the effective date of this Act. An appeal of an appraisal review board order that a property owner receives notice of before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 101. Sections 41A.05 and 41A.07, Tax Code, as amended by this Act, apply only to a request for binding arbitration received by the comptroller of public accounts from an appraisal district on or after January 1, 2020.

SECTION 102. Section 41A.09, Tax Code, as amended by this Act, applies only to an appeal through binding arbitration under Chapter 41A, Tax Code, that is requested on or after January 1, 2020.

SECTION 103. Section 42.24, Tax Code, as amended by this Act, applies only to an appeal under Chapter 42, Tax Code, that is filed on or after January 1, 2020.

SECTION 104. The changes in law made by this Act in the qualifications of persons serving as arbitrators in binding arbitrations of appeals of appraisal review board orders do not affect the entitlement of a person serving as an arbitrator immediately before January 1, 2020, to continue to serve as an arbitrator and to conduct hearings on arbitrations until the person is required to renew the person's agreement with the comptroller of public accounts to serve as an arbitrator. The changes in law apply only to a person who initially qualifies to serve as an arbitrator or who renews the person's agreement with the comptroller of public accounts to serve as an arbitrator on or after January 1, 2020. This Act does not prohibit a person who is serving as an arbitrator on January 1, 2020, from renewing the person's

agreement with the comptroller of public accounts to serve as an arbitrator if the person has the qualifications required for an arbitrator under the Tax Code as amended by this Act.

SECTION 105. (a) Not later than the 30th day after the date this section takes effect, the comptroller of public accounts shall mail a written notice to each appraisal district and the assessor for each taxing unit in this state of:

(1) the deadline for complying with each new requirement, duty, or function imposed by this Act on an appraisal district or taxing unit; and

(2) any change made by this Act to the deadline for complying with an existing requirement, duty, or function of an appraisal district or taxing unit.

(b) This section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this section takes effect on the 91st day after the last day of the legislative session.

SECTION 106. (a) In this section:

(1) "Compensation" includes a salary, wage, insurance benefit, retirement benefit, or similar benefit an employee receives as a condition of employment.

(2) "First responder" has the meaning assigned by Section 504.019, Labor Code.

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

(b) This section applies only to the fiscal year of a taxing unit that begins in 2020.

(c) The governing body of a taxing unit may not adopt a budget for a fiscal year or take any other action that has the effect of decreasing the total compensation to which a first responder employed by the taxing unit was entitled in the preceding fiscal year of the taxing unit.

SECTION 107. A reference in law to the rollback tax rate is a reference to the voter-approved tax rate described by Chapter 26, Tax Code, as amended by this Act.

SECTION 108. (a) Except as otherwise provided by this Act, this Act takes effect January 1, 2020.

(b) The following provisions take effect September 1, 2020:

(1) Sections 6.41(b) and (d-9), Tax Code, as amended by this Act;

(2) Sections 6.41(b-1), (b-2), and (d-10), Tax Code, as added by this Act;

(3) Section 6.414(d), Tax Code, as amended by this Act;

(4) Section 6.425, Tax Code, as added by this Act;

(5) Section 41.44(d), Tax Code, as amended by this Act;

(6) Section 41.45(d), Tax Code, as amended by this Act;

(7) Sections 41.45(d-1), (d-2), and (d-3), Tax Code, as added by this Act;

(8) Section 41.66(k), Tax Code, as amended by this Act; and

(9) Section 41.66(k-1), Tax Code, as added by this Act.

(c) The following provisions take effect January 1, 2021:

(1) Sections 25.19(b-3) and (b-4), Tax Code, as added by this Act;

(2) Sections 26.04(d-1), (d-2), (d-3), (e-2), (e-3), (e-4), and (e-5), Tax Code, as added by this Act;

(3) Sections 26.04(e-1) and (g), Tax Code, as amended by this Act;

(4) Sections 26.05(d-1) and (d-2), Tax Code, as added by this Act; and

(5) Section 26.05(e), Tax Code, as amended by this Act.

(d) Sections 25.19(b) and (i), Tax Code, as amended by this Act, take effect January 1, 2022.

The amendment to **CSSB 2** was read.

Senator Flores offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 2**

Amend Floor Amendment No. 1 to **CSSB 2** by adding the following appropriately numbered SECTIONS 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 INDIGENT CRIMINAL DEFENSE. (a) In this section, "indigent criminal defense expenditures" for a tax year means the amount spent by the county for the maintenance and operations costs of providing indigent criminal defense required under Chapter 26, Code of Criminal Procedure, in the period beginning on July 1 of the year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted, less the amount of state grants for indigent criminal defense received by the county during that period.

(b) If a county's indigent criminal defense expenditures exceed the amount of those expenditures for the preceding year, the no-new-revenue maintenance and operations rate for the county is increased by the rate computed according to the following formula:

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

(c) The 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 amount of indigent criminal defense expenditures, in the information published under Section 26.04(e) and, if applicable, Section 26.06(b).

SECTION \_\_\_\_. Section 26.0442, Tax Code, as added by this Act, applies to the no-new-revenue maintenance and operations rate of a county to which that section applies beginning with the 2020 tax year.

FLORES  
HINOJOSA  
KOLKHORST  
PERRY

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Senator Watson offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 3**

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

In SECTION 7 of the bill, by replacing "and" on page 6, line 12 with ".\_" and deleting Section 5.07(f)(2) (page 6, lines 13-17).

In SECTION 43 of the Floor Amendment, delete Section 26.08(b-1) on page 59, lines 16 through page 60, line 2.

In SECTION 43 of the bill, replace Section 26.08(n) on page 61, line 31 through page 63 line 3, with:

"(n) For purposes of this section, the rollback tax rate of a school district whose maintenance and operations tax rate for the 2005 tax year was \$1.50 or less per \$100 of taxable value is:

(1) 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

(2) for the 2007 and subsequent tax years, the lesser of the following:

(A) the sum of the following:

(i) the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Section 42.2516, Education Code, for the current year and \$1.50;

(ii) the rate of \$0.04 per \$100 of taxable value;

(iii) the rate that is equal to the sum of the differences for the 2006 and each subsequent tax year between the adopted tax rate of the district for that year if the rate was approved at an election under this section and the rollback tax rate of the district for that year; and

(iv) the district's current debt rate; or

(B) the sum of the following:

(i) the effective maintenance and operations tax rate of the district as computed under Subsection (i) or (k), as applicable;

(ii) the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Section 42.2516, Education Code, for the current year and \$0.06; and

(iii) the district's current debt rate."

In SECTION 42 of the bill, in Section 26.16(d) replace page 29, lines 43-51 with "The voter-approved tax rate is the highest tax rate a taxing unit may adopt before requiring voter approval at an election. In the case of a taxing unit other than a school district, the voters by petition may require that a rollback election be held if the unit adopts a tax rate in excess of the unit's rollback tax rate. In the case of a school district, an election will automatically be held if the district wishes to adopt a tax rate in excess of the district's [~~rollback~~] voter-approved tax rate."

The amendment to Floor Amendment No. 1 to **CSSB 2** was read.

On motion of Senator Bettencourt, Floor Amendment No. 3 was tabled by the following vote: Yeas 18, Nays 13.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Nays: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Senator Powell offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 4**

Amend Bettencourt Amendment No. 1 (Council Draft Number 86R27511) to **CSSB 2** (Committee printing) as follows:

1. On page 20, line 23, SECTION 25, Section 26.012, Tax Code, is amended by adding a new Subdivision (20) and renumbering accordingly:

20) "Low Debt Credit" means an additional 0.03 credit on the rollback tax rate for a taxing unit that received a general obligation debt rating of at least one of the following at its last issuance: AA+ by Standard and Poor's, Aa1 by Moody's Investors Service, or AA+ by Fitch.

2. On page 22, line 7, SECTION 27, Section 26.04, Tax Code, amend Subdivision 26.04(C)(2)(B), as proposed, after the "+" and before the word "CURRENT" add the following words "Low Debt Credit" as follows:

B) for a taxing unit other than a small taxing unit:  $VOTER-APPROVED\ TAX\ RATE = (NO-NEW-REVENUE\ MAINTENANCE\ AND\ OPERATIONS\ RATE \times 1.035) + \underline{LOW\ DEBT\ CREDIT} + CURRENT\ DEBT\ RATE$

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Senator Rodríguez offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 5**

Amend Floor Amendment No. 1 to **CSSB 2**, in SECTION 25 of the bill, by striking added Section 26.012(19), Tax Code (page 20, line 13 through line 22), and substituting the following:

(19) "Small taxing unit" means:

(A) a taxing unit, other than a school district, for which the sum of the following amounts is \$15 million or less:

(i) the total amount of property taxes that would be imposed by the taxing unit for the current tax year if the tax rate proposed for that tax year were applied to the current total value for the taxing unit; and

(ii) the total amount of sales and use tax revenue received by the taxing unit, if any, for the last preceding four quarters for which that information is available; or

(B) a taxing unit that contains an international port of entry within the territory of the taxing unit if, during the current tax year, an action by the federal government closes or substantially impedes the flow of commerce through the port of entry, including an action that increases wait times at the port of entry, such as reassigning United States Customs and Border Protection officials or closing access lanes, or that otherwise negatively impacts the economy of the territory of the taxing unit or of the state.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 12, Nays 19.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Senator Zaffirini offered the following amendment to Floor Amendment No. 1:

#### **Floor Amendment No. 6**

Amend Floor Amendment No. 1 to **CSSB 2** (senate committee printing), in SECTION 25 of the bill, by striking added Section 26.012(19), Tax Code (page 20, line 13, through line 22), and substituting the following:

(19) "Small taxing unit" means:

(A) a taxing unit, other than a school district, for which the sum of the following amounts is \$15 million or less:

(i) the total amount of property taxes that would be imposed by the taxing unit for the current tax year if the tax rate proposed for that tax year were applied to the current total value for the taxing unit; and

(ii) the total amount of sales and use tax revenue received by the taxing unit, if any, for the last preceding four quarters for which that information is available; or

(B) a junior college district.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Senator Lucio offered the following amendment to Floor Amendment No. 1:

#### **Floor Amendment No. 7**

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:

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

(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:

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

and

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

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:

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

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:

NO-NEW-REVENUE ~~[EFFECTIVE]~~ TAX RATE = [(LAST YEAR'S LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + SALES TAX LOSS RATE

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.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Senator Johnson offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 8**

Amend Floor Amendment No. 1 to **CSSB 2** by striking SECTION 34 of the bill and substituting the following appropriately numbered SECTION to read as follows:

SECTION \_\_\_\_\_. Chapter 26, Tax Code, is amended by adding Section 26.0446 to read as follows:

Sec. 26.0446. ELECTION TO APPLY LAW GOVERNING SMALL TAXING UNIT TO TAXING UNIT OTHER THAN SMALL TAXING UNIT. (a) The governing body of a taxing unit other than a school district or a small taxing unit may call an election for the purpose of allowing the voters in the taxing unit to determine whether the law governing a small taxing unit shall apply to the taxing unit.

(b) At the election, the ballots shall be prepared to permit voting for or against the proposition: "Limiting the rate at which the maintenance and operations taxes of the (name of taxing unit) may be increased without voter approval to eight percent rather than 3.5 percent."

(c) If a majority of the votes cast in the election favor the proposition, the taxing unit is considered to be a small taxing unit regardless of whether it meets the definition of a small taxing unit under Section 26.012.

(d) Unless the authority to be considered to be a small taxing unit is reauthorized as provided by Subsection (e), that authority expires on:

(1) January 1 of the sixth tax year after the year in which the original election was held; or

(2) January 1 of the sixth tax year after the year in which the authority to be considered a small taxing unit was last reauthorized under that subsection.

(e) An election to reauthorize the authority to be considered to be a small taxing unit is called and held in the same manner as an election to provide the initial authority, except that the ballots shall be prepared to permit voting for or against the proposition: "Reauthorizing the authority to limit the rate at which the maintenance and operations taxes of the (name of taxing unit) may be increased without voter approval to eight percent rather than 2.5 percent." If at least 3/5 of the votes cast in the election favor the reauthorization, the taxing unit is considered to be a small taxing unit regardless of whether it meets the definition of a small taxing unit under Section 26.012, subject to Subsection (d)(2).

(f) If a majority of the votes cast in an election called under Subsection (a) or (e) do not favor the proposition:

(1) the taxing unit may not be considered to be a small taxing unit unless the taxing unit meets the definition of a small taxing unit under Section 26.012; and

(2) the governing body of the taxing unit may not order another election on the issue before the first anniversary of the date the previous election was held.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Senator West offered the following amendment to Floor Amendment No. 1:

### **Floor Amendment No. 9**

Amend Floor Amendment No. 1 to **CSSB 2** by adding the following appropriately numbered SECTIONS to the bill and renumbering SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 11.13(n), Tax Code, is amended to read as follows:

(n) In addition to any other exemptions provided by this section, an individual is entitled to an exemption from taxation by a taxing unit of a percentage of the appraised value of the individual's [his] residence homestead if the exemption is adopted by the governing body of the taxing unit before July 1 in the manner provided by law for official action by the body. If the percentage set by the taxing unit produces an exemption in a tax year of less than \$5,000 when applied to a particular residence homestead, the individual is entitled to an exemption of \$5,000 of the appraised value. The percentage adopted by the taxing unit may not exceed 20 percent.

SECTION \_\_\_\_\_. Chapter 26, Tax Code, is amended by adding Section 26.0442 to read as follows:

Sec. 26.0442. TAX RATE ADJUSTMENT FOR LOCAL OPTION RESIDENCE HOMESTEAD EXEMPTION EXPENDITURES. (a) In this section, "local option residence homestead exemption expenditure" means the amount of tax revenue that the taxing unit lost for the preceding tax year as the result of the granting of local option residence homestead exemptions under Section 11.13(n), calculated by multiplying the adopted tax rate of the taxing unit for the preceding tax year by the difference between the total appraised value and the total taxable value for the preceding tax year of all property located in the taxing unit that qualified for a residence homestead exemption under Section 11.13(n) for that tax year.

(b) If a taxing unit's local option residence homestead exemption expenditures exceed the amount of those expenditures for the preceding tax 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 Local Option Residence Homestead Exemption Expenditures - Preceding Tax Year's Local Option Residence Homestead Exemption 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 the amount of the local option residence homestead exemption expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

SECTION \_\_\_\_\_. Section 26.0442, Tax Code, as added by this Act, applies to the no-new-revenue maintenance and operations rate of a taxing unit beginning with the 2020 tax year.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read.

Senator West withdrew Floor Amendment No. 9.

Senator Menéndez offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 10**

Amend Floor Amendment No. 1 to **CSSB 2** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. The heading to Section 33.06, Tax Code, is amended to read as follows:

Sec. 33.06. DEFERRED COLLECTION OF TAXES ON CERTAIN RESIDENCE HOMESTEADS [~~HOMESTEAD OF ELDERLY OR DISABLED PERSON OR DISABLED VETERAN~~].

SECTION \_\_\_\_\_. Sections 33.06(a) and (d), Tax Code, are amended to read as follows:

(a) An individual is entitled to defer collection of a tax, abate a suit to collect a delinquent tax, or abate a sale to foreclose a tax lien if:

(1) the individual:

(A) is 65 years of age or older;

(B) is disabled as defined by Section 11.13(m); or

(C) is qualified to receive an exemption under Section 11.134 or 11.22;

and

(2) the tax was imposed against property that the individual owns and occupies as a residence homestead.

(d) A tax lien remains on the property and interest continues to accrue during the period collection of taxes is deferred or abated under this section. The annual interest rate during the deferral or abatement period is 2.5 [~~five~~] percent instead of the rate provided by Section 33.01. Interest and penalties that accrued or that were incurred or imposed under Section 33.01 or 33.07 before the date the individual files the deferral affidavit under Subsection (b) or the date the judgment abating the suit is entered, as applicable, are preserved. A penalty under Section 33.01 is not incurred during a deferral or abatement period. The additional penalty under Section 33.07 may be imposed and collected only if the taxes for which collection is deferred or abated remain delinquent on or after the 181st day after the date the deferral or abatement period expires. A plea of limitation, laches, or want of prosecution does not apply against the taxing unit because of deferral or abatement of collection as provided by this section.

SECTION \_\_\_\_\_. Section 33.06(d), Tax Code, as amended by this Act applies only to interest that accrues during a deferral or abatement period on or after January 1, 2020, regardless of whether the deferral or abatement period began before that date

or begins on or after that date. Interest that accrued during a deferral or abatement period before January 1, 2020, is governed by the law in effect when the interest accrued, and that law is continued in effect for that purpose.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read.

Senator Menéndez withdrew Floor Amendment No. 10.

Senator Hinojosa offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 11**

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

(1) In SECTION 24 of the bill, following added Section 26.012(18), Tax Code (page 20, between lines 4 and 5), add the following:

(19) "Unused increment rate" means the rate equal to the positive difference between:

(A) the aggregate rate by which a taxing unit's voter-approved tax rate, calculated without regard to this subdivision, exceeded the taxing unit's adopted tax rate in the preceding three tax years; and

(B) the aggregate rate by which a taxing unit's adopted tax rate exceeded the taxing unit's voter-approved tax rate, calculated without regard to this subdivision, in the preceding three tax years.

(3) In SECTION 27 of the bill, in added Section 26.04(c)(2)(B), Tax Code (page 22, line 7), following "CURRENT DEBT RATE", add "+ UNUSED INCREMENT RATE".

(4) In SECTION 28 of the bill, in amended Section 26.041(a), Tax Code (page 30, line 19), between "CURRENT DEBT RATE" and "- SALES", insert "+ UNUSED INCREMENT RATE".

(5) In SECTION 28 of the bill, in amended Section 26.041(b), Tax Code (page 31, line 10), between "CURRENT DEBT RATE" and "- SALES TAX", insert "+ UNUSED INCREMENT RATE".

(6) In SECTION 28 of the bill, in amended Section 26.041(c), Tax Code (page 32, line 6), following "CURRENT DEBT RATE", add "+ UNUSED INCREMENT RATE".

(7) In SECTION 42 of the bill, following amended Section 26.08(n)(1), Tax Code (page 62, line 10), strike "and" and substitute "[~~and~~]".

(8) In SECTION 42 of the bill, in amended Section 26.08(n)(2), Tax Code (page 63, line 3), between "rate" and the period, insert the following:

; and

(3) the district's unused increment rate

(9) In SECTION 79 of the bill, following added Section 49.236(e)(2), Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003 (page 99, line 19), strike "and".

(10) In SECTION 79 of the bill, in added Section 49.236(d)(3), Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003 (page 99, line 26), between "older" and the period, insert the following:

; and

(4) the district's unused increment rate, as defined by Section 26.012, Tax Code

The amendment to Floor Amendment No. 1 to **CSSB 2** was read.

Senator Hinojosa withdrew Floor Amendment No. 11.

Senator Johnson offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 12**

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

(1) In SECTION 25 of the amendment, in added Section 26.012(19), Tax Code (page 20, lines 13-14), strike "a taxing unit, other than a school district, for which" and substitute the following:

a taxing unit, other than a school district:

(A) for which

(2) In SECTION 25 of the amendment, in added Section 26.012(19), Tax Code (page 20, line 16), strike "(A)" and substitute "(i)".

(3) In SECTION 25 of the amendment, in added Section 26.012(19), Tax Code (page 20, line 20), strike "(B)" and substitute "(ii)".

(4) In SECTION 25 of the amendment, in added Section 26.012(19), Tax Code (page 20, line 22), between "available" and the underlined period, insert the following:

; or

(B) a hospital district created under general or special law

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodriguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

**(Senator Creighton in Chair)**

Senator Zaffirini offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 13**

Amend Floor Amendment No. 1 to **CSSB 2** 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 ESSENTIAL COUNTY EXPENDITURES. (a) In this section, "essential county expenditures" for a tax year means the amount of expenditures made by a county in the period beginning on July 1 of the year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted on costs for the following:

(1) the administration of justice;

- (2) elections and voter registration;
- (3) law enforcement and corrections;
- (4) public buildings;
- (5) public health and medical services;
- (6) fire protection;
- (7) financial administration;
- (8) transportation;
- (9) tax appraisals and collection; and
- (10) public records.

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

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

(c) The 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 the essential county expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

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The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodriguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Senator Zaffirini offered the following amendment to Floor Amendment No. 1:

#### **Floor Amendment No. 14**

Amend Floor Amendment No. 1 to **CSSB 2** 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 ESSENTIAL COUNTY EXPENDITURES. (a) In this section, "essential county expenditures" for a tax year means the amount of expenditures made by a county in the period beginning on July 1 of the year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted on costs for the following:

- (1) the administration of justice; and
- (2) public health and medical services.

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

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

(c) The 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 the essential county expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Senator Zaffirini offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 15**

Amend Floor Amendment No. 1 to **CSSB 2** 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 ESSENTIAL MUNICIPAL EXPENDITURES. (a) In this section, "essential municipal expenditures" for a tax year means the amount of expenditures made by a municipality in the period beginning on July 1 of the year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted on costs for the following:

- (1) the administration of justice;
- (2) law enforcement and corrections;
- (3) public buildings;
- (4) public health and medical services;
- (5) fire protection;
- (6) financial administration;
- (7) transportation;
- (8) tax collection; and
- (9) public records.

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

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

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Senator Zaffirini offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 16**

Amend Floor Amendment No. 1 to **CSSB 2** 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 ELECTIONS AND VOTER REGISTRATION EXPENDITURES. (a) In this section, "essential county expenditures" for a tax year means the amount of expenditures made by a county in the period beginning on July 1 of the year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted on costs for elections and voter registration.

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

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

(c) The 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 the essential county expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

**(Senator Hancock in Chair)**

Senator West offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 17**

Amend Floor Amendment No. 1 to **CSSB 2** 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 LAW ENFORCEMENT PERSONNEL EXPENDITURES. (a) In this section, "law enforcement personnel 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 equip, train, compensate, and provide benefits to individuals who provide law enforcement services for the taxing unit.

(b) If a taxing unit's law enforcement personnel 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:

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

(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 law enforcement personnel expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

WEST  
MENÉNDEZ

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Senator West offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 18**

Amend Floor Amendment No. 1 to **CSSB 2** 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 EMERGENCY MEDICAL SERVICES PERSONNEL EXPENDITURES. (a) In this section, "emergency medical services personnel 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 equip, train, compensate, and provide benefits to individuals who provide emergency medical services and medical supervision, as those terms are defined by Section 773.003, Health and Safety Code.

(b) If a taxing unit's emergency medical services personnel 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:

$$\frac{\text{Current Tax Year's Emergency Medical Services Personnel Expenditures} - \text{Preceding Tax Year's Emergency Medical Services Personnel Expenditures}}{\text{Current Total Value} - \text{New Property Value}}$$

(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 emergency medical services personnel expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

WEST  
MENÉNDEZ

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Senator West offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 19**

Amend Floor Amendment No. 1 to **CSSB 2** 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 FIRE SAFETY PERSONNEL EXPENDITURES. (a) In this section, "fire safety personnel 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 equip, train, compensate, and provide benefits to individuals who provide firefighting services.

(b) If a taxing unit's fire safety personnel 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:

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

(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 fire safety personnel expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

WEST  
MENÉNDEZ

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Senator Hinojosa offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 20**

Amend Floor Amendment No. 1 to **CSSB 2** (Senate Committee Report) by adding the following appropriately numbered SECTIONS to the bill and renumbering the subsequent SECTIONS of the substitute accordingly:

SECTION \_\_\_\_. Chapter 26, Tax Code, is amended by adding Section 26.0442 to read as follows:

Sec. 26.0442. TAX RATE ADJUSTMENT FOR VOTER APPROVED ROAD EXPENDITURES. (a) In this section, "voter approved road expenditures" for a tax year means the amount of maintenance and operation expenditures made by a taxing unit in a period beginning on or after July 1, 2018 that were approved at a public referendum specifically for the cost of construction, improvement, maintenance or operations of a road, street, sidewalk, highway, bridge, overpass, underpass, or interchange located within the jurisdiction.

(b) If the voters of a taxing unit approved at a public referendum the cost of construction, improvement, maintenance or operations of a road, street, sidewalk, highway, bridge, overpass, underpass, or interchange located within the jurisdiction including planning and design and costs associated with utilities, the no-new-revenue maintenance and operations rate for the taxing unit is:

ROLLBACK RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE + X 1.035) + (VOTER APPROVED RATE FOR ROADS + DEBT RATE + REVENUE ENRICHMENT RATE + UNUSED INCREMENT RATE)

(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 the amount of the expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

SECTION \_\_\_\_\_. Section 26.0442, Tax Code, as added by this Act, applies to the no-new-revenue maintenance and operations rate of a taxing unit beginning with the 2020 tax year.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read.

Senator Hinojosa withdrew Floor Amendment No. 20.

Senator West offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 21**

Amend Floor Amendment No. 1 to **CSSB 2** by adding the following appropriately numbered SECTION to the bill and renumbering the 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 COST OF TAX ABATEMENT AGREEMENT. (a) In this section, "tax abatement agreement costs" means the amount of tax revenue that a taxing unit was unable to collect in the preceding tax year as a result of tax abatement agreements entered into by the taxing unit under Chapter 312, calculated by multiplying the adopted tax rate of the taxing unit for the preceding tax year by the appraised value of property that was not taxable by the taxing unit in that tax year because of a tax abatement agreement entered into by the taxing unit under Chapter 312.

(b) If a taxing unit's tax abatement agreement costs exceed the amount of those costs 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:

$$\frac{\text{Current Tax Year's Tax Abatement Agreement Costs} - \text{Preceding Tax Year's Tax Abatement Agreement Costs}}{\text{Current Total Value} - \text{New Property Value}}$$

(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 of the taxing unit's tax abatement agreement costs, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or Section 26.061.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Senator Hinojosa offered the following amendment to Floor Amendment No. 1:

### **Floor Amendment No. 22**

Amend Floor Amendment No. 1 to **CSSB 2** (Senate Committee Report) by adding the following appropriately numbered SECTIONS to the bill and renumbering the subsequent SECTIONS of the substitute accordingly:

SECTION \_\_\_\_\_. Chapter 26, Tax Code, is amended by adding Section 26.0442 to read as follows:

Sec. 26.0442. **TAX RATE ADJUSTMENT FOR DISASTER RELIEF EXPENDITURES.** (a) In this section, "expenditures for disaster relief" for a tax year means the amount of expenditures other than expenditures from debt made by a taxing unit in the period beginning on July 1 of the year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted on costs for disaster relief, including mutual aid for police and fire service, debris removal, infrastructure repairs and mitigation, and financial contributions made by the taxing unit to a federal community development block grant.

(b) If a taxing unit's expenditures for disaster relief exceed the amount of those expenditures for the preceding tax year, the no-new-revenue maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

$$\frac{\text{Current Tax Year's expenditures for disaster relief} - \text{Preceding Tax Year's expenditures for disaster relief}}{\text{Current Total Value} - \text{New Property Value}}$$

(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 the amount of the expenditures for disaster relief, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

SECTION \_\_\_\_\_. Section 26.0442, Tax Code, as added by this Act, applies to the no-new-revenue maintenance and operations rate of a taxing unit beginning with the 2020 tax year.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read.

Senator Hinojosa withdrew Floor Amendment No. 22.

Senator Alvarado offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 23**

Amend Bettencourt Floor Substitute (Floor Amendment No. 1) to **CSSB 2** by adding the following appropriately numbered SECTIONS to the substitute and renumbering the subsequent SECTIONS of the substitute accordingly:

SECTION \_\_\_\_\_. Chapter 26, Tax Code, is amended by adding Section 26.0442 to read as follows:

Sec. 26.0442. TAX RATE ADJUSTMENT FOR FLOOD CONTROL PLANNING AND FLOOD PROJECTS. (a) In this section:

(1) "Flood control planning and flood 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 flood control planning and flood projects.

(2) "Flood control planning" means any work related to:

(A) research, data collection, mapping, modeling, or planning associated with structural or nonstructural storm water or flood management, protection, control, drainage, or mitigation;

(B) providing information to the public in connection with activities described by Paragraph (A);

(C) preparing applications for and obtaining regulatory approval at the local, state, or federal level;

(D) activities associated with administrative or legal proceedings by regulatory agencies; or

(E) preparing engineering plans and specifications to provide structural or nonstructural storm water or flood management, protection, control, drainage, or mitigation.

(3) "Flood project" means a structural or nonstructural storm water or flood management, protection, control, drainage, or mitigation project, including:

(A) flood control planning and design activities;

(B) work to obtain regulatory approval to provide structural or nonstructural storm water or flood management, protection, control, drainage, or mitigation;

(C) construction of structural flood mitigation and drainage infrastructure; and

(D) implementation of nonstructural storm water or flood management, protection, control, drainage, or mitigation.

(b) If a municipality's or county's flood control planning and flood 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:

$$\frac{\text{Current Tax Year's Flood Control Planning and Flood Project Expenditures} - \text{Preceding Tax Year's Flood Control Planning and Flood Project Expenditures}}{\text{Current Total Value} - \text{New Property Value}}$$

(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 flood control planning and flood project expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

SECTION \_\_\_\_\_. Subchapter H, Chapter 49, Water Code, is amended by adding Section 49.2362 to read as follows:

Sec. 49.2362. TAX RATE ADJUSTMENT FOR FLOOD CONTROL PLANNING AND FLOOD PROJECTS. (a) In this section:

(1) "Current total value" and "new property value" have the meanings assigned by Section 26.012, Tax Code.

(2) "Flood control planning and flood project expenditures" for a tax year means the amount of expenditures made by a district in the period beginning on July 1 of the preceding tax year and ending on June 30 of the current tax year on flood control planning and flood projects.

(3) "Flood control planning" and "flood project" have the meanings assigned by Section 26.0442, Tax Code.

(b) If a district's flood control planning and flood project expenditures funded from operation and maintenance tax revenue exceed the amount of those expenditures for the preceding tax year, for purposes of Section 49.236(d), the operation and maintenance tax rate that would impose the amount of the operation and maintenance tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that tax year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, is increased by the rate computed according to the following formula:

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

(c) The district shall include a notice of the increase provided by this section in the operation and maintenance tax rate described by Subsection (b) of this section, including a description and the amount of flood control planning and flood project expenditures, in the information published under Section 49.236.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

**(President in Chair)**

Senator Rodríguez offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 24**

Amend Floor Amendment No. 1 to **CSSB 2** by adding the following appropriately numbered SECTIONS 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 PUBLIC SAFETY EXPENDITURES. (a) In this section, "public safety expenditures" for a tax year means the amount of expenditures made by the taxing unit in the period beginning on July 1 of the year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted on costs to equip, train, compensate, and provide benefits to individuals who provide law enforcement, fire protection, and emergency medical services, including individuals employed by a municipality to provide those services at an international port.

(b) If a taxing unit's public safety 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:

$$\frac{\text{Current Tax Year's Public Safety Expenditures} - \text{Preceding Tax Year's Public Safety Expenditures}}{\text{Current Total Value} - \text{New Property Value}}$$

(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 public safety expenditures, in the information published under Section 26.04(e) and, if applicable, Section 26.06(b).

SECTION \_\_\_\_\_. Section 26.0442, Tax Code, as added by this Act, applies to the no-new-revenue maintenance and operations rate of a taxing unit beginning with the 2020 tax year.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 12, Nays 19.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Senator Rodríguez offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 25**

Amend Floor Amendment No. 1 to **CSSB 2** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Title 2, Government Code, is amended by adding Subtitle M to read as follows:

SUBTITLE M. JUDICIAL SYSTEMCHAPTER 201. STATE FINANCIAL CONTRIBUTIONS

Sec. 201.001. PLAN FOR INCREASED STATE FINANCIAL CONTRIBUTIONS. (a) The Office of Court Administration of the Texas Judicial System, in consultation with the judges and justices of the courts of this state, shall develop a plan to increase state contributions for the operations of the state judicial system, the support of court personnel, and the maintenance of courthouses and other court facilities.

(b) The Office of Court Administration of the Texas Judicial System may submit to the Legislative Budget Board a legislative appropriations request separate from the legislative appropriations request for the office for the money necessary to implement the plan.

SECTION \_\_\_\_\_. Not later than September 1, 2020, the Office of Court Administration of the Texas Judicial System shall develop the plan required by Section 201.001, Government Code, as added by this Act.

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 12, Nays 19.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Senator Menéndez offered the following amendment to Floor Amendment No. 1:

**Floor Amendment No. 26**

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

(1) In SECTION 27 of the bill, in amended Section 26.04(c)(2)(B), Tax Code (page 22, line 7), strike "1.035" and substitute "1.06".

(2) In SECTION 28 of the bill, in amended Section 26.041(a), Tax Code (page 30, line 19), strike "1.035" and substitute "1.06".

(3) In SECTION 28 of the bill, in amended Section 26.041(b), Tax Code (page 31, line 9), strike "1.035" and substitute "1.06".

(4) In SECTION 28 of the bill, in amended Section 26.041(c), Tax Code (page 32, line 5), strike "1.035" and substitute "1.06".

(5) In SECTION 34 of the bill, in added Section 26.0446(a), Tax Code (page 37, line 20), strike "3.5" and substitute "6".

(6) In SECTION 43 of the bill, in added Section 26.08(b-1), Tax Code (page 59, line 29), strike "3.5" and substitute "6".

(7) In SECTION 43 of the bill, in amended Section 26.08(n)(1), Tax Code (page 62, line 6), strike "1.035" and substitute "1.06".

(8) In SECTION 79 of the bill, in amended Section 49.236(a)(3), Water Code (page 98, line 24), strike "3.5" and substitute "6".

(9) In SECTION 79 of the bill, in amended Section 49.236(e)(3), Water Code (page 99, line 21), strike "1.035" and substitute "1.06".

The amendment to Floor Amendment No. 1 to **CSSB 2** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Question recurring on the adoption of Floor Amendment No. 1 to **CSSB 2**, the amendment as amended was adopted by the following vote: Yeas 18, Nays 13.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Nays: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

**CSSB 2** as amended was passed to engrossment by the following vote: Yeas 18, Nays 13.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Taylor.

Nays: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Seliger, Watson, West, Whitmire, Zaffirini.

### REMARKS ORDERED PRINTED

On motion of Senator Rodríguez and by unanimous consent, the remarks by Senators West, Bettencourt, and Johnson regarding indigent health care in **CSSB 2** were ordered reduced to writing and printed in the *Senate Journal* as follows:

**President:** Senator West, for what purpose?

**Senator West:** Question of the author.

**President:** Do you yield, Senator Bettencourt? He's keeping you entertained during the intermission.

**Senator Bettencourt:** That's right. For entertainment, certainly.

**Senator West:** I'm not trying to entertain you.

**Senator Bettencourt:** Oh okay, very good.

**Senator West:** I'd never try to do that.

**Senator Bettencourt:** Oh no, you're very good.

**Senator West:** I'm going to ask a serious question.

**Senator Bettencourt:** Okay. Please, go ahead.

**Senator West:** And the question is this, and I think that it's important that people understand this, because I'm getting questions back from Parkland Hospital. The issue of indigent health care, how is that handled in the revisions to, in the revisions to our property tax issues? And I think I know the answer is, the answer is that it's already current law that those costs are exempted. Am I correct?

**Senator Bettencourt:** Serious question, so therefore serious answer. In the 2018 sample tax rate calculation worksheet, if you go to page 4, I'm going from memory, right, page 4, line 28, Section F, indigent health care expenses, for example, enter the increased amount for the current year's Enhanced Indigent Health Care Expenditures above the preceding year's indigent health care. So, there's a credit. I would expect the same thing would be, same rule may be right before Section F or may be Section I for indigent defense.

**Senator West:** I think I understood what you said. It relates to—

**Senator Bettencourt:** It's a—

**Senator West:** —let me finish. As it relates to indigent health care, there is a credit.

**Senator Bettencourt:** Right.

**Senator West:** Okay so, hospital districts, counties that have indigent health care issues don't have to worry about the impact of this bill on how they fund indigent health care in the future. Is that correct?

**Senator Bettencourt:** That's correct with the exception of whatever the state assistance is. That's not credited. State assistance is not credited, but obviously their incrementals are.

**Senator West:** Okay, thank you.

**Senator Bettencourt:** Okay, thank you.

**President:** Senator Johnson, your light is on, for what purpose?

**Senator Johnson:** Question of the author.

**President:** Do you yield?

**Senator Bettencourt:** Certainly.

**Senator Johnson:** It's been brought to my attention that there may be some confusion in a section of the bill, and I honestly ask you to look at the bill with me and help alleviate any potential confusion regarding the indigent health care provision. Senator Bettencourt, Section 33 of the bill references Section 61.006 of the Health and Safety Code. I understand that that section typically applies only to counties that do not have hospital districts, and I want to be sure that if we're all acting under the assumption that indigent health care has, is accommodated as an exception, that the statute is drafted precisely to achieve that, so that we don't wind up with something that none of us intends.

**Senator Bettencourt:** Okay, you're referring to page 54?

**Senator Johnson:** Perhaps.

**Senator Bettencourt:** That's Section 33, Chapter 26. That's the section that I've got Section 33 on, Senator Johnson, so I may be in the wrong place, but if you give me a page number, I'd be happy to look at it.

**Senator Johnson:** And I might be able to get that in a second, but in the meantime, can you direct me to the section of the code that ensures that indigent health care is, receives an exception, is carved out of this?

**Senator Bettencourt:** I can direct you directly to the Texas Comptroller of Public Accounts. You can go online, at form 50-856, it's approved to, for March of 2018. Go to page 4, Section F, it's Enhanced Indigent Health Care Expenditures. And we're not making any changes in that code that I'm aware of.

**Senator Johnson:** That's existing law.

**Senator Bettencourt:** That's right. This is for indigent, his amendment is for indigent defense.

**Senator Johnson:** Right.

**Senator Bettencourt:** So, we're adding an extra classification.

**Senator Johnson:** And again, this is just for assurances for constituents that have brought this to my attention, that your understanding is that under existing law, that when we're contemplating the amount that a hospital district can raise its revenue in a given budget cycle that indigent health care expenses are exempted from the total.

**Senator Bettencourt:** Well, not entirely. There's less state aid and it's incremental, but, yes, any additional is exempted. It's clearly laid out here in the formula on that page, so whoever is asking, we're not making any changes to that formula that I'm aware of. Okay?

**Senator Johnson:** If I have further questions, I'll put my light on again, but thank you.

**Senator Bettencourt:** Thank you.

**SENATE RULE 5.14(a) SUSPENDED  
(Intent Calendar)  
(Motion In Writing)**

Senator Hughes submitted the following Motion In Writing:

Mr. President:

I move suspension of Senate Rule 5.14, the Intent Calendar Rule, in order to move the Intent Calendar deadline to 6 p.m. today.

Thank you Mr. President.

HUGHES

The Motion In Writing was read and prevailed without objection.

**SENATE BILL 1287 ON SECOND READING**

On motion of Senator Campbell and by unanimous consent, the regular order of business was suspended to take up for consideration **SB 1287** at this time on its second reading:

**SB 1287**, Relating to the composition of the Homeland Security Council.

The bill was read second time and was passed to engrossment by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to engrossment.

**SENATE BILL 1287 ON THIRD READING**

Senator Campbell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **SB 1287** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE****SENATE BILL 606 ON SECOND READING**

On motion of Senator Watson and by unanimous consent, the regular order of business was suspended to take up for consideration **CSSB 606** at this time on its second reading:

**CSSB 606**, Relating to the Lower Colorado River Authority, following recommendations of the Sunset Advisory Commission.

The bill was read second time and was passed to engrossment by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to engrossment.

**COMMITTEE SUBSTITUTE****SENATE BILL 606 ON THIRD READING**

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 606** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**(Senator Fallon in Chair)**

**(Senator Kolkhorst in Chair)**

**COMMITTEE SUBSTITUTE  
SENATE BILL 9 ON SECOND READING**

Senator Hughes moved to suspend the regular order of business to take up for consideration **CSSB 9** at this time on its second reading:

**CSSB 9**, Relating to election integrity; increasing criminal penalties; creating a criminal offense; creating civil penalties.

The motion prevailed by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Nays: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

The bill was read second time.

Senator Hughes offered the following amendment to the bill:

**Floor Amendment No. 1**

Amend **CSSB 9** (senate committee printing) as follows:

(1) Strike SECTION 2.01 of the bill, adding Section 13.002(c-1), Election Code (page 3, line 65, through page 4, line 2), and substitute the following:

SECTION 2.01. Section 13.002, Election Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) An application may not be accepted if, at the time the applicant received the application, a box on the application was marked to indicate that the applicant:

(1) is a United States citizen; or

(2) will be 18 years of age or older on election day.

(2) In ARTICLE 4 of the bill, add the following appropriately numbered SECTION and renumber subsequent SECTIONS of ARTICLE 4 accordingly:

SECTION 4.\_\_\_\_. Subchapter A, Chapter 31, Election Code, is amended by adding Section 31.014 to read as follows:

Sec. 31.014. RULES. The secretary of state shall adopt rules establishing best practices for:

(1) maintaining the physical and digital security of elections infrastructure and systems; and

(2) restricting access to elections infrastructure and systems to authorized personnel.

(3) In SECTION 5.02 of the bill, in added Section 129.003, Election Code (page 8, line 51), strike "and audited".

(4) In SECTION 5.02 of the bill, strike added Section 129.003(c), Election Code (page 8, lines 57 through 67), and substitute the following:

(c) The electronic vote is the official record of the vote cast if a risk-limiting audit conducted under Section 127.302 produces strong evidence that the reported outcome of the election matches the results that a full counting of the paper records would reveal.

(c-1) The paper record is the official record of the vote cast:

(1) for a recount under Title 13, including a recount of ballots cast on a system involving direct recording electronic voting machines; or

(2) if a risk-limiting audit conducted under Section 127.302 fails to produce strong evidence that the reported outcome of the election matches the results that a full counting of the paper records would reveal.

(5) In SECTION 5.02 of the bill, in added Section 129.003(e), Election Code (page 9, line 15), strike "Subsections (a)-(c)" and substitute "Subsections (a), (b), (c), and (c-1)".

The amendment to **CSSB 9** was read and was adopted by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Nays: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

Senator Rodríguez offered the following amendment to the bill:

### **Floor Amendment No. 2**

Amend **CSSB 9** (senate committee printing) as follows:

(1) Amend the recital to SECTION 1.03 of the bill (page 3, line 13) by striking "Sections 13.007(b) and (c)" and substituting "Section 13.007".

(2) In SECTION 1.03 of the bill, amending Section 13.007, Election Code (page 3, between lines 14 and 15), insert the following:

Sec. 13.007. FALSE STATEMENT ON APPLICATION. (a) A person commits an offense if the person intentionally [~~knowingly~~] makes a false statement or requests, commands, or attempts to induce another person to make a false statement on a registration application.

The amendment to **CSSB 9** was read and failed of adoption by the following vote: Yeas 12, Nays 19.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Senator Rodríguez offered the following amendment to the bill:

### **Floor Amendment No. 3**

Amend **CSSB 9** (senate committee printing) in SECTION 1.04 of the bill, adding Section 61.0045, Election Code (page 3, between lines 28 and 29), by inserting the following:

(c) It is a defense to prosecution under this section that at the time of the offense, the person was performing an official duty as a first responder.

(d) In this section, "first responder" has the meaning assigned by Section 421.095, Government Code.

The amendment to **CSSB 9** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3.

**(President in Chair)**

Senator Menéndez offered the following amendment to the bill:

**Floor Amendment No. 4**

Amend **CSSB 9** (senate committee printing) by striking SECTION 1.05 of the bill, adding Sections 64.012(c) and (d), Election Code (page 3, lines 29 through 36), and renumbering subsequent SECTIONS of ARTICLE 1 accordingly.

The amendment to **CSSB 9** was read and failed of adoption by the following vote: Yeas 12, Nays 19.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Senator Menéndez offered the following amendment to the bill:

**Floor Amendment No. 5**

Amend **CSSB 9** (senate committee printing) as follows:

(1) In SECTION 2.13 of the bill, in added Subsection 84.002(c), Election Code (page 6, lines 12 through 13), strike "I am physically unable to enter a polling place" and substitute "I have a sickness or physical condition that prevents me from appearing at a polling place on election day".

(2) Add the following appropriately numbered SECTION to ARTICLE 2 of the bill and renumber subsequent SECTIONS of ARTICLE 2 accordingly:

SECTION 2.\_\_\_\_. Section 84.011(a), Election Code, is amended to read as follows:

(a) The officially prescribed application form for an early voting ballot must include:

(1) immediately preceding the signature space the statement: "I certify that the information given in this application is true, and I understand that giving false information in this application is a crime.";

(2) a statement informing the applicant of the offenses prescribed by Sections 84.003 and 84.004;

(3) spaces for entering an applicant's voter registration number and county election precinct of registration, with a statement informing the applicant that failure to furnish that information does not invalidate the application; and

(4) on an application for a ballot to be voted by mail:

(A) a space for an applicant applying on the ground of absence from the county of residence to indicate the date on or after which the applicant can receive mail at the address outside the county;

(B) a space for indicating the fact that an applicant whose application is signed by a witness cannot make the applicant's mark and a space for indicating the relationship or lack of relationship of the witness to the applicant;

(C) a space for entering an applicant's telephone number, with a statement informing the applicant that failure to furnish that information does not invalidate the application;

(D) a space or box for an applicant applying on the ground of age or disability to indicate that the address to which the ballot is to be mailed is the address of a facility or relative described by Section 84.002(a)(3), if applicable;

(E) a space or box for an applicant applying on the ground of confinement in jail to indicate that the address to which the ballot is to be mailed is the address of a relative described by Section 84.002(a)(4), if applicable;

(F) a space for an applicant applying on the ground of age or disability to indicate if the application is an application under Section 86.0015;

(G) spaces for entering the signature, printed name, and residence address of any person assisting the applicant;

(H) a statement informing the applicant of the condition prescribed by Section 81.005; ~~and~~

(I) a statement informing the applicant of the requirement prescribed by Section 86.003(c); and

(J) a statement informing the applicant that expected or likely confinement for childbirth on election day is sufficient cause to entitle a voter to vote under Section 82.002(a).

The amendment to **CSSB 9** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 5.

**(Senator Kolkhorst in Chair)**

Senator Bettencourt offered the following amendment to the bill:

**Floor Amendment No. 6**

Amend **CSSB 9** (senate committee printing) by striking SECTION 4.03 of the bill, adding Section 43.007(f-1), Election Code (page 7, lines 34 through 40), and substituting the following:

SECTION 4.03. Section 43.007, Election Code, is amended by adding Subsections (f-1) and (g-1) to read as follows:

(f-1) Notwithstanding Subsection (f), the commissioners court of a county with a population of more than one million must select countywide polling places using the same methodology that the county would use to select polling places if it were not participating in the countywide polling place program.

(g-1) A county participating in the program shall, at each countywide polling place, post a notice of the four nearest countywide polling place locations by driving distance.

The amendment to **CSSB 9** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 6.

Senator Hall offered the following amendment to the bill:

#### **Floor Amendment No. 7**

Amend **CSSB 9** (senate committee printing) in SECTION 5.02 of the bill, in added Section 129.003, Election Code (page 9, between lines 14 and 15), by inserting the following appropriately lettered subsection and relettering subsequent subsections accordingly:

( ) The secretary of state may use any available funds to assist an authority with the purchase of an auditable voting system if the funds have been appropriated for that purpose.

The amendment to **CSSB 9** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 7.

Senator Bettencourt offered the following amendment to the bill:

#### **Floor Amendment No. 8**

Amend **CSSB 9** (senate committee printing) in ARTICLE 1 of the bill by adding the following appropriately numbered SECTIONS and renumbering subsequent SECTIONS of ARTICLE 1 accordingly:

SECTION 1.\_\_\_\_. Subchapter A, Chapter 64, Election Code, is amended by adding Section 64.0101 to read as follows:

Sec. 64.0101. UNLAWFULLY TAKING BALLOT. (a) A person commits an offense if the person takes from a voter without the voter's permission a ballot that was provided at the polling place to the voter.

(b) An offense under this section is a Class B misdemeanor, unless the person is serving as a watcher under Subchapter A, Chapter 33, at the time of the offense, in which case it is a Class A misdemeanor.

(c) It is a defense to prosecution under this section that the person was an election officer performing an official duty at the time the person took the ballot.

SECTION 1.\_\_\_\_. Section 276.001, Election Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) Except as provided by Subsection (c), an [~~A~~] offense under this section is a felony of the third degree.

(c) An offense under Subsection (a)(1) is a felony of the second degree if the person is serving as a watcher under Subchapter A, Chapter 33, at the time of the offense.

The amendment to **CSSB 9** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 8.

Senator Hall offered the following amendment to the bill:

### **Floor Amendment No. 9**

Amend **CSSB 9** (senate committee report) by adding the following appropriately numbered SECTIONS to ARTICLE 1 of the bill and renumbering subsequent SECTIONS of ARTICLE 1 accordingly:

SECTION 1. \_\_\_\_ . Section 61.002, Election Code, is amended to read as follows:

Sec. 61.002. OPENING POLLING PLACE FOR VOTING. (a) Before opening the polls for voting, the presiding election judge shall confirm that each voting machine has any public counter reset to zero and shall print the tape that shows the counter was set to zero.

(b) Each election judge present shall sign a tape printed under Subsection (a). A representative from each political party required to nominate candidates by primary election, if present at the polling place, shall sign a tape printed under Subsection (a).

(c) The commissioners court of a county that participates in the countywide polling place program under Section 43.007 may apply to the secretary of state for a waiver of the requirements of Subsections (a) and (b) in a form prescribed by the secretary of state. If the secretary of state grants the waiver, Subsections (a) and (b) do not apply to the county for which the waiver was granted.

(d) A presiding election judge commits an offense if the judge is required to comply with Subsection (a) and fails to comply with the requirements of that subsection. An offense under this section is a Class B misdemeanor.

(e) At the official time for opening the polls for voting, an election officer shall open the polling place entrance and admit the voters.

SECTION 1. \_\_\_\_ . Section 65.014, Election Code, is amended by amending Subsection (c) and adding Subsections (c-1), (c-2), (c-3) and (c-4) to read as follows:

(c) The returns shall be prepared as an original and four ~~three~~ copies, and on completing the returns, the presiding judge shall sign each one to certify its accuracy.

(c-1) Any watcher present at the polling place must be allowed to inspect and sign each copy of the returns, and may request an additional copy to be printed for the watcher's records. The requirements of this subsection must be completed before any voting system equipment is removed from the polling place.

(c-2) The presiding judge shall publicly post at the polling place one of the copies printed under Subsection (c) before the presiding judge leaves the premises.

(c-3) The commissioners court of a county that participates in the countywide polling place program under Section 43.007 may apply to the secretary of state for a waiver of the requirements of Subsections (c-1) and (c-2) in a form prescribed by the secretary of state. If the secretary of state grants the waiver, Subsections (c-1) and (c-2) do not apply to the county for which the waiver was granted.

(c-4) A presiding judge commits an offense if the judge is required to comply with Subsection (c-1) and (c-2) and fails to comply with those subsections. An offense under this subsection is a Class B misdemeanor.

The amendment to **CSSB 9** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 9.

Senator Hall offered the following amendment to the bill:

#### **Floor Amendment No. 10**

Amend **CSSB 9** (senate committee printing) by adding the following appropriately numbered SECTION to ARTICLE 4 of the bill and renumbering subsequent SECTIONS of ARTICLE 4 accordingly:

SECTION 4. Subchapter A, Chapter 127, Election Code, is amended by adding Section 127.008 to read as follows:

Sec. 127.008. ELECTRONIC DEVICES IN CENTRAL COUNTING STATION. (a) A counting station manager and the presiding judge of the counting station shall develop a protocol under which no electronic device capable of being connected to the Internet is permitted inside a central counting station, except as permitted by Subsection (b).

(b) The protocol developed under Subsection (a) may permit a cellular telephone or the equipment necessary to count votes to be present in the central counting station if the devices are not connected to the Internet.

The amendment to **CSSB 9** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 10.

#### **(President in Chair)**

Senator Powell offered the following amendment to the bill:

#### **Floor Amendment No. 11**

Amend **CSSB 9** (senate committee printing) in SECTION 1.04 of the bill, in added Section 61.0045, Election Code (page 3, between lines 27 and 28), by inserting the following appropriately lettered subsection and relettering subsequent subsections accordingly:

( ) This section may not be applied in a manner that violates a person's rights under the First Amendment to the United States Constitution, including the right to engage in protected speech while the person is more than 100 feet from the outside door through which a voter may enter the building in which a polling place is located.

The amendment to **CSSB 9** was read and failed of adoption by the following vote: Yeas 12, Nays 19.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Senator Campbell offered the following amendment to the bill:

**Floor Amendment No. 12**

Amend **CSSB 9** (senate committee printing) as follows:

In SECTION 5.01 of the bill, in added Section 127.305, Election Code (page 8, between lines 43 and 44), insert the following appropriately lettered subsections and reletter the subsequent subsections accordingly:

( ) The secretary of state shall select at least five counties to participate in the pilot program. At least one county participating in the pilot program must have a population of at least 500,000.

( ) After each election conducted under the pilot program, the secretary of state shall send a detailed report to each member of the legislature evaluating the success of the program and making a recommendation as to whether the legislature should act to delay the statewide implementation of the program.

The amendment to **CSSB 9** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 12.

**(Senator Perry in Chair)**

Senator Watson offered the following amendment to the bill:

**Floor Amendment No. 13**

Amend **CSSB 9** (senate committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent articles accordingly:

ARTICLE \_\_\_\_ . ELECTRONIC VOTER REGISTRATION

SECTION \_\_\_\_ . \_\_\_\_ . Subchapter A, Chapter 13, Election Code, is amended by adding Section 13.009 to read as follows:

Sec. 13.009. ELECTRONIC VOTER REGISTRATION. (a) The secretary of state shall implement a program to allow a person to complete a voter registration application over the Internet from the official website of this state. The websites of the secretary of state and the Department of Public Safety must also provide a link to the location of the application on the official website of this state.

(b) An applicant for electronic voter registration who has an unexpired driver's license or personal identification card issued in this state must:

(1) attest to the truth of the information provided on the application by affirmatively accepting the information as true; and

(2) affirmatively consent to the use of the signature on the applicant's driver's license or personal identification card for voter registration purposes.

(c) An applicant for electronic voter registration who does not have an unexpired driver's license or personal identification card issued in this state must:

(1) attest to the truth of the information provided on the application by affirmatively accepting the information as true; and

(2) print a registration application from the website the applicant is using to register, sign the application, and mail it to the registrar.

(d) For each application submitted under Subsection (b), the program shall require that a digital copy of the applicant's signature be obtained from the Department of Public Safety.

(e) For each application submitted under Subsection (c), the program shall provide the applicant with:

(1) a registration application that the applicant can print from the registration website, sign, and mail to the registrar as required under Subsection (c)(2); and

(2) information about how the applicant can obtain a driver's license or personal identification card from the Department of Public Safety.

(f) An application submitted under this section is considered for all purposes an application submitted by mail under this title.

(g) The secretary of state shall adopt rules as necessary to implement this section, including rules to provide for additional security measures necessary to ensure the accuracy and integrity of applications submitted electronically.

(h) The rules adopted under Subsection (g) must require that:

(1) the Internet website through which a person may complete a voter registration application include a description of the offense described by Section 13.007 in a conspicuous location on the website near the place where the person begins or submits the application; and

(2) the state electronic Internet portal project be used to authenticate the identity of a person who submits an application electronically under this section.

The amendment to **CSSB 9** was read and failed of adoption by the following vote: Yeas 12, Nays 19.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Senator Menéndez offered the following amendment to the bill:

#### **Floor Amendment No. 14**

Amend **CSSB 9** by adding the following appropriately numbered Section:

SECTION \_\_\_\_. Subchapter A, Chapter 43, Election Code, is amended by adding Section 43.008 to read as follows:

Sec. 43.008. CAMPUS POLLING PLACE. The commissioners court of a county shall designate as a polling place a location on the main campus of an institution of higher education as defined by Section 61.003, Education Code, located within the county if at least 5,000 students are enrolled in the institution.

MENÉNDEZ  
WEST

The amendment to **CSSB 9** was read and failed of adoption by the following vote: Yeas 12, Nays 19.

Yeas: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

**CSSB 9** as amended was passed to engrossment by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Nays: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

### REMARKS ORDERED PRINTED

On motion of Senator West and by unanimous consent, the remarks by Senators Menéndez, Hughes, West, and Lucio regarding Floor Amendment No. 14 to **CSSB 9** were ordered reduced to writing and printed in the *Senate Journal* as follows:

**Presiding Officer:** Chair recognizes Senator Menéndez.

**Senator Menéndez:** Thank you, Mr. President. Members, the reason that your amendment looks the way it does is because this is actually SB 1195 that I have filed this session. And the reason that I filed this bill is because Texas currently has low voter participation and civic engagement, particularly for our younger voters. And with youth voter turnout being extremely low, it's imperative to remove the obstacles barring the younger generation from voting and ensuring that everyone is given the ideal access to participate in the voting process. There are many factors that impede the individual's access such as transportation, access in information about our polling locations. Designating a college campus as a polling location would grant thousands of students and members of the communities voting access. Young adults aged 18 to 29 made up 21 percent of the voting population in 2014, but voter turnout for this demographic has decreased in recent years. The outcome of many elections can be swayed by a handful of votes. Allowing the voice of young people to be represented in our elections is essential to ensure fair representation for a population which is often excluded from the electoral process. Local elections have a direct impact on a student's home and college community. Elected officials make decisions such as, on issues such as student debt, education, and the economy. All students deserve an opportunity to have their voices heard, and I'll close with this, the main college campus, community campus in downtown San Antonio has 3,000 veterans enrolled there, 3,000 of our veterans. That's as many as UTSA. And what happens with a lot of our young people, you know, they get to class, gas prices are an obstacle, transportation's an obstacle. We want them to vote, so we need to remove those obstacles. And all this bill does is say that if you have a college campus with at least

5,000 students enrolled, that a polling location be made. And after I heard you accept Senator Bettencourt's amendment, that you said, there should be more polling locations, not less, I knew that you would love this amendment.

**Presiding Officer:** Chair recognize Senator West. For what purpose.

**Senator West:** I'd ask my co-author a question.

**Senator Menéndez:** I yield.

**Presiding Officer:** Do you yield?

**Senator Menéndez:** Of course.

**Senator West:** And I concur with you wholeheartedly. I mean, we accepted Senator Bettencourt's amendment—

**Senator Menéndez:** Correct.

**Senator West:** —to expand the availability of voting locations to our citizens, so this should be a no-brainer right here. We're talking about our college students now. We're talking about young people that are on campus that will be the leaders of tomorrow, and we always talk about civic responsibility—

**Senator Menéndez:** Exactly.

**Senator West:** —right?

**Senator Menéndez:** That's right.

**Senator West:** And so, what can be more appropriate than the expression of civic responsibility by voting.

**Senator Menéndez:** Exactly.

**Senator West:** Did you know that currently we have about seven campuses in the State of Texas that have voting locations. Did you know that?

**Senator Menéndez:** No, I did not. Only seven?

**Senator West:** Only seven.

**Senator Menéndez:** That's deplorable.

**Senator West:** Did you know that Texas State University this past election cycle, Senator Hughes, because of the overwhelming response by young people, millennials here in this state that actually wanted to vote, they ended up putting a polling place on their campus, working with the county, put a polling place on their deal. Do you know down in Waller County, though, and I want to thank the Governor and also the then-Secretary of State, that the county didn't want to put a voting place on Prairie View's campus, okay, which has been an issue over and over there.

**Senator Menéndez:** I had heard that they had difficulty.

**Senator West:** But working with the Governor and also the Secretary of State, we were able to get some issues resolved concerning their access to being able to vote. So, you know, I think that if, indeed, we want to encourage millennials, if we want to encourage our citizens to vote, that this is an excellent amendment. And you know, if we can get this on there, I would really be hard pressed not to vote for this bill.

**Senator Menéndez:** I appreciate that, Senator West. And I have to finish with this, colleagues, in all seriousness. I believe that young people are watching what we do, and I think they are looking for people who are not afraid of their voice. And I think that putting polling places at college campuses shows them that we want them to be involved in the electoral process, that we care about their voice, that they count as much as everyone else. They should not be disenfranchised, and I think they're going to be watching what we do up here, each and every one, because their voice matters just as much as everybody else. All of our constituents matter, the expectant mothers, which I appreciate you taking that amendment, and the young college campus attendees, the students.

**Presiding Officer:** Chair recognize Senator Lucio. For what purpose?

**Senator Lucio:** Will Senator Menéndez yield?

**Presiding Officer:** Will you yield, Sir?

**Senator Menéndez:** Of course.

**Senator Lucio:** In all seriousness, the Internet should be used at its fullest. At least some members of our society get to work early and leave late from their place of work every day—

**Senator Menéndez:** Yes.

**Senator Lucio:** —during the week, and that's our teachers.

**Senator Menéndez:** Yes.

**Senator Lucio:** And this is not a political statement, it's, we should accommodate them, so they can take part in the electoral process. And I would love for you to accept an amendment to your amendment establishing a polling place called a computer or a laptop where they can be able to take part in the election process, electoral process. I think this is an excellent opportunity for us to show them that we appreciate their hard work, their dedication, the commitment to our children, to our communities, our society as a whole. This is a wonderful opportunity that you have brought with your amendment to add another amendment, an amendment to your amendment, just starting with that group and realizing that they have long hours each day, and sometimes they're out dog tired, for lack of a better term, and they go home instead of participating in the process. They would love to but let's face it, when you work those long hours, you've got to have a little assistance, and the assistance comes from the state Legislature in passing good legislation, meaningful legislation that will make a difference in their lives. So, they, too, can exercise their desire in terms of who represents them in public office.

**Senator Menéndez:** So, if I understand you correctly, Senator Lucio, you're advocating for online voting.

**Senator Lucio:** Online voting, and just for teachers at this point, because they get to work early every day. I know, as a former teacher, way back, how dedicated and committed our teachers are. And they're there all day and sometimes they're after

school tutoring, they're there for, you know, trying to set up their lesson plans for the following day, et cetera, et cetera. So they, that group, at the very least, needs our support to be able to have them be able to vote online.

**Senator Menéndez:** Senator Lucio, I think you're absolutely right about the policy. The policy about making online voting there should happen. I just, I really don't, I'm concerned, and I'll wait for you to draft the amendment, I'm concerned that the weight of that policy change may bring this simple polling location—

**Senator Lucio:** Well, let's go ahead and work your amendment today. But in the near future, we should, between now and next session, if we don't get it accomplished this session, we should look at every means, every way that we can possibly look at the possibility of online voting.

**Senator Menéndez:** I agree completely.

**Presiding Officer:** Okay, thank you.

**Senator Menéndez:** We can do that.

**Presiding Officer:** Chair recognize Senator West. For what purpose?

**Senator West:** Thank you very much, Mr. President. I just want to let you know I just got a call from the students. I just got a call from the students at UT-Tyler, and they like this bill.

**Senator Menéndez:** University of Texas at Tyler. I am sure, I'm sure that every campus, every community college would, you know, every student body president would admire the fact that Senator Hughes took the amendment that gave them a polling place. Senator Hughes, you would be the hero of all college campuses.

**Presiding Officer:** Chair recognize Senator Hughes on the amendment.

**Senator Hughes:** Thank you, Mr. President and Senator Menéndez, Senator West, and Senator Lucio. Now, as we recall, Senator Bettencourt's amendment had to do with not reducing the number of polling places. It's important that we don't move backwards on a bill like this. And, as you know, as you mentioned, a number of schools already had polling places with Senator Bettencourt's amendment. Those cannot be taken away, so no one's talking about that. This is an area that within the rules, is left to the discretion of the counties, and so, even though I hold the author in high esteem, I will be voting no on this amendment.

**Senator Menéndez:** I am shocked that you're voting against the young people of Texas, Senator Hughes.

**SENATE RULE 7.07(b) SUSPENDED  
(Permission to Introduce)  
(Motions In Writing)**

On motion of Senator Menéndez, Senate Rule 7.07(b) was suspended for **SB 2542**.

On motion of Senator Menéndez, Senate Rule 7.07(b) was suspended for **SB 2544**.

The Motions In Writing were read and prevailed without objection.

**SENATE BILLS ON FIRST READING**

The following bills were introduced, read first time, and referred to the committees indicated:

**SB 2542** by Menéndez

Relating to an audio recording device pilot program for certain Department of Family and Protective Services employees investigating a report of child abuse or neglect; creating a criminal offense; authorizing a fee.

To Committee on Health and Human Services.

**SB 2544** by Menéndez

Relating to deferred collection of ad valorem taxes on certain residence homesteads.

To Committee on Property Tax.

**CO-AUTHORS OF SENATE BILL 2**

On motion of Senator Bettencourt, Senators Birdwell, Nelson, and Schwertner will be shown as Co-authors of **SB 2**.

**CO-AUTHOR OF SENATE BILL 9**

On motion of Senator Hughes, Senator Hall will be shown as Co-author of **SB 9**.

**CO-AUTHOR OF SENATE BILL 19**

On motion of Senator Hughes, Senator Campbell will be shown as Co-author of **SB 19**.

**CO-AUTHOR OF SENATE BILL 253**

On motion of Senator Rodríguez, Senator West will be shown as Co-author of **SB 253**.

**CO-AUTHOR OF SENATE BILL 572**

On motion of Senator Kolkhorst, Senator Hughes will be shown as Co-author of **SB 572**.

**CO-AUTHOR OF SENATE BILL 2073**

On motion of Senator Taylor, Senator West will be shown as Co-author of **SB 2073**.

**CO-AUTHOR OF SENATE JOINT RESOLUTION 27**

On motion of Senator Huffman, Senator Campbell will be shown as Co-author of **SJR 27**.

**RESOLUTIONS OF RECOGNITION**

The following resolutions were adopted by the Senate:

**Memorial Resolutions**

**SR 576** by Hughes and Buckingham, In memory of Garnett Shelton Grant Sr.

**SR 577** by Hughes and Kolkhorst, In memory of Thelma Ruth Zoch Schatte.

**SR 580** by Lucio, In memory of Antonio Ortiz.

**SR 581** by Lucio, In memory of Sigifredo Garcia Palacios.

### **Congratulatory Resolutions**

**SR 578** by Lucio, Recognizing the 30th anniversary of the Texas Artificial Reef Program.

**SR 579** by Lucio, Recognizing Naason Joaquin Garcia on the occasion of his 50th birthday.

**SR 582** by Lucio, Recognizing the Oliveira Middle School Symphonic Band for receiving the Dr. William P. Foster Project Award of Excellence.

**SR 584** by Nelson, Recognizing Heart Galleries of Texas for its work to connect children with adoptive families.

**SR 585** by Watson, Recognizing Robert A. "Bob" Jackson on the occasion of his retirement.

**SR 587** by Rodríguez, Recognizing Karl Rimkus for his work as chair of the Senate District 29 Environmental Advisory Committee.

**SR 588** by Rodríguez, Recognizing the Environmental Excellence Recognition Program for promoting environmental stewardship in West Texas.

**SR 589** by Rodríguez, Recognizing Lauren Baldwin for her commitment to protecting the environment.

### **Official Designation Resolution**

**SR 583** by Birdwell, Recognizing April 28, 2019, as B.A.C.A. Heroes Day.

### **ADJOURNMENT**

On motion of Senator Whitmire, the Senate at 5:06 p.m. adjourned until 5:10 p.m. today.

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## **APPENDIX**

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### **COMMITTEE REPORTS**

The following committee reports were received by the Secretary of the Senate in the order listed:

April 15, 2019

**BUSINESS AND COMMERCE — CSSB 2409**

**INTERGOVERNMENTAL RELATIONS — CSSB 390, SB 592, SB 1038, SB 1083, CSSB 1115, CSSB 1117, CSSB 1129, SB 1132, CSSB 1367, SB 2449, SB 2469, SB 2502**

**HIGHER EDUCATION — SB 502, SB 945, SB 1680, SB 499**

**INTERGOVERNMENTAL RELATIONS — CSSB 1918**

**NATURAL RESOURCES AND ECONOMIC DEVELOPMENT — SB 76, CSSB 619, SB 1500, CSSB 1585, SB 2038, SB 2077, SB 2152, SB 2296**

ADMINISTRATION — SCR 18, SB 1693, SB 430

PROPERTY TAX — SB 1261, SB 1329, SB 1642, HB 1254, SB 347, SB 2531, SB 1029, SB 597, CSSB 58, SB 1225, SB 1007, CSSB 129, SB 1856, CSSB 652, SB 1315

ADMINISTRATION — SCR 7

TEXAS PORTS — CSSB 2223, CSSB 2222, CSSB 1915

STATE AFFAIRS — SB 536, SB 1899, SB 1928

BUSINESS AND COMMERCE — CSSB 339, CSSB 1949, CSSB 64, CSSB 1769, CSSB 1845, SB 819, SB 662

ADMINISTRATION — CSSB 281

EDUCATION — SB 1776, CSSB 1455

FINANCE — SB 2050, SB 1824, SB 1674, SB 288

### BILLS ENGROSSED

April 11, 2019

SB 30, SB 38, SB 68, SB 73, SB 81, SB 175, SB 192, SB 195, SB 213, SB 228, SB 234, SB 237, SB 240, SB 241, SB 284, SB 286, SB 317, SB 323, SB 324, SB 341, SB 362, SB 364, SB 372, SB 385, SB 386, SB 407, SB 415, SB 416, SB 422, SB 435, SB 439, SB 443, SB 479, SB 496, SB 498, SB 557, SB 575, SB 590, SB 604, SB 642, SB 658, SB 669, SB 677, SB 687, SB 747, SB 755, SB 801, SB 814, SB 821, SB 827, SB 828, SB 872, SB 874, SB 881, SB 892, SB 893, SB 926, SB 928, SB 942, SB 952, SB 961, SB 962, SB 976, SB 979, SB 981, SB 1040, SB 1048, SB 1063, SB 1066, SB 1091, SB 1092, SB 1142, SB 1151, SB 1153, SB 1189, SB 1211, SB 1219, SB 1221, SB 1230, SB 1232, SB 1234, SB 1253, SB 1259, SB 1271, SB 1276, SB 1303, SB 1304, SB 1311, SB 1337, SB 1358, SB 1397, SB 1438, SB 1443, SB 1451, SB 1476, SB 1480, SB 1494, SB 1497, SB 1510, SB 1511, SB 1531, SB 1535, SB 1545, SB 1557, SB 1571, SB 1582, SB 1587, SB 1621, SB 1622, SB 1764, SB 1804, SB 1821, SB 1822, SB 1823, SB 1827, SB 1887, SB 1939, SB 1947, SB 2037, SB 2119, SB 2150, SB 2151, SB 2168, SB 2224, SB 2305, SB 2432, SB 2485, SB 2487

### BILLS AND RESOLUTIONS ENROLLED

April 11, 2019

SB 450, SB 726, SB 999, SR 551, SR 563, SR 566, SR 567, SR 568, SR 569, SR 570, SR 571, SR 572, SR 573, SR 574, SR 575