

HOUSE JOURNAL

EIGHTY-FIFTH LEGISLATURE, FIRST CALLED SESSION

PROCEEDINGS

TWENTY-FIRST DAY — MONDAY, AUGUST 14, 2017

The house met at 1:03 p.m. and was called to order by the speaker.

The roll of the house was called and a quorum was announced present (Record 161).

Present — Mr. Speaker(C); Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Minjarez; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Absent — Johnson, J.

The speaker recognized Representative Moody who offered the invocation.

The speaker recognized Representative Cortez who led the house in the pledges of allegiance to the United States and Texas flags.

CAPITOL PHYSICIAN

The speaker recognized Representative Larson who presented Dr. Cristian Fernandez-Falcon of San Antonio as the "Doctor for the Day."

The house welcomed Dr. Fernandez-Falcon and thanked him for his participation in the Physician of the Day Program sponsored by the Texas Academy of Family Physicians.

(Roberts in the chair)

REGULAR ORDER OF BUSINESS SUSPENDED

On motion of Representative Kuempel and by unanimous consent, the reading and referral of bills was postponed until just prior to adjournment.

RESOLUTIONS ADOPTED

Representative Kacal moved to suspend all necessary rules to take up and consider at this time the following congratulatory resolutions.

The motion prevailed.

The following resolutions were laid before the house:

HR 61 (by Morrison), Commemorating the 35th anniversary of KAVU-TV in Victoria.

HR 275 (by Collier and Giddings), Congratulating Roy Brooks of the Tarrant County Commissioners Court on his election as president of the National Association of Counties.

HR 280 (by Moody, Tinderholt, Stickland, Cain, and Biedermann), Recognizing October 21, 2017, as Hoverboard Safety Awareness Day.

HR 353 (by Turner, Zedler, Krause, Stickland, and Tinderholt), Honoring Jamie Sullins for her service on the board of the Arlington Independent School District.

HR 362 (by Cyrier), Congratulating Major General Gerald R. Betty on his retirement as commanding general of the Texas State Guard.

HR 377 (by Springer), Congratulating Mikel Zane Campbell of Boy Scouts of America Troop No. 116 in Bowie on attaining the rank of Eagle Scout.

HR 378 (by Springer), Congratulating Damien Greenroy of Bowie on attaining the rank of Eagle Scout.

HR 379 (by Springer), Congratulating Isaac Russell Tasker on attaining the rank of Eagle Scout.

HR 383 (by Morrison), Congratulating Dustin Crane and Alyssa Wilcox on their wedding.

HR 406 (by Giddings), Congratulating Senior Trooper Michael A. Black on his retirement from the Texas Department of Public Safety.

HR 418 (by Giddings), Congratulating Laura Rogers Burks of Houston on her 100th birthday.

The resolutions were adopted.

On motion of Representative Kacal, the names of all the members of the house were added to the resolutions as signers thereof, with the understanding that a member may remove his or her name from any resolution.

**PROVIDING FOR A CONGRATULATORY
AND MEMORIAL CALENDAR**

Representative Kacal moved to set a congratulatory and memorial calendar for 10 a.m. tomorrow.

The motion prevailed.

**HR 406 - PREVIOUSLY ADOPTED
(by Giddings)**

The chair laid out and had read the following previously adopted resolution:

HR 406, Congratulating Senior Trooper Michael A. Black on his retirement from the Texas Department of Public Safety.

INTRODUCTION OF GUESTS

The chair recognized Representative Giddings who introduced Michael A. Black and members of his family and friends.

BILLS AND RESOLUTIONS SIGNED BY THE SPEAKER

Notice was given at this time that the speaker had signed bills and resolutions in the presence of the house (see the addendum to the daily journal, Signed by the Speaker, House List No. 2 and Senate List No. 2).

**HR 275 - PREVIOUSLY ADOPTED
(by Collier and Giddings)**

The chair laid out and had read the following previously adopted resolution:

HR 275, Congratulating Roy Brooks of the Tarrant County Commissioners Court on his election as president of the National Association of Counties.

INTRODUCTION OF GUESTS

The chair recognized Representative Collier who introduced Roy Brooks and members of his family.

RESOLUTIONS ADOPTED

Representative Thierry moved to suspend all necessary rules to take up and consider at this time the following memorial resolutions.

The motion prevailed.

The following resolutions were laid before the house:

HR 232 (by Thierry), In memory of Cassandra Perkins of San Antonio.

HR 373 (by Thierry), In memory of Domaniek Shepherd.

HR 463 (by Thierry), In memory of Kristi Couvillon-Wise of Austin.

The resolutions were read and were unanimously adopted by a rising vote.

On motion of Representative Gervin-Hawkins, the names of all the members of the house were added to **HR 232**, **HR 373**, and **HR 463** as signers thereof.

INTRODUCTION OF GUESTS

The chair recognized Representative Thierry who introduced family members of Cassandra Perkins, Domaniek Shepherd, and Kristi Couvillon-Wise.

HCR 34 - ADOPTED **(by Smithee)**

Representative Smithee moved to suspend all necessary rules to take up and consider at this time **HCR 34**.

The motion prevailed.

The following resolution was laid before the house:

HCR 34, In memory of Frank Ronald Galitski of Amarillo.

HCR 34 was unanimously adopted by a rising vote.

On motion of Representative S. Thompson, the names of all the members of the house were added to **HCR 34** as signers thereof.

(Speaker in the chair)

ADDRESS BY REPRESENTATIVE GIDDINGS

The chair recognized Representative Giddings who addressed the house, speaking as follows:

I come to you today as an American and as a Texan, not as a democrat, not as a republican. I am standing to denounce hatred, bigotry, and terrorism, and I hope that many of our members, if not all, will stand with me. Members, this past weekend we witnessed a white supremacist hate group infiltrate the town of Charlottesville, Virginia. Carrying torches on Friday night, on Saturday they filled the streets with venom, with bigotry, and with violence. Our thoughts and our prayers go out today to the family of Heather Heyer, who died marching for justice and equality. We also send our deepest condolences to the families of Virginia State Troopers H. Jay Cullen and Berke Bates, who died in a helicopter crash while trying to help restore the peace in their state.

Now, the eyes of the world are on Texas and the planned rally at Texas A&M University on one of the most solemn days of our nation, September 11. We call upon the Texas A&M System and university administrators and all of our state leadership, students, and alumni to unequivocally denounce and fight against these violent groups and their venom. And I think all of us in the State of Texas want to say with one voice, Texas will not stand for hate. Our message to the world is clear. Texas will not engage in or tolerate bigotry, hatred, and violence.

We will continue to call out terrorism, whether that is domestic or foreign. As Americans, we cannot fight for freedom and democracy abroad and condone terrorism in our own streets. We must make clear that the neo-Nazis, the white supremacists, the white nationalists, the Ku Klux Klan, and their enablers are not welcome here. Again, this is not republican versus democrat or even black versus

white. This is about right versus wrong. This is about empowering or not empowering the forces of bigotry and all of us together standing against them. It will take all Texans to send the message that Texas is better than this.

Those marchers bearing their torches were not born with hate in their hearts. As Nelson Mandela said, no one of us is born hating another person because of the color of his skin or his or her background or his or her religion. Mandela said that people learn to hate. And he believed that if people can learn to hate, they can be taught to love, and that that is easy. Racism is our country's original sin and our eternal struggle. Let us confront the causes of this hatred and extinguish it. Our time has come, and I think we can be a model for this nation on this issue as we are on so many issues.

And now, members, if we will all bow for a moment of silence for those three people who lost their lives, Heather Heyer, H. Jay Cullen, and Berke Bates.

The chair recognized Representative Workman who addressed the house, speaking as follows:

Thank you, Representative Giddings. I wanted to add that the members of this house who are Aggie alumni strongly condemn the notion that they would use our campus to further these bad ideas. And we as Aggies in the house call upon Chancellor Sharp to try to intervene and try to keep this from happening on our campus and using our campus to further these kinds of hate ideas. We will be having a letter that will be signed by the Aggies in this house to ask for that to happen and to keep this from going on at our campus.

(Roberts in the chair)

REMARKS ORDERED PRINTED

Representative Leach moved to print remarks by Representative Giddings and Representative Workman.

The motion prevailed.

HR 362 - PREVIOUSLY ADOPTED (by Cyrier, Flynn, P. King, Huberty, and Bell)

The chair laid out and had read the following previously adopted resolution:

HR 362, Congratulating Major General Gerald R. Betty on his retirement as commanding general of the Texas State Guard.

INTRODUCTION OF GUESTS

The chair recognized Representative Cyrier who introduced Major General (Ret.) Gerald R. Betty and members of his family.

HR 61 - PREVIOUSLY ADOPTED (by Morrison)

The chair laid out and had read the following previously adopted resolution:

HR 61, Commemorating the 35th anniversary of KAVU-TV in Victoria.

INTRODUCTION OF GUESTS

The chair recognized Representative Morrison who introduced representatives of KAVU-TV.

(Speaker in the chair)

SB 19 - COMMITTEE ON CALENDARS RULE ADOPTED

Pursuant to Rule 3, Section 4(2) and Rule 6, Section 16(f) of the House Rules, Representative Hunter moved to adopt the following rule governing floor consideration for **SB 19**:

Section 1. All original amendments that will be offered during second reading consideration of the bill must be filed with the chief clerk by 11:59 p.m. on Monday, August 14.

Section 2. (a) During second and third reading consideration of the bill, the bill may be amended solely for the purpose of lowering the total amount of money appropriated to the retired school employees group insurance fund established under Section 1575.301, Insurance Code, for use by the Teacher Retirement System of Texas to decrease the costs for the 2018 and 2019 plan years for participants in the Texas Public School Employees Group Insurance Program authorized by Chapter 1575, Insurance Code.

(b) The provisions of this section do not apply to an amendment that makes an adjustment in an item of appropriations solely to correct a technical clerical error.

PARLIAMENTARY INQUIRY

REPRESENTATIVE SCHOFIELD: Under Rule 6, Section 16(f), am I correct in assuming that this calendar rule is not amendable?

SPEAKER STRAUS: That's correct.

SCHOFIELD: Therefore, we are taking a straight up or down vote on this calendar rule.

SPEAKER: That's correct.

SCHOFIELD: Now, I believe this next question is for Mr. Hunter, but it may be a parliamentary inquiry. Section 2 of the calendar rule as proposed would not allow any amendments except amendments solely for the purpose of lowering the amount of money that goes to retired teachers. Is that what the—

REPRESENTATIVE HUNTER: Yes.

SCHOFIELD: So since as a practical matter no member of the body is going to offer an amendment to lower the amount of money that goes to retired teachers, the effect of this calendar rule is the same as the calendar rule that we talked about previously. It is effectively a no amendments calendar rule. Is that not correct?

HUNTER: No, I don't agree. You're making an assumption that somebody will not make an amendment to lower. That I don't know.

The Committee on Calendars rule was adopted by (Record 162): 86 Yeas, 45 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Arévalo; Ashby; Bailes; Bernal; Blanco; Bonnen, D.; Burkett; Button; Clardy; Collier; Cook; Cortez; Cospier; Cyrier; Dale; Darby; Davis, S.; Dutton; Elkins; Faircloth; Flynn; Frullo; Geren; Gervin-Hawkins; Giddings; Gonzales; González; Gooden; Gutierrez; Hernandez; Hinojosa; Holland; Howard; Huberty; Hunter; Johnson, E.; Kacal; King, K.; Koop; Kuempel; Lambert; Landgraf; Larson; Longoria; Lozano; Martinez; Metcalf; Meyer; Minjarez; Moody; Morrison; Murphy; Neave; Ortega; Paddie; Perez; Phelan; Phillips; Price; Raney; Reynolds; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Schubert; Sheffield; Shine; Smithee; Stephenson; Stucky; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; White; Wray; Wu; Zerwas.

Nays — Anderson, C.; Anderson, R.; Bell; Biedermann; Bohac; Bonnen, G.; Burrows; Cain; Capriglione; Craddick; Dean; Fallon; Frank; Goldman; Guerra; Guillen; Hefner; Keough; King, P.; Klick; Krause; Lang; Leach; Miller; Muñoz; Murr; Oliverson; Parker; Paul; Pickett; Raymond; Rinaldi; Roberts; Schaefer; Schofield; Shaheen; Simmons; Springer; Stickland; Swanson; Thompson, E.; Tinderholt; Wilson; Workman; Zedler.

Present, not voting — Mr. Speaker(C).

Absent — Burns; Canales; Coleman; Davis, Y.; Deshotel; Dukes; Farrar; Herrero; Isaac; Israel; Johnson, J.; King, T.; Laubenberg; Lucio; Nevárez; Oliveira; Sanford; Thierry.

STATEMENTS OF VOTE

When Record No. 162 was taken, I was in the house but away from my desk. I would have voted yes.

Deshotel

When Record No. 162 was taken, I was shown voting yes. I intended to vote no.

Flynn

When Record No. 162 was taken, I was shown voting no. I intended to vote yes.

Guerra

When Record No. 162 was taken, I was in the house but away from my desk. I would have voted no.

Isaac

When Record No. 162 was taken, I was in the house but away from my desk. I would have voted no.

Sanford

When Record No. 162 was taken, I was shown voting yes. I intended to vote no.

Stucky

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of important business:

Nevárez on motion of Collier.

GENERAL STATE CALENDAR SENATE BILLS THIRD READING

The following bills were laid before the house and read third time:

SB 17 ON THIRD READING

(Burkett, S. Davis, Klick, Walle, Thierry, et al. - House Sponsors)

SB 17, A bill to be entitled An Act relating to maternal health and safety, pregnancy-related deaths, and maternal morbidity, including postpartum depression.

SB 17 was passed by (Record 163): 146 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Minjarez; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker(C); Phillips.

Absent, Excused — Nevárez.

Absent — Johnson, J.

POSTPONED BUSINESS

The following bills were laid before the house as postponed business:

SB 1 ON THIRD READING
(D. Bonnen - House Sponsor)

SB 1, A bill to be entitled An Act relating to the calculation of the ad valorem rollback tax rate of a taxing unit and voter approval of a proposed tax rate that exceeds the rollback tax rate.

SB 1 was read third time on August 13 and was postponed until 8 a.m. today.

Amendment No. 1

Representative D. Bonnen offered the following amendment to **SB 1**:

Amend **SB 1** on third reading as follows:

(1) Add the following appropriately numbered SECTIONS to the bill:

SECTION _____. This Act may be cited as the Property Tax Payer Empowerment Act of 2017.

SECTION _____. 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 _____. 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. In addition, the advisory board may identify inconsistent or contradictory provisions of this title that result in inconsistent administration of property taxation, and the comptroller shall notify the legislature before the next legislative session of any such findings made by the advisory board. The comptroller shall post the recommendations of the advisory board on the comptroller's Internet website.

(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 other taxing units; 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 _____. Sections 5.041(b), (c), (e-1), and (e-3), 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 eight 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 four 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.

(e-3) The comptroller may contract with service providers to assist with the duties imposed under Subsection (e-1), but the course required by that subsection 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 continuing education course, but the fee may not exceed \$50 for each 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.

SECTION _____. 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 _____. 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 rollback tax rate for the unit as required by Chapter 26; and

(2) school district to calculate and submit the no-new-revenue tax rate, the rollback 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 submitted electronically to the chief appraiser of each appraisal district in which 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 August 1, 2017, modified as necessary to comply with the requirements of those subsections. The forms may be updated, at the discretion of the comptroller acting through the director of the property tax assistance division, to reflect statutory changes that do not substantially change the tax rate calculations provided for by the form or for the purpose of making formatting or other nonsubstantive changes. The director may determine, in the director's discretion, whether a proposed change substantially changes the tax rate calculations provided for by the forms and therefore must be made in the manner provided by Subsection (i).

(i) The comptroller may revise the forms to reflect statutory changes that substantially change the tax rate calculations provided for by the forms 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 _____. 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 _____. Section 5.102(a), Tax Code, is amended to read as follows:

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

SECTION _____. 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);

(2) the individual's right to offer evidence and arguments related to actions of any governmental entity that have adversely affected the value of the property subject to the survey that should be allowed for in the model hearing procedures; and

(3) 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 e-mail; or

(4) through a web page that allows the individual to complete and submit the form electronically.

(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 or the designated agent of the owner 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 _____. 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, 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 _____. 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 _____. 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 _____. 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 or a panel of the board present at a meeting of the board or panel is sufficient for a recommendation, determination, decision, or other action by the board or panel, and the concurrence of more than a majority of the members of the board or panel may not be required.

SECTION _____. 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 \$50 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 20 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 ____ . Section 23.02, Tax Code, is amended to read as follows:

Sec. 23.02. REAPPRAISAL OF PROPERTY DAMAGED IN DISASTER AREA. (a) The chief appraiser of an appraisal district that appraises property for ~~[governing body of]~~ a taxing unit that is located partly or entirely inside an area declared to be a disaster area by the governor shall reappraise ~~[may authorize reappraisal of]~~ all property that the Federal Emergency Management Agency or its successor agency estimates to have sustained five percent or greater damage as a result of ~~[damaged in]~~ the disaster at its market value immediately after the disaster.

(a-1) Notwithstanding Subsection (a), a property owner may refuse to have the owner's property reappraised under this section.

(b) The chief appraiser ~~[If a taxing unit authorizes a reappraisal pursuant to this section, the appraisal office]~~ shall complete the reappraisal not later than the 45th day after the date the governor declares the area to be a disaster area ~~[as soon as practicable]~~.

(b-1) Notwithstanding Subsection (b), if the Federal Emergency Management Agency or its successor agency does not complete the damage estimates described by Subsection (a) on or before the deadline for completing the reappraisal prescribed by Subsection (b), the chief appraiser shall complete the reappraisal as soon as practicable after the damage estimates are completed.

(b-2) The chief appraiser ~~[appraisal office]~~ shall include on the appraisal records, in addition to other information required or authorized by law:

(1) the date of the disaster; and

(2) the appraised value of the property after the disaster ~~;~~ ~~and~~
~~[(3) if the reappraisal is not authorized by all taxing units in which the~~
~~property is located, an indication of the taxing units to which the reappraisal~~
~~applies].~~

(c) A taxing unit for which property is reappraised ~~[that authorizes a~~
~~reappraisal]~~ under this section must pay the appraisal district all the costs of
making the reappraisal. If property in the same territory is reappraised for two or
more taxing units ~~[provide for the reappraisal in the same territory]~~, each unit
shall share the costs of the reappraisal in that territory in the proportion the total
dollar amount of taxes each unit imposed in that territory in the preceding year
bears to the total dollar amount of taxes all units ~~[providing for reappraisal of that~~
~~territory]~~ imposed in that territory in the preceding year.

(d) If property damaged in a disaster is reappraised for a taxing unit as
provided by this section, the governing body of the taxing unit shall provide for
prorating the taxes on the property for the year in which the disaster
occurred. The ~~[If the taxes are]~~ prorated~~;~~ taxes due on the property are
determined as follows: the taxes on the property based on its value on January
1 of that year are multiplied by a fraction, the denominator of which is 365 and
the numerator of which is the number of days before the date the disaster
occurred; the taxes on the property based on its reappraised value are multiplied
by a fraction, the denominator of which is 365 and the numerator of which is the
number of days, including the date the disaster occurred, remaining in the year;
and the total of the two amounts is the amount of taxes on the property for the
year.

(e) The comptroller may adopt rules to implement and administer this
section.

SECTION ____. Effective January 1, 2019, Section 25.19, Tax Code, is
amended by adding Subsections (b-3) and (b-4) to read as follows:

(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,
2020.

SECTION ____. Effective January 1, 2020, Sections 25.19(b) and (i), Tax
Code, are amended 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) ~~(7)~~ a detailed explanation of the time and procedure for protesting the value;

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

(8) ~~(9)~~ 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.

(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 _____. 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)

(2) In the recital to SECTION 1 of the bill, strike "(18)" and substitute "(19)".

(3) In SECTION 1 of the bill, in added Section 26.012(18), Tax Code, strike "(18)" and substitute "(19)".

(4) Add the following appropriately numbered SECTION to the bill:

SECTION _____. 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 ROLLBACK TAX RATES.

(5) Strike the recital to SECTION 2 of the bill and substitute the following, appropriately numbered:

SECTION _____. 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), (d-1), (d-2), (e-2), (e-3), and (e-4) to read as follows:

(6) In SECTION 2 of the bill, strike amended Section 26.04(c), Tax Code, and substitute the following:

(b) The assessor shall submit the appraisal roll for the 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 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 defined by Subsection (h), 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 unit submits the appraisal roll for the unit to the governing body of the 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 rollback tax rate for the 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:

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

; and

(2) "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:

$$\text{ROLLBACK TAX RATE} = (\text{NO-NEW-REVENUE [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE} \times 1.08) + \text{CURRENT DEBT RATE}$$

; or

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

$$\text{ROLLBACK TAX RATE} = (\text{NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE} \times 1.06) + \text{CURRENT DEBT RATE}$$

(7) In SECTION 2 of the bill, following added Section 26.04(c-1), Tax Code, add the following:

(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 rollback tax rate for a county is the sum of the 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 rollback tax rate.

(d-2) The designated officer or employee may not submit the no-new-revenue tax rate and the rollback tax rate to the governing body of the taxing unit and the 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 unit's certified appraisal roll in performing the calculations.

(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 may post prominently on the home page of the unit's Internet website in the form prescribed by the comptroller:

(1) the no-new-revenue ~~[effective]~~ tax rate, the 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 unit's debt obligations showing:

(A) the amount of principal and interest that will be paid to service the 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 unit by another political subdivision and, if the unit is created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, payments on debts that the 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 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 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 unit discontinuing the department, function, or activity;

(B) the amount of property tax revenue spent by the 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 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 rollback tax rate as required by Subsection (j), a schedule that includes the following elements:

(A) the amount of property tax revenue spent by the unit to operate the department, function, or activity for which the taxing unit raised the rollback tax 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 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) the following statement:

"PROPOSED (tax year) PROPERTY TAX BILL INFORMATION

"Information concerning the property taxes that may be imposed on your property by local taxing units, the dates and locations of any public hearings on the tax rates of the taxing units, and the dates and locations of meetings of the governing bodies of the taxing units to vote on the tax rates, together with other important property tax information, may be found at the website listed below:

"(address of the Internet website at which the information may be found)";

(2) a statement that the property owner may request from the county assessor-collector 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 address and telephone number of the county assessor-collector.

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

(e-4) The comptroller may adopt rules regarding the format and delivery of the notice required by Subsection (e-2).

(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 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 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].~~

(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 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 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 unit operated the discontinued department, function, or activity. If the 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 unit shall reduce last year's levy used for calculating the no-new-revenue ~~[effective]~~ maintenance and operations rate of the unit by the amount of the revenue spent in the last full fiscal year in which the 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 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 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 unit operated the discontinued department, function, or activity. If the 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 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 unit to operate the discontinued department, function, or activity in the last full fiscal year in which the discontinuing unit operated the department, function, or activity.

(8) Strike the recital to SECTION 3 of the bill and substitute the following, appropriately numbered:

SECTION ____ . 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:

(9) In SECTION 3 of the bill, strike amended Sections 26.041(a), (b), and (c), Tax Code, 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 rollback tax rate for the unit are calculated according to the following formulas:

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

~~[and]~~

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

and

$$\text{ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SMALL TAXING UNIT} = \frac{(\text{NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE} \times 1.06) + \text{CURRENT DEBT RATE} - \text{SALES TAX GAIN RATE}}$$

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 rollback tax rate for the unit is calculated according to the following applicable formula, regardless of whether the unit levied a property tax in the preceding year:

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

or

$$\text{ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SMALL TAXING UNIT} = \frac{[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.06) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + (\text{CURRENT DEBT RATE} - \text{SALES TAX REVENUE RATE})}$$

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 rollback tax rate for the unit are calculated according to the following formulas:

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

~~[and]~~

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

and

$$\text{ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SMALL TAXING UNIT} = \frac{[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.06) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + \text{CURRENT DEBT RATE}}$$

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.

(10) In SECTION 3 of the bill, following added Section 26.041(c-1), Tax Code, add the following:

(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 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 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 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 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.

(11) In SECTION 4 of the bill, in the heading to amended Section 26.043, Tax Code, strike "EFFECTIVE" and substitute "NO-NEW-REVENUE ~~[EFFECTIVE]~~".

(12) Add the following appropriately numbered SECTIONS to the bill:

SECTION _____. 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 representative shall subtract from the city's 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 rollback tax rate refers to that rate as adjusted under this section.

SECTION _____. 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 _____. 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:

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

(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:

$$\text{(This Year's State Criminal Justice Mandate - Previous Year's State Criminal Justice Mandate)} / \text{(Current Total Value - New Property Value)}$$

(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 _____. 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:

$$\text{Amount of Increase} = \text{Enhanced Indigent Health Care Expenditures} / \text{(Current Total Value - New Property Value)}$$

(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:

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

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

(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 unit:

(A) the following statement: "(Insert name of 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 rollback tax rate or the no-new-revenue ~~[effective]~~ tax rate calculated as provided by this chapter until the governing body has held 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 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 may not hold a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the 14th day after the date the officer or employee designated by the governing body of the unit to calculate the no-new-revenue tax rate and the rollback tax rate for the unit complies with Section 26.17.

(d-2) Notwithstanding Subsection (a), the governing body of a taxing unit other than a school district may not adopt a tax rate until:

(1) the chief appraiser of each appraisal district in which the taxing unit participates has:

(A) delivered the notice required by Section 26.04(e-2); and

(B) incorporated the tax rate calculation forms submitted to the appraisal district under Section 26.17(d)(2) by the designated officer or employee of the taxing unit into the property tax database maintained by the chief appraiser and made them available to the public;

(2) the designated officer or employee of the taxing unit has entered in the property tax database maintained by the chief appraiser the information described by Section 26.17(b) for the current tax year; and

(3) the taxing unit has posted the information described by Section 26.18 on the Internet website used by the taxing unit for that purpose.

(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]~~. 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]~~.

(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 rollback tax rate of the district shall be calculated based on the certified estimate of taxable value.

SECTION _____. 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 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) may 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 _____. Sections 26.06(b), (c), (d), and (e), Tax Code, are amended to read as follows:

(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 no-new-revenue [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 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.

"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 no-new-revenue [effective] tax rate for this year of \$ ____ (no-new-revenue [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."

(c) The notice of a public hearing under this section may be delivered by mail to each property owner in the 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. The [If the taxing unit operates an Internet website, the] notice must also be posted prominently on the home page of the Internet website of the taxing unit from the date the notice is first published until the second public hearing is concluded.

(d) At the public 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 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 public 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 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 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 rollback tax rate or the

no-new-revenue [effective] tax rate by the 14th day, it must give a new notice under Subsection (d) before it may adopt a rate that exceeds the lower of the rollback tax rate or the no-new-revenue [effective] tax rate.

SECTION _____. 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 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.

(13) Strike the recital to SECTION 8 of the bill and substitute the following, appropriately numbered:

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

(14) In SECTION 8 of the bill, in amended Section 26.08, Tax Code, between amended Subsections (e) and (h) of the section, insert the following:

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

(15) In SECTION 8 of the bill, in amended Section 26.08, Tax Code, between amended Subsection (h) and added Subsection (r) of the section, insert the following:

(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 no-new-revenue [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), (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 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.

(16) Add the following appropriately numbered SECTION to the bill:

SECTION _____. Section 26.08(i), Tax Code, as effective September 1, 2017, is amended to read as follows:

(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.

(17) Strike SECTION 9 of the bill and substitute the following appropriately numbered SECTION:

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

(a) The county assessor-collector for each county [~~that maintains an Internet website~~] shall post on the Internet website 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 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, 2024.

(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 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 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 rollback tax rate is the highest tax rate a taxing unit may adopt before requiring voter approval at an election. In the case of a small 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 taxing unit other than a small taxing unit ~~[school district]~~, an election will automatically be held if the unit ~~[district]~~ wishes to adopt a tax rate in excess of the unit's ~~[district's]~~ rollback tax rate."

(18) Add the following appropriately numbered SECTIONS to the bill:

SECTION _____. 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 rules adopted 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.

(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 rollback tax rate;
 - (6) for each school district in which the property is located:
 - (A) 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; and
 - (B) the rollback 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 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 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; 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 each 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; and
 - (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.
- (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 to calculate the no-new-revenue tax rate and the rollback tax rate for the unit must electronically:
- (1) enter in the database the information described by Subsection (b) as the information becomes available; and

(2) submit to the appraisal district 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 unit under Section 26.04(e).

(e) The chief appraiser shall deliver by e-mail to the designated officer or employee confirmation of receipt of the tax rate calculation forms submitted under Subsection (d)(2). The chief appraiser shall incorporate the forms into the database and make them available to the public not later than the third day after the date the chief appraiser receives them.

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 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 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 _____. 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;

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

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

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

SECTION _____. 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 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 _____. 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 _____. Section 41.46, Tax Code, is amended by amending Subsection (a) and adding Subsection (d) 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.

(d) The appraisal review board shall deliver notice of the hearing by certified mail if, in the notice of protest under Section 41.44, the property owner requests delivery by certified mail. The board shall require the property owner to pay the cost of postage under this subsection.

SECTION _____. 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 ~~the~~ 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 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 the 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) The chief appraiser shall provide the property owner or the agent of the owner access to the information to which the owner or agent is entitled on request under Subsection (a)(2) by:

(1) depositing a copy of the information in the mail as regular first-class mail, postage prepaid, properly addressed to the property owner or the agent of the owner;

(2) providing a copy of the information to the property owner or the agent of the owner if requested by the owner or the agent in person at the appraisal office;

(3) delivering the information in an electronic format as provided by an agreement under Section 1.085; or

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

(d) If the chief appraiser provides the property owner or the agent of the owner access to information by referring the owner or agent to an Internet website as authorized by Subsection (c)(4), the notice referring the owner or agent to the website must contain a statement in a conspicuous font that clearly indicates that the owner or agent may on request receive a copy of the information by regular first-class mail. On request of the property owner or the agent of the owner, the chief appraiser shall deposit a copy of the information in the mail as regular first-class mail in the manner provided by Subsection (c)(1).

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

(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.

(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 board shall take the actions required by Subsections (a) and (d) not later than the 20th business day after the date the hearing on the protest is concluded.

SECTION _____. 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 designated agent. If

the appraisal review board has cause to reassign a protest to another panel, a property owner or designated agent 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, 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). 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 designated agent. If the board has cause to reassign a protest to another special panel, a property owner or designated agent 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 _____. 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 _____. Section 41A.06(b), Tax Code, as effective September 1, 2017, 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 _____. 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 _____. Section 41A.09(b), Tax Code, is amended 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.

SECTION _____. 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 _____. 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 _____. 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 rollback tax rate; and

(E) the debt rate; and

(4) the total amount of municipal debt obligations.

SECTION _____. 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 rollback tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION _____. 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 rollback tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION _____. 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 rollback tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

(19) Strike the recital to SECTION 14 of the bill and substitute the following, appropriately numbered:

SECTION _____. Section 140.010, Local Government Code, is amended by amending Subsections (a), (d), (e), (f), and (g) and adding Subsection (e-1) to read as follows:

(20) In SECTION 14 of the bill, in amended Section 140.010, Local Government Code, strike amended Subsections (a), (e), and (f) and added Subsection (e-1) and substitute the following:

(a) In this section:

(1) "No-new-revenue~~[-,"effective]~~ tax rate" and "rollback tax rate" mean the no-new-revenue ~~[effective]~~ tax rate and rollback tax rate of a county or municipality, as applicable, as calculated under Chapter 26, Tax Code.

(2) "Small taxing unit" has the meaning assigned by Section 26.012, Tax Code.

(d) A county or municipality that proposes a property tax rate that does not exceed the lower of the no-new-revenue ~~[effective]~~ tax rate or the rollback tax rate shall provide the following notice:

"NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED
PROPERTY TAX RATE FOR (INSERT NAME OF COUNTY OR
MUNICIPALITY)

"A tax rate of \$ _____ per \$100 valuation has been proposed by the governing body of (insert name of county or municipality).

PROPOSED TAX RATE \$ _____ per \$100

PRECEDING YEAR'S TAX RATE \$ _____ per \$100

NO-NEW-REVENUE ~~[EFFECTIVE]~~ TAX RATE \$ _____ per \$100

"The no-new-revenue ~~[effective]~~ tax rate is the total tax rate needed to raise the same amount of property tax revenue for (insert name of county or municipality) from the same properties in both the (insert preceding tax year) tax year and the (insert current tax year) tax year.

"YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE
CALCULATED AS FOLLOWS:

property tax amount = (rate) x (taxable value of your property) / 100

"For assistance or detailed information about tax calculations, please contact:

(insert name of county or municipal tax assessor-collector)

(insert name of county or municipality) tax assessor-collector

(insert address)

(insert telephone number)

(insert e-mail address)

(insert Internet website address~~[-, if applicable]~~)"

(e) A county or municipality that is a small taxing unit and that proposes a property tax rate that exceeds the lower of the no-new-revenue ~~[effective]~~ tax rate or the rollback tax rate shall provide the following notice:

"NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED
PROPERTY TAX RATE FOR (INSERT NAME OF COUNTY OR
MUNICIPALITY)

"A tax rate of \$ _____ per \$100 valuation has been proposed for adoption by the governing body of (insert name of county or municipality). This rate exceeds the lower of the no-new-revenue ~~[effective]~~ or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting

the proposed tax rate. The governing body of (insert name of county or municipality) proposes to use revenue attributable to the tax rate increase for the purpose of (description of purpose of increase).

PROPOSED TAX RATE	\$ _____ per \$100
PRECEDING YEAR'S TAX RATE	\$ _____ per \$100
<u>NO-NEW-REVENUE [EFFECTIVE] TAX RATE</u>	\$ _____ per \$100
<u>ROLLBACK TAX RATE</u>	\$ _____ per \$100

"The no-new-revenue [effective] tax rate is the total tax rate needed to raise the same amount of property tax revenue for (insert name of county or municipality) from the same properties in both the (insert preceding tax year) tax year and the (insert current tax year) tax year.

"The rollback tax rate is the highest tax rate that (insert name of county or municipality) may adopt before the voters are entitled to petition for an election to limit the rate that may be approved to the rollback tax rate.

"YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

property tax amount = (rate) x (taxable value of your property) / 100

"For assistance or detailed information about tax calculations, please contact:

- (insert name of county or municipal tax assessor-collector)
- (insert name of county or municipality) tax assessor-collector
- (insert address)
- (insert telephone number)
- (insert e-mail address)
- (insert Internet website address[~~-if applicable~~])

"You are urged to attend and express your views at the following public hearings on the proposed tax rate:

- First Hearing: (insert date and time) at (insert location of meeting).
- Second Hearing: (insert date and time) at (insert location of meeting)."

(e-1) A county or municipality that is not a small taxing unit and that proposes a property tax rate that exceeds the lower of the no-new-revenue tax rate or the rollback tax rate shall provide the following notice:

"NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)

"A tax rate of \$ _____ per \$100 valuation has been proposed for adoption by the governing body of (insert name of county or municipality). This rate exceeds the lower of the no-new-revenue or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate. The governing body of (insert name of county or municipality) proposes to use revenue attributable to the tax rate increase for the purpose of (description of purpose of increase).

<u>PROPOSED TAX RATE</u>	\$ _____ per \$100
<u>PRECEDING YEAR'S TAX RATE</u>	\$ _____ per \$100
<u>NO-NEW-REVENUE TAX RATE</u>	\$ _____ per \$100
<u>ROLLBACK TAX RATE</u>	\$ _____ per \$100

"The no-new-revenue tax rate is the total tax rate needed to raise the same amount of property tax revenue for (insert name of county or municipality) from the same properties in both the (insert preceding tax year) tax year and the (insert current tax year) tax year.

"The rollback tax rate is the highest tax rate that (insert name of county or municipality) may adopt before the (insert "county" or "city") is required to hold an election to limit the rate that may be approved to the rollback tax rate.

"YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

property tax amount = (rate) x (taxable value of your property) / 100

"For assistance or detailed information about tax calculations, please contact:

(insert name of county or municipal tax assessor-collector)

(insert name of county or municipality) tax assessor-collector

(insert address)

(insert telephone number)

(insert e-mail address)

(insert Internet website address)

"You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: (insert date and time) at (insert location of meeting).

Second Hearing: (insert date and time) at (insert location of meeting)."

(f) A county or municipality shall:

(1) provide the notice required by Subsection (d), ~~(e)~~ (e), or (e-1), as applicable, not later than the later of September 1 or the 30th day after the first date that the taxing unit has received each applicable certified appraisal roll by:

(A) publishing the notice in a newspaper having general circulation in:

(i) the county, in the case of notice published by a county; or

(ii) the county in which the municipality is located or primarily located, in the case of notice published by a municipality; or

(B) mailing the notice to each property owner in:

(i) the county, in the case of notice provided by a county; or

(ii) the municipality, in the case of notice provided by a municipality; and

(2) post the notice prominently on the home page of the Internet website of the county or municipality~~[-, if applicable,]~~ beginning not later than the later of September 1 or the 30th day after the first date that the taxing unit has received each applicable certified appraisal roll and continuing until the county or municipality adopts a tax rate.

(21) In SECTION 19 of the bill, in amended Section 49.236(a), Water Code, as added by Chapter 335 (SB 392), Acts of the 78th Legislature, Regular Session, 2003, strike Subdivision (1) of the subsection and substitute the following:

(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.)";

(22) Strike SECTIONS 20 and 21 of the bill and substitute the following appropriately numbered SECTIONS:

SECTION ____. The following provisions are repealed:

- (1) Sections 403.302(m-1) and (n), Government Code;
- (2) Sections 5.103(e) and (f), Tax Code;
- (3) Section 6.412(e), Tax Code;
- (4) Section 41A.06(c), Tax Code;
- (5) Section 49.236, Water Code, as added by Chapter 248 (**HB 1541**), Acts of the 78th Legislature, Regular Session, 2003; and
- (6) Section 49.2361, Water Code.

SECTION ____. 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, 2018.

SECTION ____. The comptroller shall implement Section 5.043, Tax Code, as added by this Act, as soon as practicable after January 1, 2018.

SECTION ____. (a) The comptroller 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, 2018.

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

SECTION ____. The comptroller 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, 2018. 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.

SECTION ____. 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, 2019.

SECTION ____. 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, 2018, to continue to serve on the board for the term to which the member was appointed.

SECTION _____. 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, 2018. A recommendation, determination, decision, or other action by an appraisal review board or a panel of such a board before January 1, 2018, is governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.

SECTION _____. Section 23.02, Tax Code, as amended by this Act, applies only to the reappraisal of property located in an area that is declared to be a disaster area by the governor on or after January 1, 2018. The reappraisal of property located in an area that was declared to be a disaster area by the governor before January 1, 2018, is governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.

SECTION _____. (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 2019 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 2020 tax year.

SECTION _____. 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 unit is required by law to maintain or have access to an Internet website.

SECTION _____. (a) Except as provided by Subsections (b) and (c) of this section, the changes in law made by this Act to Chapter 41, Tax Code, 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, 2018.

(b) 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, 2018. A challenge under Chapter 41, Tax Code, for which a challenge petition was filed before January 1, 2018, 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.

(c) Sections 41.45 and 41.66, Tax Code, as amended by this Act, apply only to a protest filed under Chapter 41, Tax Code, on or after January 1, 2019. A protest filed under that chapter before January 1, 2019, 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 _____. 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, 2018, 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 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 to serve as an arbitrator on or after January 1, 2018. This Act does not prohibit a person who is serving as an arbitrator on January 1, 2018, from renewing the person's agreement with the comptroller 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 ____. (a) Except as otherwise provided by this Act, this Act takes effect January 1, 2018.

(b) The following provisions take effect September 1, 2018:

(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, 2019:

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

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

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

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

(23) Renumber the SECTIONS of the bill accordingly.

Amendment No. 1 was adopted.

SB 1 - MOTION FOR PREVIOUS QUESTION

Representative Huberty moved the previous question on the passage of **SB 1**.

The motion was seconded by Representatives Huberty, Zerwas, Hunter, Cook, Turner, S. Thompson, Geren, Morrison, Gonzales, Longoria, Darby, Shine, Phelan, Gooden, Ashby, Price, Paddie, Kuempel, K. King, Larson, Villalba, Bailes, Lambert, Kacal, VanDeaver, Raney, Sheffield, Wray, Cospers, Dean, Button, Koop, Cyrier, Lozano, Stephenson, Giddings, Howard, Minjarez, Moody, Hinojosa, Wu, Bernal, Allen, Rose, Blanco, Uresti, Ortega, Cortez, Walle, Thierry, Alonzo, Martinez, E. Rodriguez, Gutierrez, Neave, Collier, Pickett, Gervin-Hawkins, Reynolds, J. Rodriguez, Anchia, Hernandez, Vo, González, Arévalo, and Coleman.

REPRESENTATIVE RINALDI: The effect of the motion you're making means there's no more amendments, we're going to vote on the bill immediately. Correct?

REPRESENTATIVE HUBERTY: Correct.

RINALDI: Okay, and you are aware there's been pre-filed amendments. Correct?

HUBERTY: I was not aware of that, but I am now.

RINALDI: Well there's pre-filed amendments on, for example, the Buckingham amendment in the senate which would allow those individuals in Texas who are not subject to the bill and are bracketed out of the bill the opportunity to vote to opt in. There's other amendments that will allow every individual in Texas to be a part of this bill. Now that you hear that those amendments have been pre-filed and your motion is effectively depriving those amendments of a debate, would you withdraw your motion, sir?

HUBERTY: No.

RINALDI: No. Okay, thank you.

REPRESENTATIVE LEACH: Mr. Speaker, does the chair have the ability to not recognize a motion to call the previous question?

SPEAKER STRAUS: Yes.

LEACH: Under what circumstances or situations would the chair not recognize a motion to call the previous question?

SPEAKER: Mr. Leach, that would be taken on a case by case basis.

LEACH: What about this situation? Is the chair basing his decision to grant the motion for the previous question—what makes this situation unique from previous situations in which you have not recognized a member to move for the previous question?

SPEAKER: Mr. Leach, that is not a parliamentary inquiry.

LEACH: Is it not the typical practice of this body, it's been my experience and my understanding that motions to call the previous question are normally for when debate has extended many hours after hearing many amendments, not before any amendments are even heard, not before the bill is even heard and taken up by the body. Is that not the historical context under which motions for previous questions are considered?

SPEAKER: Mr. Leach, that is one example.

LEACH: How many third reading amendments are there currently pending on **SB 1**?

SPEAKER: There are three on the desk.

LEACH: Would the chair advise the body as to who the authors of those amendments are?

SPEAKER: Mr. Leach, they're in the system. Mr. Biedermann, Mr. Rinaldi, and Mr. Stickland.

LEACH: There's three amendments pending and my understanding is that we don't have a whole lot on the calendar today. I know I've got a bill on the calendar. I don't plan to go forward with that bill, so it's my understanding we maybe have one bill after this. There's three amendments pending. Is this body telling those three members and the people of Texas that we're more interested in getting out of here early today and going to play golf, or going to dinner, or going to do God knows what, instead of hearing these amendments?

SPEAKER: Or, Mr. Leach, that we are telling the people of Texas that we're trying to get this bill over to the senate so it can be passed. And we don't speculate on the motives of our members.

LEACH: Mr. Speaker, I would like to move that all of the names from those members that have seconded the motion for the previous question be reduced to writing and added in the journal.

SPEAKER: It's already done.

REPRESENTATIVE CAIN: I've got a question about Rule 7, Section 23, it's entitled: "Limitation of Debate After Previous Question Ordered." Mr. Speaker, is it true that there are three pending amendments?

SPEAKER: They're not pending, they're on the desk.

CAIN: Mr. Speaker, could you tell me the meaning of these two lines: "After the previous question has been ordered, there shall be no debate upon the questions on which it has been ordered, or upon the incidental questions, except that the mover of the proposition or any of the pending amendments or any other motions, or the member making the report from the committee, or, in the case of the absence of either of them, any other member designated by such absentee, shall have the right to close the debate on the particular proposition or amendment"?

SPEAKER: It means in this case that the only person who may speak after the motion is made, if it prevails, will be the bill author.

CAIN: What was the reason we postponed **SB 1** last night?

SPEAKER: That would be a question for Representative Bonnen.

REMARKS ORDERED PRINTED

Representative Zedler moved to print all remarks on the motion for the previous question on the passage of **SB 1**.

The motion prevailed.

HUBERTY: There's about 30 seconds left. Let me tell you why I made this motion. Yesterday there were 15 members that said that we needed to get this bill over to the senate for us to get to conference committee with three days left to be able to debate this. We debated multiple hours on the floor on Saturday, took many amendments, voted on many amendments throughout the day to discuss this particular issue. As Chairman Schaefer had brought up, he had asked

specifically about this to get this over to the senate and we are requesting that we allow that to happen so we can finish up the session and get everything going with that.

SCHAEFER: When we objected to the bill being postponed yesterday, we had amendments ready to go that we wanted to put before the body. At no time did I or anyone else represent that we wanted to present a motion that cut off amendments.

REPRESENTATIVE STICKLAND: Members, I'm going to talk to you today, but I hope that the citizens of Texas are also listening to this. More games are being played in your Texas Capitol. There were three different amendments that would seek to bring in more Texans that deserve property tax reform just like everyone else. But instead, there are members of this body who are moving to silence folks like myself who believe that people's property taxes are too high right now. Let me tell you the truth about this bill, the bill that is going to be brought forward to you today, now without the chance—that this passes—to have our amendments come on it—

SPEAKER: Mr. Stickland, please keep your remarks to the substance of the motion.

STICKLAND: The substance of this motion is to silence our ability as members to bring forth amendments to make this bill stronger. As it stands right now, there are many of us who believe that it's not strong enough. In fact, the bill author of **SB 1**, none of his constituents are included in the bill.

SCHAEFER: Does this bill cover all Texans?

STICKLAND: No, it does not. There are millions that are not included.

SCHAEFER: Does this bill extend property tax reform to all Texans?

STICKLAND: No, it does not.

SPEAKER: Mr. Schaefer, please keep your remarks confined to the subject of the motion.

STICKLAND: And Representative Schaefer, if this motion goes through we won't have a chance to do it.

SCHAEFER: Mr. Speaker, is the previous question to call the question on the bill before us?

SPEAKER: The motion is whether the previous question should be granted.

SCHAEFER: Yes, sir, the previous question on what? What is the previous question?

SPEAKER: Whether we should end debate and move to a vote on the bill.

SCHAEFER: On the bill and the bill is the question before the body.

SPEAKER: The question is on the motion.

SCHAEFER: Does this bill provide property tax reform for all Texans?

STICKLAND: Nope, not even close.

SCHAEFER: Do the amendments that are on file seek to provide property tax reform protection to everyone?

STICKLAND: Yep, which is why they don't want to vote on it.

SCHAEFER: And if you vote yes on this motion for the previous question, are you voting yes to cut off property tax reform for all Texans?

STICKLAND: Yep.

TINDERHOLT: Mr. Speaker, I move to have all three of those amendments that are on the dais placed in the journal so the people of Texas can see what they are. I'm moving to have all three of those amendments that are not being allowed to be heard placed in the journal.

SPEAKER: Mr. Tinderholt, you're not recognized for that motion.

TINDERHOLT: Imagine that, Mr. Speaker, that's very common with freedom caucus members. I appreciate that.

The motion for the previous question prevailed by (Record 164): 95 Yeas, 43 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, R.; Arévalo; Ashby; Bailes; Bernal; Blanco; Bonnen, D.; Burkett; Button; Canales; Clardy; Coleman; Collier; Cook; Cortez; Cospers; Cyrier; Dale; Darby; Davis, S.; Dean; Deshotel; Dutton; Flynn; Frullo; Geren; Gervin-Hawkins; Giddings; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hernandez; Hinojosa; Holland; Howard; Huberty; Hunter; Johnson, E.; Kacal; King, K.; King, T.; Koop; Kuempel; Lambert; Larson; Longoria; Lozano; Martinez; Meyer; Minjarez; Moody; Morrison; Muñoz; Murr; Neave; Ortega; Paddie; Parker; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Schubert; Sheffield; Shine; Smithee; Stephenson; Thierry; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; Workman; Wray; Wu; Zerwas.

Nays — Bell; Biedermann; Bohac; Bonnen, G.; Burrows; Cain; Capriglione; Craddick; Elkins; Faircloth; Fallon; Frank; Goldman; Hefner; Herrero; Isaac; Keough; King, P.; Klick; Krause; Landgraf; Lang; Laubenberg; Leach; Metcalf; Miller; Murphy; Oliverson; Paul; Rinaldi; Schaefer; Schofield; Shaheen; Simmons; Springer; Stickland; Stucky; Swanson; Thompson, E.; Tinderholt; White; Wilson; Zedler.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Nevárez.

Absent — Anderson, C.; Burns; Davis, Y.; Dukes; Farrar; Israel; Johnson, J.; Lucio; Oliveira; Sanford.

STATEMENTS OF VOTE

When Record No. 164 was taken, my vote failed to register. I would have voted no.

C. Anderson

When Record No. 164 was taken, I was shown voting yes. I intended to vote no.

Parker

When Record No. 164 was taken, I was in the house but away from my desk. I would have voted no.

Sanford

SB 1, as amended, was passed by (Record 165): 105 Yeas, 41 Nays, 1 Present, not voting.

Yeas — Anderson, C.; Anderson, R.; Ashby; Bailes; Bell; Biedermann; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Cook; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Dean; Elkins; Faircloth; Fallon; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; Gooden; Guerra; Guillen; Hefner; Herrero; Holland; Huberty; Hunter; Isaac; Kacal; Keough; King, K.; King, P.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Metcalf; Meyer; Miller; Morrison; Muñoz; Murphy; Murr; Oliverson; Paddie; Parker; Paul; Phelan; Phillips; Pickett; Price; Raney; Raymond; Rinaldi; Roberts; Romero; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thompson, E.; Tinderholt; Uresti; VanDeaver; Villalba; White; Wilson; Workman; Wray; Zedler; Zerwas.

Nays — Allen; Alonzo; Alvarado; Anchia; Arévalo; Bernal; Blanco; Collier; Cortez; Davis, Y.; Deshotel; Dukes; Dutton; Farrar; Gervin-Hawkins; Giddings; González; Gutierrez; Hernandez; Hinojosa; Howard; Israel; Johnson, E.; King, T.; Martinez; Minjarez; Moody; Neave; Oliveira; Ortega; Perez; Reynolds; Rodriguez, E.; Rodriguez, J.; Rose; Thierry; Thompson, S.; Turner; Vo; Walle; Wu.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Nevárez.

Absent — Johnson, J.; Lucio.

REASON FOR VOTE

The fundamental elements of **SB 1** are to require an automatic rollback election if taxes are raised by more than six percent. The current law allows citizens to petition for a rollback election if taxes are raised by more than eight percent. The initial senate version of this legislation was to reduce the threshold from eight percent to four percent. I believe six percent is far better than four percent as four percent would stifle growth and would be overly burdensome in a growing state.

I also voted in favor of amendments to require the state to pay for the rollback elections. I also proudly supported amendments which would prevent the application of this legislation if it was an unfunded mandate. However, our

amendments were not successful, which would have made this bill far better. So we are left with a bill which could be far better but which could have been far worse.

As an emergency item, this bill is on the fast track and I tried my best to minimize any negative impacts it could have, including working with the junior college community to protect Coastal Bend College, Del Mar College, and all other Texas junior colleges. As the chairman of the house Higher Education Committee, we were successful in maintaining those protections but came up short in protecting all jurisdictions from unfunded mandates. In a sincere effort to send a message to the senate that we must not go any lower than a six percent threshold, I must support this legislation on third reading and hope this gives us a stronger negotiating position with members of the conference committee.

Lozano

CSSB 16 ON SECOND READING (P. King - House Sponsor)

CSSB 16, A bill to be entitled An Act relating to the creation of a commission to recommend improvements to the public school finance system.

CSSB 16 was read second time August 13, postponed until 8:15 p.m. August 13, and was again postponed until 8 a.m. today.

CSSB 16 - REMARKS

REPRESENTATIVE HUBERTY: Chairman, thank you for dealing with this, and many of us are dealing with a lot of different issues as you are aware. This was a bill that I actually carried during the regular session that we postponed because we wanted some real action on school finance. You're aware of that, right?

REPRESENTATIVE P. KING: Very much.

HUBERTY: And you're aware that the agreement that we had to continue to push this forward through the committee—get it out of Calendars—was that the senate would take action on **HB 21** if we moved this particular bill. Is that correct?

P. KING: And I'm still hoping that this would motivate them in that direction. And this has to get through third reading.

HUBERTY: Right, and we have to get through third reading, is that right?

P. KING: Yes.

HUBERTY: So today's goal is to continue the discussions so that we can finish on Wednesday, that we walk out, that there is a school finance bill that has things like ASATR in it, weights for English language learners, dyslexia weight, small school adjustment—things that are currently in a plan that we have packaged in **HB 21** to send over.

P. KING: It's my belief that—I see this as a package. **HB 21** gets us through minimally, but gets us through the next two years, our public schools, to that. And this is a forum for a long-term planning session to come up with recommendations for the legislature next time. But **HB 21** is an essential element, as I see, of this commission plan.

HUBERTY: And Chairman King, you're aware that the house has been working, at least the four sessions I've been on Public Education on various commissions, even starting back 2009—2011, two different commissions; 2013, a commission; 2015, two different commissions; independent studies. I mean, we've studied this. So we really know what we're supposed to do to start fixing the problem, it's just we have to have the will to do that. But what you're saying is **HB 21** adds a step toward fixing school finance from a reform perspective dealing with what some of the things Chairman Phillips said. And then this is the secondary step which is really determining and making sure that we're paying for but studying weights and things of that nature, but really how to pay for it as we continue to go forward. Is that your perception?

P. KING: My main focus is how you pay for it. I think it's kind of like when you've got a plumbing leak. You can't really deal with how you remodel the house after the big plumbing leak until you stop the leak. For me, the primary focus—me personally—is where the money comes from and how we raise adequate money and do that in a way that's the best impact on our economy and our constituents.

HUBERTY: And Chairman King, you had agreed that we would delay yesterday to have some further discussions with the senate last night, to continue the process today, to have discussions to continue moving forward, so that when they come in today, they will pass a version of a bill to get over to us to get to conference today with the intent that if we go to third readings that our goal is to have an agreement to try and have the school finance reform as a first step and then also have this as the second step. So you view these as a package deal, is that correct?

P. KING: That's the way I've always looked at it.

REMARKS ORDERED PRINTED

Representative Huberty moved to print remarks between Representative P. King and Representative Huberty.

The motion prevailed.

REPRESENTATIVE FAIRCLOTH: Representative King, thank you for bringing this forth. My question is this: After reading the bill, if you and I were placed on this commission, would we have a defined target knowing what we want out of the study?

P. KING: Well, I think that if you turn to page 3 of the bill, it lists three specific areas of recommendation that the commission is supposed to address. There are also going to be a number of amendments to try to clarify that a little bit more. I would also mention to you that on line 9, page 3, it begins, it says that "The commission shall develop recommendations under this subchapter to address issues related to the public school finance system, including . . ." I will tell you that under the Code Construction Act, which tells us how we interpret legislation we pass—under the Code Construction Act, "including" essentially means but not limited to. So I believe when you look at these three things here, people are

going to be adding some things to say hey, I just want to make sure that they also talk about this and look at this. The amendments that they're adding are not limitations on that commission. They are clarifications, I believe, to the bill. But they do not say that the bill can only address the things that the members add today. So my point is this is intended to be a very comprehensive look at school finance.

FAIRCLOTH: Okay. Would you consider ASATR a part of that?

P. KING: It certainly is today. Now, they may come up with something that doesn't include anything that even looks like ASATR because they could come with recommendations that go in a whole different direction. They may come back with a, I don't know, a statewide property tax or something wild like that or consumption tax-based or the state taking over more of the M&O. I mean, there's a lot of flexibility for recommendations for us to consider. But the beauty about a commission is it pulls in the civic community, the education community, the expertise from the legislature, the business community, tax experts, and gets them all in the same room in a public, orchestrated, organized forum so that hopefully, as they develop recommendations, there will also be buy in being developed from throughout the state from the people who have to say yes, we like this, legislature; please enact this part of it.

FAIRCLOTH: That would be fantastic. It really would be. And I'd hope you'd agree that what we want to do is to provide better direction and more, I guess, predictable funding for the schools and to make sure that we do what we're supposed to do and to help equip them to do what they're supposed to do. A part of that I would like to add would be the consideration of annexation. Right now, there's not a lot of specific language regarding the funding associated with a neighboring district annexing another district. And so there's a lot of ambivalence about that, and I believe that it would be good for us to be able to include that in this discussion.

P. KING: What I would encourage you to do if—I believe the bill is very open and comprehensive and particularly with the amendments, at least the ones I've seen. I would encourage you—there are going to be members of the legislature, members of the house, on this commission. I would encourage you to speak directly with them. I would encourage you to write letters to all the members of the commission asking them to make sure they consider. And I would also encourage you as they have public hearings to come and address that commission to make sure that issues such as of this nature are considered.

Amendment No. 1

Representative Cortez offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) on page 2, line 17, between "education," and "bilingual", by inserting "gifted and talented education,".

Amendment No. 1 was adopted.

Amendment No. 2

Representative Hinojosa offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) as follows:

(1) On page 3, line 18, after the underlined semicolon, strike "and".

(2) On page 3, line 21, between "state" and the underlined period, insert the following:

; and

(4) updates to the cost of education adjustment necessary to adjust for the current costs of providing education

Amendment No. 2 was adopted.

Amendment No. 3

Representative Clardy offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) as follows:

On page 3, line 18, after the underlined semicolon, strike "and".

(2) On page 3, line 21, between "state" and the underlined period, insert the following:

; and

(4) an average pay increase for classroom teachers, the creation of certain teacher designations, teacher recruitment and retention, including workplace conditions, and a teacher quality allotment under the Foundation School Program

Amendment No. 3 was adopted.

Amendment No. 4

Representative González offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) on page 3, line 19, between "changes" and "to the public school finance system", by inserting ", including the appropriate level of instructional facilities funding,".

Amendment No. 4 was adopted.

Amendment No. 5

Representatives Oliverson, Simmons, VanDeaver, Dean, Koop, Darby, Hefner, Burrows, Capriglione, Kacal, White, C. Anderson, and Bailes offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) on page 3, line 18, after the underlined semicolon, by inserting the following appropriately numbered subdivision and renumbering subsequent subdivisions accordingly:

() a detailed strategy to fully fund the maintenance and operations of public schools without ad valorem taxes;

AMENDMENT NO. 5 - REMARKS

REPRESENTATIVE DEAN: Dr. Oliverson, I think perhaps in the last 30-plus days, have we been talking together to a number of tax specialists, school finance people, et cetera?

REPRESENTATIVE OLIVERSON: Mr. Dean, you and I have spent, I think, the entire special session talking about this, and I know we're not alone. I see Representative Howard behind you. I know she's been talking about it and Chairman Darby. I mean, this is where it's at, folks.

DEAN: Let me ask you this, Representative Oliverson. Have we not heard for the last 48 hours during our whole debate over **SB 1** that meaningful tax relief will not come with the exception of school finance reform?

OLIVERSON: I completely believe that.

DEAN: And are we talking primarily the M&O rate of school finance?

OLIVERSON: I believe there's a better way, and I'm going to ask the commission to tell us which way is best.

DEAN: And we believe, I would think you would agree, that to truly give all Texans property tax relief, the only way to do that is to find a fix to school finance?

OLIVERSON: Absolutely.

DEAN: Okay. I appreciate you taking this and running with it.

(Geren in the chair)

Amendment No. 6

Representative Hefner offered the following amendment to Amendment No. 5:

Amend Amendment No. 5 by Oliverson to **CSSB 16** on page 1, line 7, between "taxes" and the underlined semicolon, by inserting "or a state income tax".

Amendment No. 6 was adopted.

Amendment No. 5, as amended, was adopted.

Amendment No. 7

Representatives VanDeaver, Simmons, Shine, and Uresti offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) on page 3, between lines 21 and 22, by inserting the following appropriately lettered subsection and relettering subsequent subsections accordingly:

() The commission, with cooperation from the agency, shall also examine the cost of special education services provided by school districts to students with disabilities. In conducting the examination, the commission shall solicit input from and provide an opportunity for public comment for parents of students with disabilities enrolled in school districts.

Amendment No. 7 was withdrawn.

Amendment No. 8

Representative Bernal offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) as follows:

(1) On page 3, line 18, strike "and".

(2) On page 3, line 21, between "state" and the underlined period, insert the following:
; and

(4) updates to the existing weights and recommendations regarding new weights under the public school finance system

Amendment No. 8 was adopted.

Amendment No. 9

Representative González offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) on page 4, lines 5 and 6, by striking Subsection (a), substituting the following appropriately lettered subsections, and relettering subsequent subsections accordingly:

() The commission shall hold public meetings as needed to fulfill its duties under this subchapter. Meetings of the full commission held in Travis County and, to the greatest extent practicable, meetings held outside Travis County must be open to public comment. At least one meeting of the full commission held by the commission each year must be located outside Travis County.

() For each meeting of the full commission held in Travis County and, where practicable, each meeting of the full commission held outside Travis County, the commission shall make publicly accessible without charge:

(1) live Internet video of the meeting; and

(2) through the Internet, not later than 72 hours after the meeting concludes, a video recording or other electronic visual and audio recording of the meeting.

Amendment No. 9 was adopted.

Amendment No. 10

Representatives Capriglione, Landgraf, Leach, Schofield, Meyer, Rinaldi, Burrows, E. Rodriguez, Howard, and Hinojosa offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) as follows:

(1) On page 3, line 18, strike "and".

(2) On page 3, line 21, between "state" and the underlined period, insert the following:
; and

(4) issues relating to equalized wealth requirements under Chapter 41, including the total amount of payments required to be made by school districts under that chapter

Amendment No. 10 was adopted.

Amendment No. 11

Representative Leach offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee printing) as follows:

(1) On page 3, line 18, strike "and".

(2) On page 3, line 21, strike the underlined period and substitute the following:
; and

(4) the direct and indirect costs incurred by the state and school districts associated with the administration of state-mandated assessment instruments.

Amendment No. 11 was adopted.

Amendment No. 12

Representatives VanDeaver, Simmons, Shine, and Uresti offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) on page 3, between lines 21 and 22, by inserting the following appropriately lettered subsection and relettering subsequent subsections accordingly:

() The commission, with cooperation from the agency, shall also examine the cost of special education services provided by school districts to students with disabilities. In conducting the examination, the commission shall solicit input from and provide an opportunity for public comment for parents of students with disabilities enrolled in school districts.

(Speaker in the chair)

Amendment No. 12 was adopted.

Amendment No. 13

Representative Gooden offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) on page 4 by striking lines 2 and 3 and substituting the following:
public school finance system. The report must include recommendations regarding:

(1) any adjustments to funding necessary to account for student demographics; and

(2) measures to ensure public accountability for the use of state and local funding, including:

(A) measuring and publicly reporting on educational outcomes by entities receiving state or local funding, either directly or indirectly; and

(B) requiring public reporting of information on the use of state and local funding.

Amendment No. 13 was adopted by (Record 166): 78 Yeas, 67 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Arévalo; Ashby; Bailes; Bernal; Blanco; Bonnen, D.; Burkett; Button; Clardy; Coleman; Collier; Cortez; Cosper; Darby; Davis, Y.; Deshotel; Dutton; Farrar; Frullo; Gervin-Hawkins; Giddings; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hernandez; Herrero; Holland; Howard; Hunter; Israel; Johnson, E.; Kacal; King, K.; Kuempel; Lambert; Larson; Longoria; Lozano; Lucio; Martinez; Meyer; Minjarez; Moody; Muñoz; Neave; Oliveira; Ortega; Paddie; Perez; Phillips; Pickett; Price; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Schubert; Stucky; Thierry; Thompson, S.; Turner; Uresti; VanDeaver; Vo; Walle; Workman; Wu; Zerwas.

Nays — Anderson, C.; Anderson, R.; Bell; Biedermann; Bohac; Bonnen, G.; Burns; Burrows; Cain; Capriglione; Cook; Craddick; Cyrier; Dale; Davis, S.; Dean; Elkins; Faircloth; Fallon; Flynn; Frank; Geren; Goldman; Hefner; Hinojosa; Huberty; Isaac; Keough; King, P.; King, T.; Klick; Koop; Krause; Landgraf; Lang; Laubenberg; Leach; Metcalf; Miller; Morrison; Murphy; Murr; Oliverson; Parker; Paul; Phelan; Raney; Rinaldi; Sanford; Schaefer; Schofield; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Swanson; Thompson, E.; Tinderholt; Villalba; White; Wilson; Wray; Zedler.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Nevárez.

Absent — Canales; Dukes; Johnson, J.

STATEMENTS OF VOTE

When Record No. 166 was taken, I was shown voting no. I intended to vote yes.

Burrows

When Record No. 166 was taken, I was shown voting no. I intended to vote yes.

Flynn

When Record No. 166 was taken, I was shown voting no. I intended to vote yes.

Oliverson

When Record No. 166 was taken, I was shown voting no. I intended to vote yes.

Phelan

When Record No. 166 was taken, I was shown voting no. I intended to vote yes.

Springer

When Record No. 166 was taken, I was shown voting no. I intended to vote yes.

Wray

Amendment No. 14

Representative Gooden offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) as follows:

(1) On page 3, line 18, after the underlined semicolon, strike "and".

(2) On page 3, line 21, between "state" and the underlined period, insert the following:

; and

(4) the use of the public school finance system to resolve common administrative issues, including the creation of an accurate centralized waiting list for admission to open-enrollment charter schools maintained by the agency

Amendment No. 14 was withdrawn.

Amendment No. 15

Representative Uresti offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee printing) in SECTION 1 of the bill as follows:

(1) In added Section 42.606(a)(2), Education Code (page 2, line 12), after the underlined semicolon, strike "and".

(2) In added Section 42.606(a)(3), Education Code (page 2, line 15), between "state" and the underlined period, insert the following:

; and

(4) updates to the transportation adjustment necessary to reflect the current costs of providing transportation, including gas and vehicles prices

Amendment No. 15 was adopted.

Amendment No. 16

Representative Faircloth offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) as follows:

(1) On page 3, line 18, after the underlined semicolon, strike "and".

(2) On page 3, line 21, between "state" and the underlined period, insert the following:

;

(4) the financial impact of the required annexation of a neighboring school district on the annexing school district; and

(5) the financial impact of the amount of payments required to be made under Chapter 41 on a school district subject to that chapter in which a majority of enrolled students are educationally disadvantaged

Amendment No. 16 was adopted.

Amendment No. 17

Representative Zedler offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) as follows:

(1) On page 3, line 18, after the underlined semicolon, strike "and".

(2) On page 3, line 21, between "state" and the underlined period, insert the following:

; and

(4) the effect on school districts of deducting or withholding payment of dues, fees, or contributions to a teacher union organization, teacher association, or professional teacher organization

Amendment No. 17 - Point of Order

Representative Turner raised a point of order against further consideration of Amendment No. 17 under Rule 11, Section 2 of the House Rules on the grounds that the amendment is not germane to the bill.

The point of order was withdrawn.

Amendment No. 17 was withdrawn.

Amendment No. 18

Representative Isaac offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) as follows:

(1) On page 3, line 18, after the underlined semicolon, strike "and".

(2) On page 3, line 21, between "state" and the underlined period, insert the following:

; and

(4) career and technology education requirements

Amendment No. 18 was adopted.

REMARKS ORDERED PRINTED

Representative Dean moved to print remarks between Representative Oliverson and Representative Dean on Amendment No. 5.

The motion prevailed.

Representative Faircloth moved to print remarks between Representative P. King and Representative Faircloth on **CSSB 16**.

The motion prevailed.

Amendment No. 19

Representatives Paul, G. Bonnen, Morrison, D. Bonnen, Phelan, Deshotel, Springer, Faircloth, E. Thompson, Lozano, Stephenson, and Hunter offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) as follows:

(1) On page 3, line 18, after the underlined semicolon, strike "and".

(2) On page 3, line 21, between "state" and the underlined period, insert the following:
; and

(4) the cost to school districts of maintaining instructional facility property, casualty, and catastrophe insurance

(Cyrier in the chair)

Amendment No. 19 was adopted.

Amendment No. 20

Representative Zedler offered the following amendment to **CSSB 16**:

Amend **CSSB 16** (house committee report) as follows:

(1) On page 3, line 18, after the underlined semicolon, strike "and".

(2) On page 3, line 21, between "state" and the underlined period, insert the following:
; and

(4) the effect on school districts of deducting or withholding payment of dues, fees, or contributions to a teacher union organization, teacher association, or professional teacher organization

Amendment No. 20 - Points of Order

Representative Turner raised a point of order against further consideration of Amendment No. 20 under Rule 11, Section 2 of the House Rules on the grounds that the amendment is not germane to the bill. Representative Moody raised a point of order against further consideration of Amendment No. 20 under Rule 8, Section 3 of the House Rules on the grounds that it violates the one-subject rule.

The chair overruled the points of order and submitted the following statement:

CSSB 16 creates a commission to recommend improvements to the public school finance system. It specifies that the commission "shall develop recommendations . . . to address issues related to the public school finance system, including" three specific items with varying impacts on public school finance. Several amendments added items to this list of items that, per the bills language, must be studied as they relate to the public school finance system. Representative Zedler offered Amendment No. 20 to add "the effect on school districts of deducting or withholding payment of dues, fees, or contributions to a teacher union organization, teacher association, or professional teacher organization" to the list of items to be studied as they relate to public school finance. The direct administrative cost to schools from the program the

amendment sought to study is acknowledged in the Section 403.0165(h) of the Government Code, which allows the comptroller to charge an administrative fee to cover the costs incurred as a result of administering payroll deductions. Because the amendment directly relates to public school finance, it is germane to the bill and does not introduce a second subject.

Accordingly, the chair finds that the Zedler amendment was germane to the bill and did not impermissibly introduce a second subject. The points of order are respectfully overruled.

Representative Y. Davis raised a point of order against further consideration of Amendment No. 20 under Rule 4, Section 33 of the House Rules.

The point of order was withdrawn.

CSSB 16 - POINT OF ORDER

Representative Moody raised a point of order against further consideration of **CSSB 16** under Rule 8, Section 3 of the House Rules on the grounds that it violates the one-subject rule.

PARLIAMENTARY INQUIRY

REPRESENTATIVE KRAUSE: Is it true that earlier today on **SB 1**, we were really encouraged to get that bill over to the senate and into conference committee quickly so that we could have the most time to debate that bill?

CHAIR (Cyrrier in the chair): That seems to be the purpose of the motion.

KRAUSE: And Mr. Chair, would this also be as important as **SB 1** to get to the senate conference committee as soon as possible? Do you think the members would agree with that?

REMARKS ORDERED PRINTED

Representative Dean moved to print remarks between Representative Krause and the chair.

The motion prevailed.

CSSB 16 - POINT OF ORDER DISPOSITION

The chair overruled the point of order and submitted the following statement:

Representative Moody raised a point of order against further consideration of **CSSB 16** on the ground that the bill, as amended by Amendment No. 16 by Representative Faircloth, contains two subjects. The point of order is respectfully overruled.

Under Rule 8, Section 3, "[e]ach bill (except a general appropriations bill . . .) shall contain only one subject." **CSSB 16** creates a Texas Commission on Public School Finance. As the bill came to the floor, it contained a wide range of issues related to the public school finance system that the commission was to study and develop recommendations on. During the course of floor consideration, additional issues related to the public school finance system that the commission was to study and develop recommendations were added. Representative Faircloth

added Amendment No. 16, which gave the commission two additional charges in studying the school financing system, specifically the financial impact of the required annexation of a neighboring school district on the annexing school district, and the financial impact of the amount of payments required to be made under Chapter 41 on a school district subject to that chapter in which a majority of enrolled students are educationally disadvantaged.

Because the Faircloth amendment on public school finance items to be studied by the commission deals with the same subject of the bill—creating the commission and assigning public school finance items for it to study—it fits within the subject of the bill and does not violate Rule 8, Section 3. The point of order is respectfully overruled.

LEAVES OF ABSENCE GRANTED

The following member was granted leave of absence for today because of important business in the district:

J. Johnson on motion of Bell.

The following member was granted leave of absence for the remainder of today because of illness:

Burkett on motion of Morrison.

CSSB 16 - (consideration continued)

Amendment No. 20 failed of adoption by (Record 167): 49 Yeas, 78 Nays, 2 Present, not voting.

Yeas — Anderson, C.; Anderson, R.; Biedermann; Bohac; Bonnen, D.; Burns; Burrows; Button; Cain; Craddick; Dale; Darby; Faircloth; Fallon; Frank; Frullo; Goldman; Hefner; Isaac; Keough; Klick; Koop; Krause; Landgraf; Lang; Leach; Metcalf; Meyer; Miller; Murphy; Murr; Oliverson; Parker; Paul; Rinaldi; Roberts; Schaefer; Schofield; Schubert; Shaheen; Simmons; Smithee; Stickland; Swanson; Tinderholt; Wilson; Workman; Zedler; Zerwas.

Nays — Allen; Alonzo; Anchia; Arévalo; Bailes; Bernal; Blanco; Coleman; Collier; Cook; Cortez; Cospere; Davis, S.; Davis, Y.; Deshotel; Dutton; Flynn; Geren; Gervin-Hawkins; Giddings; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Kacal; King, K.; King, T.; Kuempel; Lambert; Larson; Longoria; Lozano; Martinez; Minjarez; Moody; Morrison; Muñoz; Neave; Ortega; Paddie; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sheffield; Shine; Springer; Stephenson; Stucky; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; White; Wray; Wu.

Present, not voting — Mr. Speaker; Cyrier(C).

Absent, Excused — Burkett; Johnson, J.; Nevárez.

Absent — Alvarado; Ashby; Bell; Bonnen, G.; Canales; Capriglione; Clardy; Dean; Dukes; Elkins; Farrar; Israel; Johnson, E.; King, P.; Laubenberg; Lucio; Oliveira; Sanford.

STATEMENTS OF VOTE

When Record No. 167 was taken, I was in the house but away from my desk. I would have voted no.

Alvarado

When Record No. 167 was taken, I was in the house but away from my desk. I would have voted no.

Ashby

When Record No. 167 was taken, I was in the house but away from my desk. I would have voted yes.

Capriglione

When Record No. 167 was taken, I was in the house but away from my desk. I would have voted no.

Clardy

When Record No. 167 was taken, I was shown voting yes. I intended to vote no.

Darby

When Record No. 167 was taken, I was in the house but away from my desk. I would have voted no.

Dean

When Record No. 167 was taken, I was temporarily out of the house chamber. I would have voted no.

Farrar

When Record No. 167 was taken, I was shown voting yes. I intended to vote no.

Fruzzo

When Record No. 167 was taken, I was in the house but away from my desk. I would have voted yes.

P. King

When Record No. 167 was taken, I was shown voting yes. I intended to vote no.

Koop

When Record No. 167 was taken, I was in the house but away from my desk. I would have voted yes.

Sanford

When Record No. 167 was taken, I was shown voting no. I intended to vote yes.

E. Thompson

CSSB 16, as amended, was passed to third reading by (Record 168): 142 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Minjarez; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Herrero; Walle.

Present, not voting — Mr. Speaker; Cyrier(C).

Absent, Excused — Burkett; Johnson, J.; Nevárez.

Absent — Farrar.

HJR 27 ON SECOND READING (by Leach)

HJR 27, A joint resolution proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran based on the disability rating of the veteran and harmonizing certain related provisions of the constitution.

HJR 27 was read second time on August 8, postponed until August 11, and was again postponed until 10 a.m. today.

Representative Leach moved to postpone consideration of **HJR 27** until 8 a.m. Thursday, August 17.

The motion prevailed.

PROVIDING FOR ADJOURNMENT

At 5:14 p.m., Representative Goldman moved that, at the conclusion of the receipt of messages from the senate, the house adjourn until 2 p.m. tomorrow in memory of Dorothy Abrams of Dallas, beloved grandmother of Representative Goldman.

The motion prevailed.

(Committee Substitute/Amended)

HB 30 Zerwas SPONSOR: Nelson
Relating to the transfer of certain appropriations to the Texas Education Agency
and the adjustment of appropriations for public school finance.
(Committee Substitute/Amended)

HB 215 Murphy SPONSOR: Hughes
Relating to reporting and certification requirements by certain physicians
regarding certain abortions.

HCR 34 Smithee SPONSOR: Seliger
In memory of Frank Ronald Galitski of Amarillo.

THE SENATE HAS REFUSED TO CONCUR IN THE HOUSE
AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE
APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE
DIFFERENCES BETWEEN THE TWO HOUSES:

SB 1
Senate Conferees: Bettencourt - Chair/Buckingham/Creighton/Hancock/Taylor,
Van

Respectfully,
Patsy Spaw
Secretary of the Senate

APPENDIX

STANDING COMMITTEE REPORTS

Favorable reports have been filed by committees as follows:

August 13

Appropriations - **SB 9**

State Affairs - **HB 14**

ENGROSSED

August 13 - HB 367

SENT TO THE GOVERNOR

August 13 - HB 13, HCR 26

