

Amend CSSB 2 (senate committee report) as follows:

(1) In SECTION 19 of the bill, in the amended heading to Section 26.04, Tax Code (page 6, line 26), strike "NO-NEW-TAXES [EFFECTIVE] AND ROLLBACK" and substitute "NO-NEW-TAXES, [EFFECTIVE AND] ROLLBACK, AND AUTOMATIC ELECTION".

(2) In SECTION 20 of the bill, in the amended Section 26.04(c), Tax Code (page 6, lines 44 and 45), strike "rate and the rollback" and substitute "rate, ~~[and]~~ the rollback tax rate, and the automatic election".

(3) In SECTION 20 of the bill, in the amended Section 26.04(c)(1), Tax Code (page 6, line 52), strike "and" and substitute "~~[and]~~".

(4) In SECTION 20 of the bill, in the amended Section 26.04(c), Tax Code (page 6, between lines 58 and 59), insert the following:

; and

(3) "Automatic election tax rate" means a rate expressed in dollars per \$100 of taxable value calculated according to the following formula:

$$\frac{\text{AUTOMATIC ELECTION TAX RATE} = (\text{NO-NEW-TAXES MAINTENANCE AND OPERATIONS RATE} \times 1.08) + \text{CURRENT DEBT RATE}}$$

(5) In SECTION 20 of the bill, strike amended Section 26.04(d), Tax Code (page 6, lines 65-69), and substitute the following:

(d) For a county:

(1) the [The] effective tax rate [for a county] is the sum of the effective tax rates calculated for each type of tax the county levies;

(2) ~~[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; and

(3) the automatic election tax rate is the sum of the automatic election tax rates calculated for each type of tax the county levies.

(6) In SECTION 20 of the bill, in added Section 26.04(d-1), Tax Code (page 7, lines 2 and 3), strike "rate and the rollback" and

substitute "rate, the rollback tax rate, and the automatic election".

(7) In SECTION 20 of the bill, in added Section 26.04(d-2), Tax Code (page 7, line 9), strike "rate and the rollback" and substitute "rate, the rollback tax rate, and the automatic election".

(8) In SECTION 20 of the bill, in added Section 26.04(d-2)(2), Tax Code (page 7, line 19), strike "has" and substitute "and the automatic election tax rate have".

(9) In SECTION 20 of the bill, in amended Section 26.04(e)(1), Tax Code (page 7, line 31), between "rate," and "and", insert "the automatic election tax rate,".

(10) In SECTION 20 of the bill, in amended Section 26.04(e)(7), Tax Code (page 8, line 6), between "rate" and "as required", insert "and automatic election tax rate".

(11) In SECTION 20 of the bill, in amended Section 26.04(e)(7)(A), Tax Code (page 8, line 10), between "rate" and "as required", insert "and automatic election tax rate".

(12) In SECTION 20 of the bill, in amended Section 26.04(f), Tax Code (page 8, lines 21 and 22), strike "no-new-taxes [effective] and rollback" and substitute "no-new-taxes, [effective and] rollback, and automatic election".

(13) In SECTION 20 of the bill, in amended Section 26.04(i), Tax Code (page 8, line 33), between "rate" and "of", insert "and automatic election tax rate".

(14) In SECTION 20 of the bill, in amended Section 26.04(i), Tax Code (page 8, line 36), strike "is" and substitute "are [is]".

(15) In SECTION 20 of the bill, in amended Section 26.04(j), Tax Code (page 8, line 59), between "rate" and "of", insert "and automatic election tax rate".

(16) In SECTION 20 of the bill, in amended Section 26.04(j), Tax Code (page 8, line 63), strike "is" and substitute "are [is]".

(17) In SECTION 21 of the bill, in amended Section 26.041(a), Tax Code (page 9, line 18), strike "rate and rollback" and substitute "rate, the [and] rollback tax rate, and the automatic election".

(18) In SECTION 21 of the bill, in amended Section

26.041(a), Tax Code (page 9, between lines 26 and 27), insert the following:

and

AUTOMATIC ELECTION TAX RATE = (NO-NEW-TAXES
MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT
RATE - SALES TAX GAIN RATE

(19) In SECTION 21 of the bill, in amended Section 26.041(b), Tax Code (page 9, lines 34 and 35), strike "for the unit is calculated according to the following formula" and substitute "and the automatic election tax rate for the unit are [is] calculated according to the following formulas [formula]".

(20) In SECTION 21 of the bill, in amended Section 26.041(b), Tax Code (page 9, between lines 40 and 41), insert the following:

and

AUTOMATIC ELECTION TAX RATE = [~~(LAST YEAR'S
MAINTENANCE AND OPERATIONS EXPENSE x 1.08) / (CURRENT
TOTAL VALUE - NEW PROPERTY VALUE)~~] + (CURRENT DEBT RATE
- SALES TAX REVENUE RATE)

(21) In SECTION 21 of the bill, in amended Section 26.041(c), Tax Code (page 9, line 51), strike "rate and rollback" and substitute "rate, the [and] rollback tax rate, and the automatic election".

(22) In SECTION 21 of the bill, in amended Section 26.041(c), Tax Code (page 9, between lines 60 and 61), insert the following:

and

AUTOMATIC ELECTION TAX RATE = [~~(LAST YEAR'S
MAINTENANCE AND OPERATIONS EXPENSE x 1.08) / (CURRENT
TOTAL VALUE - NEW PROPERTY VALUE)~~] + CURRENT DEBT RATE

(23) In SECTION 21 of the bill, at the end of amended Section 26.041(e), Tax Code (page 10, line 23), insert the following:

If a governing body directs the designated officer or employee to add to the no-new-taxes and rollback tax rates under this subsection, the governing body shall direct the officer or employee to add to the automatic election tax rate an amount proportionate to the amount by which the rollback tax rate was

increased.

(24) In SECTION 22 of the bill, in the amended heading to Section 26.043, Tax Code (page 10, line 60), between "ROLLBACK" and "AND", insert ", AUTOMATIC ELECTION,".

(25) In SECTION 23 of the bill, in amended Section 26.043(a), Tax Code (page 11, line 2), between "rollback" and "and", insert ", automatic election,".

(26) In SECTION 23 of the bill, in amended Section 26.043(b), Tax Code (page 11, line 8), between "no-new-taxes" and "~~[effective]~~", insert ", automatic election,".

(27) Add an appropriately numbered SECTION of the bill to read as follows:

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

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

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

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

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

(3) the purpose of the installation of the facility,

"ROLLBACK TAX RATE \$_____ per \$100

"AUTOMATIC ELECTION TAX RATE \$_____ per \$100

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

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without entitling qualified voters to petition for an election to ratify the rate.

"The automatic election tax rate is the highest rate that (name of taxing unit) may adopt without requiring voter approval at an automatically held election.

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

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

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

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

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

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

"(Names of all members of the governing body, showing how each voted on the proposal to consider the tax increase or, if one

or more were absent, indicating the absences.)"

(b-4) If the proposed tax rate exceeds the no-new-taxes tax rate and the rollback tax rate but not the automatic election tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE \$_____ per \$100

"NO-NEW-TAXES RATE \$_____ per \$100

"ROLLBACK TAX RATE \$_____ per \$100

"AUTOMATIC ELECTION TAX RATE \$_____ per \$100

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

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without entitling qualified voters to petition for an election to ratify the rate.

"The automatic election tax rate is the highest rate that (name of taxing unit) may adopt without requiring voter approval at an automatically held election.

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

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

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

"The proposed tax rate is also greater than the rollback tax rate but is not greater than the automatic election tax rate. If (name of taxing unit) adopts the proposed tax rate, the qualified voters of (name of taxing unit) by petition may require (name of taxing unit) to hold an election so that voters may accept or reject the proposed tax rate. If a majority of voters reject the proposed tax rate, the (name of taxing unit) will be required to adopt a new tax rate that is not greater than the rollback tax rate. The election would be held on (date of election). You may contact the

(name of office responsible for administering the election) for information about voting locations and hours.

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

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

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

(b-5) If the proposed tax rate exceeds the rollback tax rate but does not exceed the no-new-taxes tax rate or the automatic election tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE \$_____ per \$100

"NO-NEW-TAXES RATE \$_____ per \$100

"ROLLBACK TAX RATE \$_____ per \$100

"AUTOMATIC ELECTION TAX RATE \$_____ per \$100

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

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without entitling qualified voters to petition for an election to ratify the rate.

"The automatic election tax rate is the highest rate that (name of taxing unit) may adopt without requiring voter approval at an automatically held election.

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

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

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

"The proposed tax rate is also greater than the rollback tax

rate but is not greater than the automatic election tax rate. If (name of taxing unit) adopts the proposed tax rate, the qualified voters of (name of taxing unit) by petition may require (name of taxing unit) to hold an election so that voters may accept or reject the proposed tax rate. If a majority of voters reject the proposed tax rate, the (name of taxing unit) will be required to adopt a new tax rate that is not greater than the rollback tax rate. The election would be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations and hours.

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

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

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

(b-6) In addition to including the information described by Subsections (b-1)-(b-5), as applicable, the notice must include the information described by Section 26.062.

(30) In SECTION 30 of the bill, in added Section 26.061(b), Tax Code (page 17, between lines 19 and 20), insert the following:

"AUTOMATIC ELECTION TAX RATE \$_____ per \$100

(31) In SECTION 30 of the bill, in added Section 26.061(b), Tax Code (page 17, lines 26 and 27), strike "holding an election to ratify the rate." and substitute the following:

entitling qualified voters to petition for an election to ratify the rate.

"The automatic election tax rate is the highest rate that (name of taxing unit) may adopt without requiring voter approval at an automatically held election.

(32) In SECTION 30 of the bill, in added Section 26.061(b), Tax Code (page 17, line 34), between "tax rate" and the period, insert "or the automatic election tax rate".

(33) In SECTION 30 of the bill, in added Section 26.062(a), Tax Code (page 17, line 52), strike "26.06(b-1), (b-2), or (b-3)" and substitute "26.06(b-1)-(b-5)"

(34) Strike the recital to SECTION 32 of the bill (page 19, lines 34 and 35) and substitute the following:

SECTION 32. 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 Subsections (a-1), (a-2), (a-3), and (a-4) to read as follows:

(35) In SECTION 32 of the bill, strike added Section 26.08(a), Tax Code (page 19, lines 36-49), and substitute the following:

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

(a-1) If the governing body of a taxing unit other than a school district adopts a tax rate that exceeds the taxing unit's rollback tax rate but does not exceed the taxing unit's automatic election tax rate, the qualified voters of the taxing unit by petition may require that an election be held in accordance with this section.

(a-2) A petition under Subsection (a-1) is valid only if:

(1) it states that it is intended to require an election in the taxing unit on the question of approving the tax rate for the current year;

(2) it is signed by a number of registered voters of the taxing unit equal to at least:

(A) seven percent of the number of registered

voters of the taxing unit according to the most recent list of registered voters if the tax rate adopted for the current tax year would impose taxes for maintenance and operations in an amount of at least \$5 million; or

(B) 10 percent of the number of registered voters of the taxing unit according to the most recent official list of registered voters if the tax rate adopted for the current tax year would impose taxes for maintenance and operations in an amount of less than \$5 million; and

(3) it is submitted to the governing body on or before the earlier of:

(A) the 90th day after the date on which the governing body adopted the tax rate for the current year; and

(B) September 20.

(a-3) Not later than the earlier of the 20th day after the day a petition described by Subsection (a-1) is submitted and October 1, the governing body shall determine whether or not the petition is valid and pass a resolution stating its finding. If the governing body fails to act within the time allowed, the petition is treated as if it had been found valid.

(a-4) If the governing body finds that a petition described by Subsection (a-1) is valid or if the governing body fails to act within the time allowed, the governing body shall, not later than October 1, order that an election be held in accordance with this section.

(36) In SECTION 32 of the bill, in amended Section 26.08(b), Tax Code (page 19, line 51), strike "taxing unit [school district]" and substitute "school district or taxing unit".

(37) In SECTION 32 of the bill, in amended Section 26.08(b), Tax Code (page 19, line 54), strike "The" and substitute "Except as provided by Subsections (a-3) and (a-4), the".

(38) In SECTION 32 of the bill, in amended Section 26.08(b), Tax Code (page 19, line 60), strike "taxing unit [school district])" and substitute "school district or taxing unit, as applicable)".

(39) In SECTION 32 of the bill, in amended Section 26.08(b), Tax Code (page 19, line 62), strike "(name of taxing unit)" and

substitute "(name of school district or taxing unit, as applicable)".

(40) In SECTION 32 of the bill, in amended Section 26.08(d), Tax Code (page 19, line 69, and page 20, line 1), strike "taxing unit [~~school district~~] for the current year that exceeds the taxing unit's [~~school district's~~] rollback" and substitute "school district or taxing unit for the current year that exceeds the school district's or taxing unit's rollback".

(41) In SECTION 32 of the bill, in amended Section 26.08(d-1), Tax Code (page 20, lines 2-5), strike "the taxing unit [~~school district~~] have been mailed, a proposition to approve the taxing unit's [~~school district's~~] adopted tax rate is not approved by the voters of the taxing unit [~~district~~]" and substitute "the school district or taxing unit have been mailed, a proposition to improve the school district's or taxing unit's adopted tax rate is not approved by the voters of the district or taxing unit".

(42) In SECTION 32 of the bill, in amended Section 26.08(d-1), Tax Code (page 20, lines 7 and 8), strike "the taxing unit [~~district~~], the assessor for the taxing unit [~~school~~]" and substitute "the district or taxing unit, the assessor for the school or taxing unit".

(43) In SECTION 32 of the bill, in amended Section 26.08(d-2), Tax Code (page 20, line 15), strike "taxing unit [~~school district~~]" and substitute "school district or taxing unit".

(44) In SECTION 32 of the bill, in amended Section 26.08(d-2), Tax Code (page 20, line 17), strike "taxing unit [~~school district~~]" and substitute "school district or taxing unit".

(45) In SECTION 32 of the bill, in amended Section 26.08(d-2), Tax Code (page 20, lines 22 and 23), strike "taxing unit [~~school district~~]" and substitute "school district or taxing unit".

(46) In SECTION 35 of the bill, in amended Section 26.16(a), Tax Code (page 21, line 48), strike "and" and substitute "[~~and~~]".

(47) In SECTION 35 of the bill, in amended Section 26.16(a), Tax Code (page 21, line 49), between "rate" and the period, insert the following:

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(7) for a taxing unit other than a school district, the

automatic election tax rate, if any

(48) In SECTION 35 of the bill, in amended Section 26.16(d), Tax Code (page 22, lines 14 through 21), strike the final paragraph of that subsection and substitute the following:

"The rollback tax rate is the highest tax rate a taxing unit may adopt before qualified voters are entitled to petition for [~~requiring voter approval at~~] an election to approve the adopted rate. In the case of a taxing unit other than a school district, the voters by petition may require that an [~~a rollback~~] election be held if the unit adopts a tax rate that exceeds [~~in excess of~~] the unit's rollback tax rate but does not exceed the unit's automatic election tax rate. In the case of a school district, an election will automatically be held if the district wishes to adopt a tax rate in excess of the district's rollback tax rate.

"The automatic election tax rate is the highest tax rate a taxing unit other than a school district may adopt without requiring voter approval at an automatically held election. If a taxing unit other than a school district adopts a tax rate that exceeds the unit's automatic election tax rate, an election will automatically be held to determine whether to approve the adopted tax rate."

(49) In SECTION 35 of the bill, in added Section 26.16(d-1)(1), Tax Code (page 22, lines 27 and 28), strike "and rollback" and substitute "tax rates, rollback tax rates, and, if any, automatic election".

(50) In SECTION 35 of the bill, in added Section 26.16(d-2), Tax Code (page 22, line 34), strike "and rollback tax rates" and substitute "tax rate, rollback tax rate, and, if any, automatic election tax rate".

(51) In SECTION 52 of the bill, in Section 102.007(d)(3)(D), Local Government Code (page 28, line 33), strike "and" and substitute "~~and~~".

(52) In SECTION 52 of the bill, in amended Section 102.007(d)(3), Local Government Code (page 28, between lines 34 and 35), insert the following:

(F) the automatic election tax rate; and

(53) In SECTION 53 of the bill, in Section 111.008(d)(3)(D),

Local Government Code (page 29, line 1), strike "and" and substitute "[~~and~~]".

(54) In SECTION 53 of the bill, in amended Section 111.008(d)(3), Local Government Code (page 29, between lines 2 and 3), insert the following:

(F) the automatic election tax rate; and

(55) In SECTION 54 of the bill, in Section 111.039(d)(3)(D), Local Government Code (page 29, line 38), strike "and" and substitute "[~~and~~]".

(56) In SECTION 54 of the bill, in amended Section 111.039(d)(3), Local Government Code (page 29, between lines 39 and 40), insert the following:

(F) the automatic election tax rate; and

(57) In SECTION 55 of the bill, in Section 111.068(c)(3)(D), Local Government Code (page 30, line 6), strike "and" and substitute "[~~and~~]".

(58) In SECTION 55 of the bill, in amended Section 111.068(c)(3), Local Government Code (page 30, between lines 7 and 8), insert the following:

(F) the automatic election tax rate; and

(59) Add the following appropriately numbered SECTIONS of the bill to read as follows:

SECTION _____. The heading to Section 1063.255, Special District Local Laws Code, is amended to read as follows:

Sec. 1063.255. PETITION AND ORDER FOR ELECTION TO APPROVE [~~REDUCE~~] TAX RATE.

SECTION _____. Sections 1063.255(a), (b), and (d), Special District Local Laws Code, are amended to read as follows:

(a) Notwithstanding Section 26.08(a-2)(3) [~~26.07(b)(3)~~], Tax Code, a petition to require an election under Section 26.08 [~~26.07~~], Tax Code, on approving [~~reducing~~] the district's tax rate [~~to the rollback tax rate~~] shall be submitted to the Montgomery County elections administrator instead of to the board.

(b) Notwithstanding Section 26.08(a-3) [~~26.07(c)~~], Tax Code, not later than the earlier of the 20th day after the date a petition is submitted under Subsection (a) and October 1, the elections administrator shall:

(1) determine whether the petition is valid under Section 26.08 [~~26.07~~], Tax Code; and

(2) certify the determination of the petition's validity to the board.

(d) Notwithstanding Sections 26.08(a-4) and (b) [~~Section 26.07(d)~~], Tax Code, if the elections administrator certifies to the board that the petition is valid or fails to act within the time allowed, the board shall, not later than October 1, order that an election under Section 26.08 [~~26.07~~], Tax Code, to determine whether to approve [~~reduce~~] the district's tax rate [~~to the rollback rate~~] be held in the district in the manner prescribed by Section 26.08(b) [~~26.07(d)~~] of that code.

(60) In SECTION 57 of the bill (page 30, lines 20-29), strike amended Section 1122.2522, Special District Local Laws Code, and substitute the following:

Sec. 1122.2522. ROLLBACK AND AUTOMATIC ELECTION TAX RATE PROVISIONS APPLICABLE. [~~(a)~~] If in any year the board adopts a tax rate that exceeds:

(1) the rollback tax rate, but not the automatic election tax rate, calculated as provided by Chapter 26, Tax Code, the qualified voters of the district by petition may require that an election under Section 26.08 of that code be held to determine whether or not to approve [~~reduce~~] the tax rate adopted by the board for that year; or

(2) the automatic election tax rate calculated as provided by Chapter 26, Tax Code, an election under Section 26.08 of that code must be held to determine whether or not to approve the tax rate adopted by the board for that year [~~to the rollback tax rate~~].

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

(61) In the recital to SECTION 60 of the bill (page 30, line 53), between "(g)," and "(h)", insert "(g-1),".

(62) In SECTION 60 of the bill, in added Section 49.236(a)(3)(A), Water Code (page 31, lines 49 and 50), strike "[~~eight~~] percent, [~~the qualified voters of the district by petition~~]

~~may require that~~] an election must be" and substitute "percent but not more than eight percent, the qualified voters of the district by petition may require that an election be".

(63) In SECTION 60 of the bill, in added Section 49.236(a)(3)(A), Water Code (page 31, line 52), between the period and the quotation mark, insert "If the taxes on the average residence homestead increase by more than eight percent, an election must be held under that section.".

(64) In SECTION 60 of the bill, in amended Section 49.236(d), Water Code (page 31, line 66), strike "[~~1.08~~]" and substitute "times but not more than 1.08".

(65) In SECTION 60 of the bill, in amended Section 49.236(d), Water Code (page 32, lines 1-4), strike "[~~the qualified voters of the district by petition may require that~~] an election must be held to determine whether [~~or not~~] to ratify [~~reduce~~] the tax rate adopted for the current year [~~to the rollback tax rate~~] in accordance with the procedures provided by Sections 26.08(b)-(d-2)" and substitute "the qualified voters of the district by petition may require that an election be held to determine whether [~~or not~~] to ratify [~~reduce~~] the tax rate adopted for the current year. If the board adopts a combined debt service, operation and maintenance, and contract tax rate that would impose more than 1.08 times the amount of tax imposed as described by this subsection, an election must be held under this subsection. An election under this subsection must be held [~~to the rollback tax rate~~] in accordance with the procedures provided by Sections 26.08(a-1)-(d-2)".

(66) In SECTION 60 of the bill, in added Section 49.236(e), Water Code (page 32, line 7), strike "and Subsections (f)-(i) apply" and substitute "applies".

(67) In SECTION 60 of the bill, in added Section 49.236(e), Water Code (page 32, line 20), strike "(f)-(i)" and substitute "(f), (g), (h), and (i)"

(68) In SECTION 60 of the bill, in added Section 49.236(f), Water Code (page 32, line 21), between "petition" and "is", insert "under Subsection (d) or (e)".

(69) In SECTION 60 of the bill, in amended Section 49.236,

Water Code (page 32, line 45), strike "(h) If" and substitute the following:

(g-1) For an election under Subsection (d), if the board finds that the petition is valid or if the board fails to act within the time allowed, the board shall, not later than October 1, order that an election be held in accordance with that subsection.

(h) For an election under Subsection (e), if

(70) In SECTION 61 of the bill (page 33, lines 17 and 18), strike Subdivision (3) and renumber the remaining subdivisions of that SECTION accordingly.

(71) Renumber the remaining SECTIONS accordingly.