

**NOTICE OF SPECIAL MEETING
CITY OF SOUTH PADRE ISLAND
CITY COUNCIL**

NOTICE IS HEREBY GIVEN THAT THE COUNCIL MEMBERS OF THE CITY OF SOUTH PADRE ISLAND, TEXAS, WILL HOLD A SPECIAL MEETING ON:

THURSDAY, MARCH 9, 2017
5:30 P.M. AT THE MUNICIPAL BUILDING,
CITY COUNCIL CHAMBERS, 2ND FLOOR
4601 PADRE BOULEVARD, SOUTH PADRE ISLAND, TEXAS

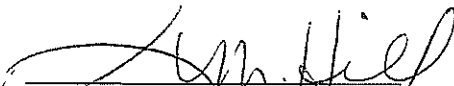
1. Call to order
2. Pledge of Allegiance
3. **Public Comments and Announcements:** *This is an opportunity for citizens to speak to Council relating to agenda or non-agenda items. Speakers are required to address Council at the podium and give their name before addressing their concerns. [Note: State law will not permit the City Council to discuss, debate or consider items that are not on the agenda. Citizen comments may be referred to City Staff or may be placed on the agenda of a future City Council meeting]*
4. Discussion and action to approve Resolution No. 2017-08 supporting House Bill that will allow for the use of Municipal Hotel Occupancy Tax revenue for coastal sports facilities in certain municipalities.
5. Discussion and action to approve Resolution No. 2017-09 supporting House Bill 2690 that will allow for increased funding for the Coastal Erosion Protection and Response Act (CEPRA) Program through the dedication of a portion of the State Hotel Occupancy Tax.
6. Discussion and action to approve Resolution No. 2017-10 in opposition to Senate Bill 451 relating to the proposed regulation of short-term rentals by municipalities and counties.
7. Discussion and action to approve Resolution No. 2017-11 in opposition to Senate Bill 2 that would result in the legislative imposition of a revenue cap and legislative interference with local services.
8. Discussion and action to approve Resolution No. 2017-12 in opposition to House Bill 15 relating to revenue caps and legislative interference with local services.
9. Adjourn.

WE RESERVE THE RIGHT TO GO INTO EXECUTIVE SESSION REGARDING ANY OF THE ITEMS POSTED ON THIS AGENDA, PURSUANT TO SECTIONS 551.071, CONSULTATION WITH ATTORNEY; 551.072, DELIBERATIONS ABOUT REAL PROPERTY; 551.073, DELIBERATIONS ABOUT GIFTS & DONATIONS; 551.074, PERSONNEL MATTERS; 551.076, DELIBERATIONS ABOUT SECURITY DEVICES; AND/OR 551.086, DISCUSS (A) COMMERCIAL OR FINANCIAL INFORMATION RECEIVED FROM A BUSINESS PROSPECT WITH WHICH THE CITY IS CONDUCTING NEGOTIATIONS, OR (B) FINANCIAL OR OTHER INCENTIVES TO THE BUSINESS PROJECT.

DATED THIS THE 6TH DAY OF MARCH 2017.



Agenda: March 9, 2017 Council Special Meeting


Susan M. Hill, City Secretary

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFY THAT THE ABOVE NOTICE OF MEETING OF THE GOVERNING BODY OF THE CITY OF SOUTH PADRE ISLAND, TEXAS IS A TRUE AND CORRECT COPY OF SAID NOTICE AND THAT I POSTED A TRUE AND CORRECT COPY OF SAID NOTICE ON THE BULLETIN BOARD AT CITY HALL/MUNICIPAL BUILDING ON MARCH 6, 2017 AT/OR BEFORE 5:20 P.M. AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.




Susan M. Hill, City Secretary

THIS FACILITY IS WHEELCHAIR ACCESSIBLE, AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT BUILDING OFFICIAL, JAY MITCHIM; ADA DESIGNATED RESPONSIBLE PARTY AT (956) 761-1025.

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 9, 2017

NAME & TITLE: Council Members

DEPARTMENT: City Council

ITEM

Discussion and action to approve Resolution No. 2017-08 supporting House Bill that will allow for the use of Municipal Hotel Occupancy Tax revenue for coastal sports facilities in certain municipalities.

ITEM BACKGROUND

BUDGET/FINANCIAL SUMMARY

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

Comments:

RECOMMENDATIONS/COMMENTS



RESOLUTION NO. 2017-08

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS, SUPPORTING HOUSE BILL THAT WILL ALLOW FOR THE USE OF MUNICIPAL HOTEL OCCUPANCY TAX REVENUE FOR COASTAL SPORTS FACILITIES IN CERTAIN MUNICIPALITIES

WHEREAS, the City of South Padre Island, a barrier island coastal municipality, desires to increase tourism to the Island and the Rio Grande Valley by adding sports facilities to attract different venues; and

WHEREAS, the City of South Padre Island and Rio Grande Valley would benefit greatly by the passage of this bill; and

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of South Padre Island, Texas that the City of South Padre Island supports House Bill relating to the use of municipal hotel occupancy tax revenue to construct, enhance, upgrade and maintain coastal sports facilities in eligible barrier island coastal municipalities.

PASSED, APPROVED AND ADOPTED on this the 9th day of March 2017

CITY OF SOUTH PADRE ISLAND, TEXAS

Bharat R. Patel, Mayor

ATTEST:

Susan M. Hill, City Secretary

By: xxxxxxxx, xxxxxxxx

H.B. No. xxxx

A BILL TO BE ENTITLED

AN ACT

relating to the use of municipal hotel occupancy tax revenue to construct, enhance, upgrade, and maintain coastal sports facilities in certain municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 351.101(a), Tax Code, is amended to read as follows:

(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

(1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both;

(2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;

(3) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;

(4) the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound

H.B. No. xxxx
recording, and other arts related to the presentation,
performance, execution, and exhibition of these major art forms;

(5) historical restoration and preservation projects
or activities or advertising and conducting solicitations and
promotional programs to encourage tourists and convention
delegates to visit preserved historic sites or museums:

(A) at or in the immediate vicinity of
convention center facilities or visitor information centers; or

(B) located elsewhere in the municipality or its
vicinity that would be frequented by tourists and convention
delegates;

(6) for a municipality located in a county with a
population of one million or less, expenses, including promotion
expenses, directly related to a sporting event in which the
majority of participants are tourists who substantially increase

H.B. No. xxxx
economic activity at hotels and motels within the municipality
or its vicinity;

(7) subject to Section 351.1076, the promotion of
tourism by the enhancement and upgrading of existing sports
facilities or fields, including facilities or fields for
baseball, softball, soccer, flag football, and rodeos, if:

(A) the municipality owns the facilities or
fields;

(B) the municipality:

(i) has a population of 80,000 or more and
is located in a county that has a population of 350,000 or less;

(ii) has a population of at least 75,000
but not more than 95,000 and is located in a county that has a
population of less than 200,000 but more than 160,000;

(iii) has a population of at least 36,000

H.B. No. xxxx
but not more than 39,000 and is located in a county that has a population of 100,000 or less that is not adjacent to a county with a population of more than two million;

(iv) has a population of at least 13,000 but less than 39,000 and is located in a county that has a population of at least 200,000;

(v) has a population of at least 70,000 but less than 90,000 and no part of which is located in a county with a population greater than 150,000;

(vi) is located in a county that:

(a) is adjacent to the Texas-Mexico border;

(b) has a population of at least 500,000; and

(c) does not have a municipality with

H.B. No. xxxx

a population greater than 500,000;

(vii) has a population of at least 25,000 but not more than 26,000 and is located in a county that has a population of 90,000 or less;

(viii) has a population of at least 7,500 and is located in a county that borders the Pecos River and that has a population of not more than 15,000;

(ix) is located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located; or

(x) has a population of at least 40,000 and the San Marcos River flows through the municipality; and

(xi) is an eligible barrier island coastal municipality that imposes the tax at a rate equal to or greater than 7-1/2 percent of the price paid for a room; and

H.B. No. xxxx

(C) the sports facilities and fields have been used, in the preceding calendar year, a combined total of more than 10 times for district, state, regional, or national sports tournaments, except for:

(i) an eligible barrier island coastal municipality that imposes the tax at a rate equal to or greater than 7-1/2 percent of the price paid for a room, for which the involved sports facilities, fields or fishing piers have been used, in the preceding calendar year, a combined total of more than 5 times for district, state, regional, or national sports tournaments;

(8) for a municipality with a population of at least 70,000 but less than 90,000, no part of which is located in a county with a population greater than 150,000, the construction, improvement, enlarging, equipping, repairing, operation, and

maintenance of a coliseum or multiuse facility;

(9) signage directing the public to sights and attractions that are visited frequently by hotel guests in the municipality;

(10) the construction of a recreational venue in the immediate vicinity of area hotels, if:

(A) the municipality:

(i) is a general-law municipality;

(ii) has a population of not more than 900;

and

(iii) does not impose an ad valorem tax;

(B) not more than \$100,000 of municipal hotel occupancy tax revenue is used for the construction of the recreational venue;

(C) a majority of the hotels in the municipality

H.B. No. xxxx

request the municipality to construct the recreational venue;

(D) the recreational venue will be used primarily by hotel guests; and

(E) the municipality will pay for maintenance of the recreational venue from the municipality's general fund;

(11) the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility, if the municipality:

(A) has a population of at least 90,000 but less than 120,000; and

(B) is located in two counties, at least one of which contains the headwaters of the San Gabriel River; and

(12) for a municipality with a population of more than 175,000 but less than 225,000 that is located in two counties, each of which has a population of less than 200,000,

H.B. No. xxxx
the construction, improvement, enlarging, equipping, repairing,
operation, and maintenance of a coliseum or multiuse facility
and related infrastructure or a venue, as defined by Section
334.001(4), Local Government Code, that is related to the
promotion of tourism.

SECTION 2. To the extent of any conflict, this Act
prevails over another Act of the 85th Legislature, Regular
Session, 2017, relating to nonsubstantive additions to and
corrections in enacted codes.

SECTION 3. This Act takes effect immediately if it
receives a vote of two-thirds of all the members elected to
each house, as provided by Section 39, Article III, Texas
Constitution. If this Act does not receive the vote
necessary for immediate effect, this Act takes effect
September 1, 2017.

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 9, 2017

NAME & TITLE: Council Members

DEPARTMENT: City Council

ITEM

Discussion and action to approve Resolution No. 2017-09 supporting House Bill 2690 that will allow for increased funding for the Coastal Erosion Protection and Response Act (CEPRA) Program through the dedication of a portion of the State Hotel Occupancy Tax.

ITEM BACKGROUND

BUDGET/FINANCIAL SUMMARY

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

Comments:

RECOMMENDATIONS/COMMENTS



RESOLUTION NO. 2017-09

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS, SUPPORTING HOUSE BILL 2690 THAT WILL ALLOW FOR INCREASED FUNDING FOR THE CEPRA PROGRAM THROUGH THE DEDICATION OF A PORTION OF THE STATE HOTEL OCCUPANCY TAX

WHEREAS, the Texas General Land Office has been a great partner to the City of South Padre Island, and the benefit the agency provides to the coast is important to both the City of South Padre Island and the State of Texas; and

WHEREAS, the Coastal Erosion Protection and Response Act (CEPRA) Grant Program encourages local control and competition and allows for collaboration, erosion response projects and studies that not only protect the coast but also increases tourism; and

WHEREAS, the Texas Coast is a vital part of the state's tourism, economy and ecology, with over one-quarter of the state's population residing on the coast; and

WHEREAS, coastal resiliency projects allow for increased protection for the citizens of the state and the critical trade that is conducted on the coast; and

WHEREAS, the State of Texas should make an increased commitment to the coast and protecting the coast from gradual erosion and natural disasters including hurricanes.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of South Padre Island, Texas that the City of South Padre Island supports House Bill 2690 by Representative Geanie Morrison that will allow for increased funding for the CEPRA Program through the dedication of a portion of the State Hotel Occupancy Tax from coastal counties to the General Land Office.

PASSED, APPROVED AND ADOPTED on this the 9th day of March 2017

CITY OF SOUTH PADRE ISLAND, TEXAS

Bharat R. Patel, Mayor

ATTEST:

Susan M. Hill, City Secretary

By: Morrison

H.B. No. 2690

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the allocation of certain state hotel occupancy tax
3 revenue.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 33.604(b), Natural Resources Code, is
6 amended to read as follows:

7 (b) The account consists of:

8 (1) all money appropriated for the purposes of this
9 subchapter;

10 (2) grants to this state from the United States for the
11 purposes of this subchapter;

12 (3) all money received by this state from the sale of
13 dredged material; [~~and~~]

14 (4) penalties or costs collected under Section 61.0184
15 or 63.1814; and

16 (5) money transferred to the account under Section
17 156.252, Tax Code.

18 SECTION 2. Subchapter F, Chapter 156, Tax Code, is amended
19 by adding Section 156.252 to read as follows:

20 Sec. 156.252. ALLOCATION OF CERTAIN REVENUE TO BENEFIT
21 COASTAL COUNTIES. (a) In this section, "coastal county" means any
22 county adjacent to:

23 (1) the Gulf of Mexico; or

24 (2) Corpus Christi Bay.

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1 (b) Beginning in 2020, the comptroller shall, not later than
2 September 30 of each year:

3 (1) compute the amount of revenue derived from the
4 collection of taxes imposed under this chapter at a rate of two
5 percent and received from hotels located in coastal counties during
6 the preceding state fiscal year; and

7 (2) transfer that amount to the coastal erosion
8 response account created under Section 33.604, Natural Resources
9 Code.

10 (c) Revenue transferred under this section may be
11 appropriated only to the General Land Office for a purpose
12 consistent with Subchapter F, Chapter 33, Natural Resources Code,
13 that benefits a coastal county.

14 SECTION 3. This Act takes effect September 1, 2017.

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 9, 2017

NAME & TITLE: Council Members

DEPARTMENT: City Council

ITEM

Discussion and action to approve Resolution No. 2017-10 in opposition to Senate Bill 451 relating to the proposed regulation of short-term rentals by municipalities and counties.

ITEM BACKGROUND

BUDGET/FINANCIAL SUMMARY

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

Comments:

RECOMMENDATIONS/COMMENTS



RESOLUTION NO. 2017-10

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS, IN OPPOSITION TO SENATE BILL 451 RELATING TO REGULATION OF SHORT-TERM RENTALS BY MUNICIPALITIES AND COUNTIES

WHEREAS, during the 85th Legislative Session bills were introduced to allow short-term rentals in all areas of municipalities and counties; and

WHEREAS, passage of this bill would mandate that a municipality or county may not adopt or enforce a local law that expressly or effectively prohibits the use of property as a short-term rental; and

WHEREAS, The City of South Padre Island does, in fact, have such neighborhoods that short-term rentals are prohibited; and

WHEREAS, restrictions on the ability of local elected officials to meet local needs expressed by local citizens centralizes authority and restricts local autonomy.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of South Padre Island, Texas:

Section 1. Imposing a regulation that forces a municipality or county to not be able to adopt or enforce a local law that prohibits the use of property as a short-term rental infringes on the right of the City and its citizens to have the ability to meet local needs.

PASSED, APPROVED AND ADOPTED on this the 9th day of March 2017

CITY OF SOUTH PADRE ISLAND, TEXAS

Bharat R. Patel, Mayor

ATTEST:

Susan M. Hill, City Secretary

By: Hancock

S.B. No. 451

A BILL TO BE ENTITLED

AN ACT

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relating to regulation of short-term rentals by municipalities and counties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 250, Local Government Code, is amended by adding Section 250.008 to read as follows:

Sec. 250.008. REGULATION OF SHORT-TERM RENTALS. (a) In this section:

(1) "Local law" means an ordinance, order, regulation, or similar measure.

(2) "Short-term rental" means a residential property, including a single-family dwelling or a unit in a condominium, cooperative, or time-share, that is rented wholly or partly for a fee for a period not longer than 30 consecutive days.

(b) A municipality or county may not adopt or enforce a local law that expressly or effectively prohibits the use of a property as a short-term rental. Except as provided by this section, a municipality or county may not adopt or enforce a local law that restricts the use of or otherwise regulates a short-term rental based on the short-term rental's classification, use, or occupancy.

(c) A municipality or county may adopt or enforce a local law that specifically regulates property used as a short-term rental only if the county or municipality demonstrates that the

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1 local law's primary purpose is to protect the public's health and
2 safety. Local laws authorized by this subsection include
3 regulations:

4 (1) addressing:

5 (A) fire and building codes;

6 (B) health and sanitation;

7 (C) traffic control; and

8 (D) solid or hazardous waste and pollution
9 control; and

10 (2) requiring the designation of an emergency contact
11 for the property.

12 (d) A municipality or county may adopt or enforce a local
13 law that limits or prohibits the use of a short-term rental only if
14 the law limits or prohibits the use of a rental for the purpose of:

15 (1) housing sex offenders;

16 (2) operating a structured sober living home or
17 similar enterprise;

18 (3) selling illegal drugs;

19 (4) selling alcohol or another activity that requires
20 a permit or license under the Alcoholic Beverage Code; or

21 (5) operating as a sexually oriented business.

22 (e) A municipality or county shall apply a local law
23 regulating land use to a short-term rental in the same manner as
24 another similar property. A local law described by this subsection
25 includes regulations on:

26 (1) residential use and other zoning matters;

27 (2) noise;

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1 (3) property maintenance; and

2 (4) nuisance.

3 (f) This section may not be construed to affect regulations
4 of a private entity, including a property owners' association as
5 defined by Section 204.004, Property Code.

6 SECTION 2. This Act takes effect September 1, 2017.

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**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 9, 2017

NAME & TITLE: Council Members

DEPARTMENT: City Council

ITEM

Discussion and action to approve Resolution No. 2017-11 in opposition to Senate Bill 2 that would result in the legislative imposition of a revenue cap and legislative interference with local services.

ITEM BACKGROUND

BUDGET/FINANCIAL SUMMARY

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

Comments:

RECOMMENDATIONS/COMMENTS



RESOLUTION NO. 2017-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS, IN OPPOSITION TO SENATE BILL 2 AMENDING CHAPTER 5 OF THE TAX CODE AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Texas cities lead the nation in population growth and seventy-four percent of Texas residents live in incorporated cities; and

WHEREAS, cities derive a large majority of their revenue from ad valorem taxes

WHEREAS, the Legislature of the State of Texas has a bill proposed during the 2017 session regarding a change to Chapter 5 of the Texas Code known as Senate Bill 2; and

WHEREAS, requiring cities to hold an election to increase the tax rate above 4% would cause an undue burden on the cities by limiting the amount available for maintenance and operations; and

WHEREAS, a decrease in the percentage on ad valorem tax rates disproportionately negatively impacts cities with already low tax rates; and

WHEREAS, cities could be required to hold special elections to maintain their existing tax rate due to the fluctuation in property values, which are not determined by the cities themselves and are outside of their control;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of South Padre Island, Texas that:

Section 1. The City of South Padre Island hereby states that it is in opposition to Senate Bill 2 and any other action that would result in the legislative imposition of a revenue cap and legislative interference with local services; and

Section 2. Imposing a revenue cap on cities does not provide meaningful tax relief and interferes with the city's ability to meet local needs.

Section 3. This resolution shall become effective from and after the date of its passage by City Council.

PASSED, APPROVED AND RESOLVED by the City Council on this the 9th day of March 2017.

Bharat R. Patel, Mayor

ATTEST:

Susan Hill, City Secretary

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By: Bettencourt, et al.

S.B. No. 2

A BILL TO BE ENTITLED

AN ACT

1 relating to ad valorem taxation.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

3 SECTION 1. This Act may be cited as the Texas Property Tax
4 Reform and Relief Act of 2017.

5 SECTION 2. Chapter 5, Tax Code, is amended by adding
6 Sections 5.01 and 5.02 to read as follows:

7 Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD. (a)

8 The comptroller shall appoint the property tax administration
9 advisory board to advise the comptroller with respect to the
10 division or divisions within the office of the comptroller with
11 primary responsibility for state administration of property
12 taxation and state oversight of appraisal districts and local tax
13 offices. The advisory board shall make recommendations to the
14 comptroller regarding:

15 (1) proposed property tax rules and prescribed
16 procedures and forms;

17 (2) minimum standards for the administration and
18 operation of an appraisal district;

19 (3) minimum standards for the administration and
20 operation of a local tax office;

21 (4) appointment of the director, managers, and other
22 executive staff of the division or divisions within the office of
23 the comptroller with primary responsibility for state
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1 administration of property taxation and state oversight of
2 appraisal districts and local tax offices;

3 (5) property tax publications, guidelines, and
4 communications;

5 (6) property value studies for school districts and
6 ratio studies for appraisal districts;

7 (7) reviews of appraisal districts and appraisal
8 review boards;

9 (8) computer hardware and software needs for:

10 (A) the division or divisions within the office
11 of the comptroller with primary responsibility for state
12 administration of property taxation and state oversight of
13 appraisal districts and local tax offices;

14 (B) appraisal districts; and

15 (C) local tax offices; and

16 (9) other property tax operational matters.

17 (b) The advisory board is composed of six members appointed
18 by the comptroller with the advice of the governor, lieutenant
19 governor, and speaker of the house of representatives. Board
20 members serve at the pleasure of the comptroller.

21 (c) The members of the advisory board must have knowledge of
22 or experience in property tax administration, appraisal, or law.

23 (d) Appointments to the advisory board shall be made without
24 regard to the race, color, disability, gender, religion, age, or
25 national origin of appointees.

26 (e) Each member of the advisory board must be a resident of
27 this state.

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1 (f) An elected official may not serve on the advisory board.

2 (g) The advisory board is governed exclusively by this
3 chapter.

4 (h) The comptroller's staff shall provide assistance to the
5 advisory board in performing its duties.

6 Sec. 5.02. RESTRICTIONS ON ADVISORY BOARD MEMBERSHIP. A
7 person is not eligible to serve on the property tax administration
8 advisory board if the person or the person's spouse:

9 (1) is employed by or contracts with the comptroller,
10 an appraisal district, or a taxing unit;

11 (2) owns or controls, directly or indirectly, more
12 than a 10 percent interest in a business entity or other
13 organization receiving money from the comptroller, an appraisal
14 district, or a taxing unit; or

15 (3) receives money from a business entity or other
16 organization receiving money from the comptroller, an appraisal
17 district, or a taxing unit in an amount that exceeds five percent of
18 the person's gross income for the preceding calendar year.

19 SECTION 3. Section 5.05, Tax Code, is amended by adding
20 Subsection (c-1) to read as follows:

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

24 SECTION 4. Sections 5.102(a) and (c), Tax Code, are amended
25 to read as follows:

26 (a) At least once every two years, the comptroller shall
27 review the governance of each appraisal district, taxpayer

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1 assistance provided, and the operating and appraisal standards,
2 procedures, and methodology used by each appraisal district, to
3 determine compliance with generally accepted standards,
4 procedures, and methodology, including compliance with standards,
5 procedures, and methodology prescribed by appraisal manuals
6 prepared and issued by the comptroller. After consultation with
7 the property tax administration advisory board [~~committee created~~
8 ~~under Section 403.302, Government Code~~], the comptroller by rule
9 may establish procedures and standards for conducting and scoring
10 the review.

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

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

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

24 SECTION 5. Section 5.13(d), Tax Code, is amended to read as
25 follows:

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

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

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

10 (3) duplication of effort and efficiency of operation;

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

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

16 SECTION 6. Section 6.03(a), Tax Code, is amended to read as
17 follows:

18 (a) The appraisal district is governed by a board of
19 directors. Five directors are appointed by the taxing units that
20 participate in the district as provided by this section. If the
21 county assessor-collector is not appointed to the board, the county
22 assessor-collector serves as a nonvoting director. The county
23 assessor-collector is ineligible to serve if the board enters into
24 a contract under Section 6.05(b) or if the commissioners court of
25 the county enters into a contract under Section 6.24(b). To be
26 eligible to serve on the board of directors, an individual other
27 than a county assessor-collector serving as a nonvoting director

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1 must:

2 (1) be a resident of the district;

3 (2) [~~and must~~] have resided in the district for at
4 least two years immediately preceding the date the individual takes
5 office; and

6 (3) be an elected county officer or an elected
7 official of a political subdivision all or part of the territory of
8 which is located in the county. [~~An individual who is otherwise~~
9 ~~eligible to serve on the board is not ineligible because of~~
10 ~~membership on the governing body of a taxing unit. An employee of a~~
11 ~~taxing unit that participates in the district is not eligible to~~
12 ~~serve on the board unless the individual is also a member of the~~
13 ~~governing body or an elected official of a taxing unit that~~
14 ~~participates in the district.~~]

15 SECTION 7. Section 6.41, Tax Code, is amended by amending
16 Subsections (b) and (d-9) and adding Subsections (b-1), (b-2), and
17 (d-10) to read as follows:

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

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

24 (b-2) An appraisal district board of directors for a
25 district established in a county described by Subsection (d-1) by
26 resolution of a majority of the board's members shall increase the
27 size of the district's appraisal review board to the number of

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1 members the board of directors considers appropriate to manage the
2 duties of the appraisal review board, including the duties of each
3 special panel established under Section 6.425.

4 (d-9) In selecting individuals who are to serve as members
5 of the appraisal review board, the local administrative district
6 judge shall select an adequate number of qualified individuals to
7 permit the chairman of the appraisal review board to fill the
8 positions on each special panel established under Section 6.425.

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

14 SECTION 8. Section 6.414(d), Tax Code, is amended to read as
15 follows:

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

27 SECTION 9. Section 6.42, Tax Code, is amended by adding

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1 Subsection (d) to read as follows:

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

8 SECTION 10. Subchapter C, Chapter 6, Tax Code, is amended by
9 adding Section 6.425 to read as follows:

10 Sec. 6.425. SPECIAL APPRAISAL REVIEW BOARD PANELS IN
11 CERTAIN DISTRICTS. (a) This section applies only to the appraisal
12 review board for an appraisal district described by Section
13 6.41(b-2).

14 (b) The appraisal review board shall establish a separate
15 special panel for each of the following classifications of property
16 to conduct protest hearings under Chapter 41 relating to property
17 included in that classification:

18 (1) commercial real and personal property;

19 (2) real and personal property of utilities;

20 (3) industrial and manufacturing real and personal
21 property; and

22 (4) multifamily residential real property.

23 (c) The chairman of the appraisal review board may establish
24 additional special panels described by this section to conduct
25 protest hearings relating to property included in a classification
26 described by Subsection (b) if the chairman determines that
27 additional panels are necessary.

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

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

7 (1) hold a juris doctor or equivalent degree;
8 (2) hold a master of business administration degree;
9 (3) be licensed as a certified public accountant under
10 Chapter 901, Occupations Code;

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

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

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

18 (7) have at least 20 years of experience in property
19 tax appraisal or consulting.

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

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

27 (2) the board member being appointed to the panel:

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1 (A) holds a bachelor's degree in any field; or
2 (B) is licensed as a real estate broker or sales
3 agent under Chapter 1101, Occupations Code.

4 SECTION 11. The heading to Section 11.145, Tax Code, is
5 amended to read as follows:

6 Sec. 11.145. INCOME-PRODUCING TANGIBLE PERSONAL PROPERTY
7 HAVING VALUE OF LESS THAN \$2,500 [~~\$500~~].

8 SECTION 12. Section 11.145(a), Tax Code, is amended to read
9 as follows:

10 (a) A person is entitled to an exemption from taxation of
11 the tangible personal property the person owns that is held or used
12 for the production of income if that property has a taxable value of
13 less than \$2,500 [~~\$500~~].

14 SECTION 13. Section 22.23, Tax Code, is amended to read as
15 follows:

16 Sec. 22.23. FILING DATE. (a) Rendition statements and
17 property reports must be delivered to the chief appraiser after
18 January 1 and not later than March [~~April~~] 15, except as provided by
19 Section 22.02.

20 (b) On written request by the property owner, the chief
21 appraiser shall extend a deadline for filing a rendition statement
22 or property report to April [~~May~~] 15. The chief appraiser may
23 further extend the deadline an additional 15 days upon good cause
24 shown in writing by the property owner.

25 SECTION 14. Section 23.01(b), Tax Code, is amended to read
26 as follows:

27 (b) The market value of property shall be determined by the

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1 application of generally accepted appraisal methods and
2 techniques, including appraisal methods and techniques prescribed
3 by appraisal manuals prepared and issued by the comptroller. If
4 the appraisal district determines the appraised value of a property
5 using mass appraisal standards, the mass appraisal standards must
6 comply with the Uniform Standards of Professional Appraisal
7 Practice. The same or similar appraisal methods and techniques
8 shall be used in appraising the same or similar kinds of
9 property. However, each property shall be appraised based upon the
10 individual characteristics that affect the property's market
11 value, and all available evidence that is specific to the value of
12 the property shall be taken into account in determining the
13 property's market value.

14 SECTION 15. Section 25.19, Tax Code, is amended by amending
15 Subsections (a) and (g) and adding Subsection (b-3) to read as
16 follows:

17 (a) By April 15 [~~1~~] or as soon thereafter as practicable [~~if~~
18 ~~the property is a single-family residence that qualifies for an~~
19 ~~exemption under Section 11.13, or by May 1 or as soon thereafter as~~
20 ~~practicable in connection with any other property~~], the chief
21 appraiser shall deliver a clear and understandable written notice
22 to a property owner of the appraised value of the property owner's
23 property if:

24 (1) the appraised value of the property is greater
25 than it was in the preceding year;

26 (2) the appraised value of the property is greater
27 than the value rendered by the property owner;

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1 (3) the property was not on the appraisal roll in the
2 preceding year; or

3 (4) an exemption or partial exemption approved for the
4 property for the preceding year was canceled or reduced for the
5 current year.

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

13 (g) By April 15 [~~1~~] or as soon thereafter as practicable [~~if~~
14 ~~the property is a single-family residence that qualifies for an~~
15 ~~exemption under Section 11.13, or by May 1 or as soon thereafter as~~
16 ~~practicable in connection with any other property]~~, the chief
17 appraiser shall deliver a written notice to the owner of each
18 property not included in a notice required to be delivered under
19 Subsection (a), if the property was reappraised in the current tax
20 year, if the ownership of the property changed during the preceding
21 year, or if the property owner or the agent of a property owner
22 authorized under Section 1.111 makes a written request for the
23 notice. The chief appraiser shall separate real from personal
24 property and include in the notice for each property:

25 (1) the appraised value of the property in the
26 preceding year;

27 (2) the appraised value of the property for the

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1 current year and the kind of each partial exemption, if any,
2 approved for the current year;

3 (3) a detailed explanation of the time and procedure
4 for protesting the value; and

5 (4) the date and place the appraisal review board will
6 begin hearing protests.

7 SECTION 16. Section 25.22(a), Tax Code, is amended to read
8 as follows:

9 (a) By May 1 [~~15~~] or as soon thereafter as practicable, the
10 chief appraiser shall submit the completed appraisal records to the
11 appraisal review board for review and determination of protests.
12 However, the chief appraiser may not submit the records until the
13 chief appraiser has delivered the notices required by Subsection
14 (d) of Section 11.45, Subsection (d) of Section 23.44, Subsection
15 (d) of Section 23.57, Subsection (d) of Section 23.79, Subsection
16 (d) of Section 23.85, Subsection (d) of Section 23.95, Subsection
17 (d) of Section 23.9805, and Section 25.19.

18 SECTION 17. Sections 26.01(a) and (e), Tax Code, are
19 amended to read as follows:

20 (a) By July 10 [~~25~~], the chief appraiser shall prepare and
21 certify to the assessor for each taxing unit participating in the
22 district that part of the appraisal roll for the district that lists
23 the property taxable by the unit. The part certified to the
24 assessor is the appraisal roll for the unit. The chief appraiser
25 shall consult with the assessor for each taxing unit and notify each
26 unit in writing by April 1 of the form in which the roll will be
27 provided to each unit.

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1 (e) Except as provided by Subsection (f), not later than May
2 15 [~~April 30~~], the chief appraiser shall prepare and certify to the
3 assessor for each county, municipality, and school district
4 participating in the appraisal district an estimate of the taxable
5 value of property in that taxing unit. The chief appraiser shall
6 assist each county, municipality, and school district in
7 determining values of property in that taxing unit for the taxing
8 unit's budgetary purposes.

9 SECTION 18. Section 26.04, Tax Code, is amended by amending
10 Subsections (b), (c), and (e) and adding Subsection (c-1) to read as
11 follows:

12 (b) The assessor shall submit the appraisal roll for the
13 unit showing the total appraised, assessed, and taxable values of
14 all property and the total taxable value of new property to the
15 governing body of the unit by July 15 [~~August 1~~] or as soon
16 thereafter as practicable. By July 15 [~~August 1~~] or as soon
17 thereafter as practicable, the taxing unit's collector shall
18 certify an estimate of the collection rate for the current year to
19 the governing body. If the collector certified an anticipated
20 collection rate in the preceding year and the actual collection
21 rate in that year exceeded the anticipated rate, the collector
22 shall also certify the amount of debt taxes collected in excess of
23 the anticipated amount in the preceding year.

24 (c) An officer or employee designated by the governing body
25 shall calculate the effective tax rate and the rollback tax rate for
26 the unit, where:

27 (1) "Effective tax rate" means a rate expressed in

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1 dollars per \$100 of taxable value calculated according to the
2 following formula:

3 EFFECTIVE TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY
4 LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)
5 ; and

6 (2) "Rollback tax rate" means a rate expressed in
7 dollars per \$100 of taxable value calculated according to the
8 following formula:

9 ROLLBACK TAX RATE = (EFFECTIVE MAINTENANCE AND
10 OPERATIONS RATE x 1.04 [~~1.08~~]) + CURRENT DEBT RATE

11 (c-1) Notwithstanding any other provision of this section,
12 the governing body may direct the designated officer or employee to
13 substitute "1.08" for "1.04" in the calculation of the rollback tax
14 rate if any part of the taxing unit is located in an area declared a
15 disaster area during the current tax year by the governor or by the
16 president of the United States.

17 (e) By July 22 [~~August 7~~] or as soon thereafter as
18 practicable, the designated officer or employee shall submit the
19 rates to the governing body. By July 27, the designated officer or
20 employee [He] shall deliver by mail to each property owner in the
21 unit or publish in a newspaper in the form prescribed by the
22 comptroller:

23 (1) the effective tax rate, the rollback tax rate, and
24 an explanation of how they were calculated;

25 (2) the estimated amount of interest and sinking fund
26 balances and the estimated amount of maintenance and operation or
27 general fund balances remaining at the end of the current fiscal

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1 year that are not encumbered with or by corresponding existing debt
2 obligation;

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

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

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

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

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

21 (5) a statement that the adoption of a tax rate equal
22 to the effective tax rate would result in an increase or decrease,
23 as applicable, in the amount of taxes imposed by the unit as
24 compared to last year's levy, and the amount of the increase or
25 decrease;

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

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1 the following elements:

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

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

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

13 (7) in the year following the year in which a taxing
14 unit raised its rollback rate as required by Subsection (j), a
15 schedule that includes the following elements:

16 (A) the amount of property tax revenue spent by
17 the unit to operate the department, function, or activity for which
18 the taxing unit raised the rollback rate as required by Subsection
19 (j) for the 12 months preceding the month in which the calculations
20 required by this chapter are made; and

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

23 SECTION 19. Section 26.041, Tax Code, is amended by
24 amending Subsections (a), (b), and (c) and adding Subsection (c-1)
25 to read as follows:

26 (a) In the first year in which an additional sales and use
27 tax is required to be collected, the effective tax rate and rollback

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

3 EFFECTIVE TAX RATE = $\frac{[(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY}$
4 $\text{LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})]}{\text{SALES TAX GAIN RATE}}$

6 and

7 ROLLBACK TAX RATE = (EFFECTIVE MAINTENANCE AND
8 OPERATIONS RATE x 1.04 [~~1.08~~]) + CURRENT DEBT RATE -
9 SALES TAX GAIN RATE

10 where "sales tax gain rate" means a number expressed in dollars per
11 \$100 of taxable value, calculated by dividing the revenue that will
12 be generated by the additional sales and use tax in the following
13 year as calculated under Subsection (d) [~~of this section~~] by the
14 current total value.

15 (b) Except as provided by Subsections (a) and (c) [~~of this~~
16 ~~section~~], in a year in which a taxing unit imposes an additional
17 sales and use tax the rollback tax rate for the unit is calculated
18 according to the following formula, regardless of whether the unit
19 levied a property tax in the preceding year:

20 ROLLBACK TAX RATE = $\frac{[(\text{LAST YEAR'S MAINTENANCE AND}$
21 $\text{OPERATIONS EXPENSE} \times \text{1.04} [\text{1.08}]) / ((\text{TOTAL}] \text{CURRENT}$
22 $\text{TOTAL VALUE} - \text{NEW PROPERTY VALUE})]}{+ (\text{CURRENT DEBT RATE}$
23 $-\text{SALES TAX REVENUE RATE})}$

24 where "last year's maintenance and operations expense" means the
25 amount spent for maintenance and operations from property tax and
26 additional sales and use tax revenues in the preceding year, and
27 "sales tax revenue rate" means a number expressed in dollars per

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1 \$100 of taxable value, calculated by dividing the revenue that will
2 be generated by the additional sales and use tax in the current year
3 as calculated under Subsection (d) [~~of this section~~] by the current
4 total value.

5 (c) In a year in which a taxing unit that has been imposing
6 an additional sales and use tax ceases to impose an additional sales
7 and use tax the effective tax rate and rollback tax rate for the
8 unit are calculated according to the following formulas:

9 EFFECTIVE TAX RATE = [(LAST YEAR'S LEVY - LOST PROPERTY
10 LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] +
11 SALES TAX LOSS RATE

12 and

13 ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND
14 OPERATIONS EXPENSE x 1.04 [~~1.08~~]) / (~~[TOTAL]~~ CURRENT
15 TOTAL VALUE - NEW PROPERTY VALUE)] + CURRENT DEBT RATE

16 where "sales tax loss rate" means a number expressed in dollars per
17 \$100 of taxable value, calculated by dividing the amount of sales
18 and use tax revenue generated in the last four quarters for which
19 the information is available by the current total value and "last
20 year's maintenance and operations expense" means the amount spent
21 for maintenance and operations from property tax and additional
22 sales and use tax revenues in the preceding year.

23 (c-1) Notwithstanding any other provision of this section,
24 the governing body may direct the designated officer or employee to
25 substitute "1.08" for "1.04" in the calculation of the rollback tax
26 rate if any part of the taxing unit is located in an area declared a
27 disaster area during the current tax year by the governor or by the

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1 president of the United States.

2 SECTION 20. Section 26.05(a), Tax Code, is amended to read
3 as follows:

4 (a) The governing body of each taxing unit[~~, before the~~
5 ~~later of September 30 or the 60th day after the date the certified~~
6 ~~appraisal roll is received by the taxing unit,~~] shall adopt a tax
7 rate for the current tax year and shall notify the assessor for the
8 unit of the rate adopted. The governing body must adopt a tax rate
9 before the later of September 30 or the 60th day after the date the
10 certified appraisal roll is received by the taxing unit, except
11 that the governing body must adopt a tax rate that exceeds the
12 rollback tax rate before August 15. The tax rate consists of two
13 components, each of which must be approved separately. The
14 components are:

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

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

24 SECTION 21. Section 26.06(e), Tax Code, is amended to read
25 as follows:

26 (e) The meeting to vote on the tax increase may not be
27 earlier than the third day or later than the seventh [~~14th~~] day

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1 after the date of the second public hearing. The meeting must be
2 held inside the boundaries of the taxing unit in a publicly owned
3 building or, if a suitable publicly owned building is not
4 available, in a suitable building to which the public normally has
5 access. If the governing body does not adopt a tax rate that
6 exceeds the lower of the rollback tax rate or the effective tax rate
7 by the seventh [~~14th~~] day, it must give a new notice under
8 Subsection (d) before it may adopt a rate that exceeds the lower of
9 the rollback tax rate or the effective tax rate.

10 SECTION 22. The heading to Section 26.08, Tax Code, is
11 amended to read as follows:

12 Sec. 26.08. ELECTION TO RATIFY TAX RATE [~~SCHOOL TAXES~~].

13 SECTION 23. Sections 26.08(a), (b), (d), (d-1), (d-2), (e),
14 and (h), Tax Code, are amended to read as follows:

15 (a) If the governing body of a taxing unit [~~school district~~]
16 adopts a tax rate that exceeds the taxing unit's [~~district's~~]
17 rollback tax rate, the registered voters of the taxing unit
18 [~~district~~] at an election held for that purpose must determine
19 whether to approve the adopted tax rate. When increased
20 expenditure of money by a taxing unit [~~school district~~] is
21 necessary to respond to a disaster, including a tornado, hurricane,
22 flood, or other calamity, but not including a drought, that has
23 impacted the taxing unit [~~a school district~~] and the governor has
24 requested federal disaster assistance for the area in which the
25 taxing unit [~~school district~~] is located, an election is not
26 required under this section to approve the tax rate adopted by the
27 governing body for the year following the year in which the disaster

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1 occurs.

2 (b) The governing body shall order that the election be held
3 in the taxing unit [~~school district~~] on the uniform election date
4 prescribed by [~~a date not less than 30 or more than 90 days after the~~
5 ~~day on which it adopted the tax rate.~~] Section 41.001, Election
6 Code, that occurs in November of the applicable tax year. The order
7 calling the election may not be issued later than August 15 [~~does~~
8 ~~not apply to the election unless a date specified by that section~~
9 ~~falls within the time permitted by this section~~]. At the election,
10 the ballots shall be prepared to permit voting for or against the
11 proposition: "Approving the ad valorem tax rate of \$_____ per \$100
12 valuation in (name of taxing unit [~~school district~~]) for the
13 current year, a rate that is \$_____ higher per \$100 valuation than
14 the [~~school district~~] rollback tax rate of (name of taxing unit),
15 for the purpose of (description of purpose of increase)." The
16 ballot proposition must include the adopted tax rate and the
17 difference between that rate and the rollback tax rate in the
18 appropriate places.

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

23 (d-1) If, after tax bills for the taxing unit [~~school~~
24 ~~district~~] have been mailed, a proposition to approve the taxing
25 unit's [~~school district's~~] adopted tax rate is not approved by the
26 voters of the taxing unit [~~district~~] at an election held under this
27 section, on subsequent adoption of a new tax rate by the governing

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1 body of the taxing unit [~~district~~], the assessor for the taxing unit
2 [~~school~~] shall prepare and mail corrected tax bills. The assessor
3 shall include with each bill a brief explanation of the reason for
4 and effect of the corrected bill. The date on which the taxes
5 become delinquent for the year is extended by a number of days equal
6 to the number of days between the date the first tax bills were sent
7 and the date the corrected tax bills were sent.

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

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

27 (h) For purposes of this section, increases in taxable

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1 values and tax levies occurring within a reinvestment zone under
2 Chapter 311 (Tax Increment Financing Act), in which a school [~~the~~]
3 district is a participant, shall be eliminated from the calculation
4 of the tax rate adopted by the governing body of the school
5 district.

6 SECTION 24. Section 26.16(d), Tax Code, is amended to read
7 as follows:

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

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

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

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

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

25 "The effective tax rate is the tax rate that would generate
26 the same amount of revenue in the current tax year as was generated
27 by a taxing unit's adopted tax rate in the preceding tax year from

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1 property that is taxable in both the current tax year and the
2 preceding tax year.

3 "The effective maintenance and operations rate is the tax
4 rate that would generate the same amount of revenue for maintenance
5 and operations in the current tax year as was generated by a taxing
6 unit's maintenance and operations rate in the preceding tax year
7 from property that is taxable in both the current tax year and the
8 preceding tax year.

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

17 SECTION 25. Sections 31.12(a) and (b), Tax Code, are
18 amended to read as follows:

19 (a) If a refund of a tax provided by Section 11.431(b),
20 26.08(d-2) [~~26.07(g)~~], 26.15(f), 31.11, or 31.111 is paid on or
21 before the 60th day after the date the liability for the refund
22 arises, no interest is due on the amount refunded. If not paid on or
23 before that 60th day, the amount of the tax to be refunded accrues
24 interest at a rate of one percent for each month or part of a month
25 that the refund is unpaid, beginning with the date on which the
26 liability for the refund arises.

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

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1 arises:

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

5 (2) if the refund is required by Section 26.08(d-2)
6 [~~26.07(g)~~], on the date the results of the election to reduce the
7 tax rate are certified;

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

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

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

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

21 (5) if the refund is required by Section 31.111, on the
22 date the collector for the taxing unit determines that the payment
23 was erroneous.

24 SECTION 26. Section 33.08(b), Tax Code, is amended to read
25 as follows:

26 (b) The governing body of the taxing unit or appraisal
27 district, in the manner required by law for official action, may

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1 provide that taxes that become delinquent on or after June 1 under
2 Section 26.08(d-1) [~~26.07(f)~~], 26.15(e), 31.03, 31.031, 31.032,
3 31.04, or 42.42 incur an additional penalty to defray costs of
4 collection. The amount of the penalty may not exceed the amount of
5 the compensation specified in the applicable contract with an
6 attorney under Section 6.30 to be paid in connection with the
7 collection of the delinquent taxes.

8 SECTION 27. Section 41.03(a), Tax Code, is amended to read
9 as follows:

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

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

15 [~~(2)~~] an exclusion of property from the appraisal
16 records;

17 (2) [~~(3)~~] a grant in whole or in part of a partial
18 exemption;

19 (3) [~~(4)~~] a determination that land qualifies for
20 appraisal as provided by Subchapter C, D, E, or H, Chapter 23; or

21 (4) [~~(5)~~] failure to identify the taxing unit as one
22 in which a particular property is taxable.

23 SECTION 28. Section 41.11(a), Tax Code, is amended to read
24 as follows:

25 (a) Not later than the date the appraisal review board
26 approves the appraisal records as provided by Section 41.12, the
27 secretary of the board shall deliver written notice to a property

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1 owner of any change in the records that is ordered by the board as
2 provided by this subchapter and that will result in an increase in
3 the tax liability of the property owner. An owner who receives a
4 notice as provided by this section shall be entitled to protest such
5 action as provided by Section 41.44(a)(2) [~~41.44(a)(3)~~].

6 SECTION 29. Section 41.12(a), Tax Code, is amended to read
7 as follows:

8 (a) By July 5 [~~20~~], the appraisal review board shall:

9 (1) hear and determine all or substantially all timely
10 filed protests;

11 (2) determine all timely filed challenges;

12 (3) submit a list of its approved changes in the
13 records to the chief appraiser; and

14 (4) approve the records.

15 SECTION 30. Sections 41.44(a), (b-1), (c), and (d), Tax
16 Code, are amended to read as follows:

17 (a) Except as provided by Subsections (b), (b-1), (c),
18 (c-1), and (c-2), to be entitled to a hearing and determination of a
19 protest, the property owner initiating the protest must file a
20 written notice of the protest with the appraisal review board
21 having authority to hear the matter protested:

22 (1) before May 15 [~~1~~] or not later than the 30th day
23 after the date that notice to the property owner was delivered to
24 the property owner as provided by Section 25.19, [~~if the property is~~
25 ~~a single-family residence that qualifies for an exemption under~~
26 ~~Section 11.13,~~] whichever is later;

27 (2) [~~before June 1 or not later than the 30th day after~~

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1 ~~the date that notice was delivered to the property owner as provided~~
2 ~~by Section 25.19 in connection with any other property, whichever~~
3 ~~is later,~~

4 ~~(3)~~ in the case of a protest of a change in the
5 appraisal records ordered as provided by Subchapter A of this
6 chapter or by Chapter 25, not later than the 30th day after the date
7 notice of the change is delivered to the property owner;

8 (3) ~~(4)~~ in the case of a determination that a change
9 in the use of land appraised under Subchapter C, D, E, or H, Chapter
10 23, has occurred, not later than the 30th day after the date the
11 notice of the determination is delivered to the property owner; or

12 (4) ~~(5)~~ in the case of a determination of
13 eligibility for a refund under Section 23.1243, not later than the
14 30th day after the date the notice of the determination is delivered
15 to the property owner.

16 (b-1) Notwithstanding Subsection (a)(1), an owner of a
17 single-family residence that qualifies for an exemption under
18 Section 11.13 ~~[property described by that subsection]~~ who files a
19 notice of protest after the deadline prescribed by that subsection
20 but before the appraisal review board approves the appraisal
21 records is entitled to a hearing and determination of the protest if
22 the property owner files the notice before June 1.

23 (c) A property owner who files notice of a protest
24 authorized by Section 41.411 is entitled to a hearing and
25 determination of the protest if the property owner files the notice
26 prior to the date the taxes on the property to which the notice
27 applies become delinquent. An owner of land who files a notice of

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1 protest under Subsection (a)(3) [~~(a)(4)~~] is entitled to a hearing
2 and determination of the protest without regard to whether the
3 appraisal records are approved.

4 (d) A notice of protest is sufficient if it identifies the
5 protesting property owner, including a person claiming an ownership
6 interest in the property even if that person is not listed on the
7 appraisal records as an owner of the property, identifies the
8 property that is the subject of the protest, and indicates apparent
9 dissatisfaction with some determination of the appraisal office.
10 The notice need not be on an official form, but the comptroller
11 shall prescribe a form that provides for more detail about the
12 nature of the protest. The form must permit a property owner to
13 include each property in the appraisal district that is the subject
14 of a protest. The form must permit a property owner to request that
15 the protest be heard by a special panel established under Section
16 6.425 if the protest will be determined by an appraisal review board
17 to which that section applies and the property is included in a
18 classification described by that section. The comptroller, each
19 appraisal office, and each appraisal review board shall make the
20 forms readily available and deliver one to a property owner on
21 request.

22 SECTION 31. Section 41.45, Tax Code, is amended by amending
23 Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to
24 read as follows:

25 (d) This subsection does not apply to a special panel
26 established under Section 6.425. An appraisal review board
27 consisting of more than three members may sit in panels of not fewer

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1 than three members to conduct protest hearings. [~~However, the~~
2 ~~determination of a protest heard by a panel must be made by the~~
3 ~~board.~~] If the recommendation of a panel is not accepted by the
4 board, the board may refer the matter for rehearing to a panel
5 composed of members who did not hear the original hearing or, if
6 there are not at least three members who did not hear the original
7 protest, the board may determine the protest. [~~Before determining a~~
8 ~~protest or conducting a rehearing before a new panel or the board,~~
9 ~~the board shall deliver notice of the hearing or meeting to~~
10 ~~determine the protest in accordance with the provisions of this~~
11 ~~subchapter.~~]

12 (d-1) An appraisal review board to which Section 6.425
13 applies shall sit in special panels established under that section
14 to conduct protest hearings. A special panel may conduct a protest
15 hearing relating to property only if the property is included in the
16 classification for which the panel was established and the property
17 owner has requested that the panel conduct the hearing. The board
18 may rehear a protest heard by a special panel if the board elects
19 not to accept the recommendation of the panel.

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

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

26 SECTION 32. Section 41.66, Tax Code, is amended by amending
27 Subsection (k) and adding Subsection (k-1) to read as follows:

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

19 (k-1) On the request of a property owner, an appraisal
20 review board to which Section 6.425 applies shall assign a protest
21 relating to property included in a classification described by that
22 section to the special panel established to conduct protest
23 hearings relating to property included in that classification. If
24 the board has established more than one special panel to conduct
25 protest hearings relating to property included in a particular
26 classification, protests relating to property included in that
27 classification shall be randomly assigned to those special panels.

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

12 SECTION 33. Section 41.71, Tax Code, is amended to read as
13 follows:

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

17 (b) The board may not schedule:

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

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

21 SECTION 34. Section 41A.01, Tax Code, is amended to read as
22 follows:

23 Sec. 41A.01. RIGHT OF APPEAL BY PROPERTY OWNER. As an
24 alternative to filing an appeal under Section 42.01, a property
25 owner is entitled to appeal through binding arbitration under this
26 chapter an appraisal review board order determining a protest filed
27 under Section 41.41(a)(1) or (2) concerning the appraised or market

7-30

1 value of property if:

2 (1) the property qualifies as the owner's residence
3 homestead under Section 11.13; or

4 (2) the appraised or market value, as applicable, of
5 the property as determined by the order is \$5 [~~\$3~~] million or less.

6 SECTION 35. Section 41A.03(a), Tax Code, is amended to read
7 as follows:

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

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

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

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

20 (B) \$500, if the property qualifies as the
21 owner's residence homestead under Section 11.13 and the appraised
22 or market value, as applicable, of the property is more than
23 \$500,000, as determined by the order;

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

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

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

11 (F) \$1,250, if the property does not qualify as
12 the owner's residence homestead under Section 11.13 and the
13 appraised or market value, as applicable, of the property is more
14 than \$3 million but not more than \$5 million, as determined by the
15 order.

16 SECTION 36. Section 41A.06(b), Tax Code, is amended to read
17 as follows:

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

20 (1) meet the following requirements, as applicable:

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

22 (B) have:

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

26 (ii) been licensed or certified
27 continuously during the five years preceding the date the person

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1 agrees to serve as an arbitrator as:

2 (a) a real estate broker or sales
3 agent [~~salesperson~~] under Chapter 1101, Occupations Code;

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

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

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

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

14 (B) \$450, if the property qualifies as the
15 owner's residence homestead under Section 11.13 and the appraised
16 or market value, as applicable, of the property is more than
17 \$500,000, as determined by the order;

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

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

26 [~~or~~]

27 (E) \$1,000, if the property does not qualify as

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

5 (F) \$1,200, if the property does not qualify as
6 the owner's residence homestead under Section 11.13 and the
7 appraised or market value, as applicable, of the property is more
8 than \$3 million but not more than \$5 million, as determined by the
9 order.

10 SECTION 37. Section 130.016(b), Education Code, is amended
11 to read as follows:

12 (b) If the board of trustees of an independent school
13 district that divests itself of the management, control, and
14 operation of a junior college district under this section or under
15 Section 130.017 [~~of this code~~] was authorized by [~~Subsection (e)~~
16 ~~of~~] Section 45.105(e) or former Section 20.48(e) [~~20.48 of~~
17 ~~this code~~] to dedicate a portion of its tax levy to the junior
18 college district before the divestment, the junior college district
19 may levy an ad valorem tax from and after the divestment. In the
20 first two years in which the junior college district levies an ad
21 valorem tax, the tax rate adopted by the governing body may not
22 exceed the rate that, if applied to the total taxable value
23 submitted to the governing body under Section 26.04, Tax Code,
24 would impose an amount equal to the amount of taxes of the school
25 district dedicated to the junior college under [~~Subsection (e) of~~
26 Section 45.105(e) or former Section 20.48(e) [~~20.48 of this code~~]
27 in the last dedication before the divestment. In subsequent years,

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1 the tax rate of the junior college district is subject to Section
2 26.08 [~~26.07~~], Tax Code.

3 SECTION 38. Section 403.302(o), Government Code, is amended
4 to read as follows:

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

9 SECTION 39. Sections 281.124(d) and (e), Health and Safety
10 Code, are amended to read as follows:

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

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

21 SECTION 40. Sections 140.010(d) and (e), Local Government
22 Code, are amended to read as follows:

23 (d) A county or municipality that proposes a property tax
24 rate that does not exceed the [~~lower of the effective tax rate or~~
25 ~~the~~] rollback tax rate shall provide the following notice:

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

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

5 PROPOSED TAX RATE \$_____ per \$100

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

7 EFFECTIVE TAX RATE \$_____ per \$100

8 "The effective tax rate is the total tax rate needed to raise the
9 same amount of property tax revenue for (insert name of county or
10 municipality) from the same properties in both the (insert
11 preceding tax year) tax year and the (insert current tax year) tax
12 year.

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

14 FOLLOWS:

15
$$\text{property tax amount} = \frac{(\text{rate}) \times (\text{taxable value of your property})}{100}$$

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

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

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

22 (insert address)

23 (insert telephone number)

24 (insert e-mail address)

25 (insert Internet website address, if applicable)"

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26 (e) A county or municipality that proposes a property tax
27 rate that exceeds the [~~lower of the effective tax rate or the~~]

1 rollback tax rate shall provide the following notice:

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

4 "A tax rate of \$_____ per \$100 valuation has been proposed for
5 adoption by the governing body of (insert name of county or
6 municipality). This rate exceeds the [~~lower of the effective or~~]
7 rollback tax rate, and state law requires that two public hearings
8 be held by the governing body before adopting the proposed tax
9 rate. The governing body of (insert name of county or
10 municipality) proposes to use revenue attributable to the tax rate
11 increase for the purpose of (description of purpose of increase).

12	PROPOSED TAX RATE	\$_____ per \$100
13	PRECEDING YEAR'S TAX RATE	\$_____ per \$100
14	EFFECTIVE TAX RATE	\$_____ per \$100
15	ROLLBACK TAX RATE	\$_____ per \$100

16 "The effective tax rate is the total tax rate needed to raise the
17 same amount of property tax revenue for (insert name of county or
18 municipality) from the same properties in both the (insert
19 preceding tax year) tax year and the (insert current tax year) tax
20 year.

21 "The rollback tax rate is the highest tax rate that (insert name of
22 county or municipality) may adopt without holding [~~before voters~~
23 ~~are entitled to petition for~~] an election to ratify [~~limit~~]
24 [~~that may be approved to the rollback rate~~].

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

26 FOLLOWS:

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

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"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)."

SECTION 41. Section 1101.254(f), Special District Local
Laws Code, is amended to read as follows:

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

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SECTION 42. Sections 1122.2522, 3828.157, and 8876.152,
Special District Local Laws Code, are amended to read as follows:

1 Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE.

2 ~~[(a)]~~ If in any year the board adopts a tax rate that exceeds the
3 rollback tax rate calculated as provided by Chapter 26, Tax Code,
4 ~~[the qualified voters of the district by petition may require that]~~
5 an election under Section 26.08 of that code must be held to
6 determine whether or not to approve ~~[reduce]~~ the tax rate adopted by
7 the board for that year ~~[to the rollback tax rate]~~.

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

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

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

17 (b) Sections 49.236(a)(1) and (2) and (b) ~~[Section 49.236]~~,
18 Water Code, apply ~~[as added by Chapter 248 (H.B. 1541), Acts of the~~
19 ~~78th Legislature, Regular Session, 2003, applies]~~ to the district.

20 SECTION 43. Section 49.107(g), Water Code, is amended to
21 read as follows:

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

26 SECTION 44. Section 49.108(f), Water Code, is amended to
27 read as follows:

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

4 SECTION 45. Section 49.236, Water Code, as added by Chapter
5 335 (S.B. 392), Acts of the 78th Legislature, Regular Session,
6 2003, is amended by amending Subsections (a) and (d) and adding
7 Subsection (e) to read as follows:

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

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

15 "NOTICE OF PUBLIC HEARING ON TAX RATE

16 "The (name of the district) will hold a public hearing on a
17 proposed tax rate for the tax year (year of tax levy) on (date and
18 time) at (meeting place). Your individual taxes may increase or
19 decrease, depending on the change in the taxable value of your
20 property in relation to the change in taxable value of all other
21 property and the tax rate that is adopted.

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

25 (2) contain the following information:

26 (A) the district's total adopted tax rate for the
27 preceding year and the proposed tax rate, expressed as an amount per

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1 \$100;

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

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

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

21 (E) the amount of tax that would be imposed by the
22 district in the current year on a residence homestead appraised at
23 the average appraised value of a residence homestead in that year,
24 disregarding any homestead exemption available only to disabled
25 persons or persons 65 years of age or older, if the proposed tax
26 rate is adopted; ~~and~~ 7-47

27 (F) the difference between the amounts of tax

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

6 (G) if the proposed combined debt service,
7 operation and maintenance, and contract tax rate exceeds the
8 rollback tax rate, a description of the purpose of the proposed tax
9 increase; and

10 (3) contain a statement in substantially the following
11 form:

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

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

19 (d) If the governing body of a district adopts a combined
20 debt service, operation and maintenance, and contract tax rate that
21 exceeds the rollback tax rate, [~~would impose more than 1.08 times~~
22 ~~the amount of tax imposed by the district in the preceding year on a~~
23 ~~residence homestead appraised at the average appraised value of a~~
24 ~~residence homestead in the district in that year, disregarding any~~
25 ~~homestead exemption available only to disabled persons or persons~~
26 ~~65 years of age or older, the qualified voters of the district by~~
27 ~~petition may require that~~] an election must be held to determine

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1 whether [~~or not~~] to ratify [~~reduce~~] the tax rate adopted for the
2 current year [~~to the rollback tax rate~~] in accordance with the
3 procedures provided by Sections 26.08(b)-(d) [~~26.07(b)-(g) and~~
4 ~~26.081~~], Tax Code. For purposes of Sections 26.08(b)-(d)
5 [~~26.07(b)-(g)~~] and this section [~~subsection~~], the rollback tax rate
6 is the sum of the following tax rates:

7 (1) the current year's debt service tax rate;
8 (2) the current year's [~~and~~] contract tax rate; and
9 (3) [~~rates plus~~] the operation and maintenance tax
10 rate that would impose 1.04 [~~1.08~~] times the amount of the operation
11 and maintenance tax imposed by the district in the preceding year on
12 a residence homestead appraised at the average appraised value of a
13 residence homestead in the district in that year, disregarding any
14 homestead exemption available only to disabled persons or persons
15 65 years of age or older.

16 (e) Notwithstanding any other provision of this section,
17 the board may substitute "eight percent" for "four percent" in
18 Subsection (a) and "1.08" for "1.04" in Subsection (d) if any part
19 of the district is located in an area declared a disaster area
20 during the current tax year by the governor or by the president of
21 the United States.

22 SECTION 46. The following provisions are repealed:

- 23 (1) Sections 403.302(m-1) and (n), Government Code;
24 (2) Section 1063.255, Special District Local Laws
25 Code;
26 (3) Section 26.07, Tax Code;
27 (4) Section 49.236, Water Code, as added by Chapter
- 7-419

1 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,
2 2003; and

3 (5) Section 49.2361, Water Code.

4 SECTION 47. The changes in law made by this Act relating to
5 the ad valorem tax rate of a taxing unit apply beginning with the
6 2018 tax year.

7 SECTION 48. Sections 5.05, 5.102, 5.13, and 23.01, Tax
8 Code, as amended by this Act, apply only to the appraisal of
9 property for ad valorem tax purposes for a tax year beginning on or
10 after January 1, 2018.

11 SECTION 49. Section 6.03(a), Tax Code, as amended by this
12 Act, does not affect the right of a person serving on the board of
13 directors of an appraisal district on January 1, 2018, to complete
14 the person's term on the board.

15 SECTION 50. Section 6.41(d-9), Tax Code, as amended by this
16 Act, and Section 6.41(d-10), Tax Code, as added by this Act, apply
17 only to the appointment of appraisal review board members to terms
18 beginning on or after January 1, 2019.

19 SECTION 51. Section 6.42(d), Tax Code, as added by this Act,
20 applies only to a recommendation, determination, decision, or other
21 action by an appraisal review board or a panel of such a board on or
22 after January 1, 2018. A recommendation, determination, decision,
23 or other action by an appraisal review board or a panel of such a
24 board before January 1, 2018, is governed by the law as it existed
25 immediately before that date, and that law is continued in effect
26 for that purpose.

27 SECTION 52. Section 11.145, Tax Code, as amended by this

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1 Act, applies only to ad valorem taxes imposed for a tax year
2 beginning on or after January 1, 2018.

3 SECTION 53. Section 25.19(b-3), Tax Code, as added by this
4 Act, applies only to a notice of appraised value for a tax year
5 beginning on or after January 1, 2019. A notice of appraised value
6 for a tax year beginning before January 1, 2019, is governed by the
7 law in effect immediately before that date, and that law is
8 continued in effect for that purpose.

9 SECTION 54. Section 41.03(a), Tax Code, as amended by this
10 Act, applies only to a challenge under Chapter 41, Tax Code, for
11 which a challenge petition is filed on or after January 1, 2018. A
12 challenge under Chapter 41, Tax Code, for which a challenge
13 petition was filed before January 1, 2018, is governed by the law in
14 effect on the date the challenge petition was filed, and the former
15 law is continued in effect for that purpose.

16 SECTION 55. Sections 41.45 and 41.66, Tax Code, as amended
17 by this Act, apply only to a protest filed under Chapter 41, Tax
18 Code, on or after January 1, 2019. A protest filed under that
19 chapter before January 1, 2019, is governed by the law in effect on
20 the date the protest was filed, and the former law is continued in
21 effect for that purpose.

22 SECTION 56. Section 41.71, Tax Code, as amended by this Act,
23 applies only to a hearing on a protest under Chapter 41, Tax Code,
24 that is scheduled on or after January 1, 2018. A hearing on a
25 protest under Chapter 41, Tax Code, that is scheduled before
26 January 1, 2018, is governed by the law in effect on the date the
27 hearing was scheduled, and that law is continued in effect for that

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1 purpose.

2 SECTION 57. Sections 41A.01, 41A.03, and 41A.06, Tax Code,
3 as amended by this Act, apply only to a request for binding
4 arbitration under Chapter 41A, Tax Code, that is filed on or after
5 January 1, 2018. A request for binding arbitration under Chapter
6 41A, Tax Code, that is filed before January 1, 2018, is governed by
7 the law in effect on the date the request is filed, and the former
8 law is continued in effect for that purpose.

9 SECTION 58. (a) Except as provided by Subsection (b) of
10 this section, this Act takes effect January 1, 2018.

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

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

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

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

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

19 (5) Section 25.19(b-3), Tax Code, as added by this
20 Act;

21 (6) Section 41.44(d), Tax Code, as amended by this
22 Act;

23 (7) Section 41.45(d), Tax Code, as amended by this
24 Act;

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

27 (9) Section 41.66(k), Tax Code, as amended by this

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1 Act; and

2 (10) Section 41.66(k-1), Tax Code, as added by this

3 Act.

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**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: March 9, 2017

NAME & TITLE: Council Members

DEPARTMENT: City Council

ITEM

Discussion and action to approve Resolution No. 2017-12 in opposition to House Bill 15 relating to revenue caps and legislative interference with local services.

ITEM BACKGROUND

BUDGET/FINANCIAL SUMMARY

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

Sent to Legal: YES: _____ NO: _____
Approved by Legal: YES: _____ NO: _____

Comments:

RECOMMENDATIONS/COMMENTS



RESOLUTION NO. 2017-12

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS, IN OPPOSITION TO HOUSE BILL 15 RELATING TO REVENUE CAPS AND LEGISLATIVE INTERFERENCE WITH LOCAL SERVICES.

WHEREAS, Texas Local Government Code 51.001 states, “the governing body of a municipality may adopt, publish, amend, or repeal an ordinance, rule, or police regulation that is for the good government, peace, or order of the municipality... and is necessary for carrying out a power granted by law to the municipality or to an office or department of the municipality”; and

WHEREAS, during the 85th Legislative Session bills were introduced to, directly or indirectly, cap the amount of property tax revenue cities can collect each year in an expressed effort to reduce the property tax burden on homeowners and businesses; and

WHEREAS, currently, if a Texas city increases property tax collections by more than eight percent over the previous year, voters can petition for an election to roll-back the increase – ensuring local direction related to large increases; and

WHEREAS, bills were introduced to replace that eight percent “rollback rate” with a hard cap of four percent and require mandatory elections on an increase over four percent – all with the expressed claim that this would provide property tax relief; and

WHEREAS, according to the state Comptroller’s Office, Texas cities only account for 16 percent of property taxes levied in Texas, with most property taxes being paid to school districts; and

WHEREAS, such savings to individual taxpayers would be miniscule or non-existent, however a four percent cap could result a loss in vital city services, such as public safety and infrastructure investment; and

WHEREAS, the reduction of city services related to increased cost and stagnant income pose a health and safety threat to the residents of Texas for years to come; and

WHEREAS, state law lists 36 functions of local governmental responsibility including police protection, fire protection, health and sanitation, street construction and maintenance, transportation systems, jails, emergency services, and public utilities including water & sewer; and

WHEREAS, restrictions on the ability of local elected officials to meet local needs expressed by local citizens centralizes authority and restricts local autonomy; and

WHEREAS, cities must retain the autonomy to establish locally developed budgets and associated Ad Valorem tax rates at their discretion to meet the requirements of Texas Local Government Code 51.001; and

WHEREAS, the members of the City Council of the City of South Padre Island finds that the most appropriate way to protect its citizens is through the establishment of a locally developed budget and Ad Valorem tax rate establishment process without undue restrictions imposed by the Texas Legislature.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of South Padre Island, Texas:

Section 1. Imposing a revenue cap on cities (a) does not provide meaningful tax relief; (b) robs cities of the ability to meet local needs; and (c) diverts attention from other taxing entities; and

Section 2. The members of the City Council of the City of South Padre Island opposes the legislative imposition of a revenue cap and other legislative interference with local services; and

Section 3. The members of the City Council of the City of South Padre Island feels it is necessary to establish Ad Valorem Tax Rates locally without additional revenue and appraisal restrictions to meet the health and safety needs of residents locally through the provision of statutorily required and allowable activities.

Section 4. The decrease of a roll back rate from 8% to 4% adversely impacts cities with an already low tax rate as 4% of a tax rate of 70 cents (as some cities have) is much greater than 4% of 30 cents (as South Padre Island has)

PASSED, APPROVED AND ADOPTED on this the 9th day of March 2017

CITY OF SOUTH PADRE ISLAND, TEXAS

Bharat R. Patel, Mayor

ATTEST:

Susan M. Hill, City Secretary

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By: Bonnen of Brazoria

H.B. No. 15

A BILL TO BE ENTITLED

AN ACT

1 relating to ad valorem taxation.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

3 SECTION 1. This Act may be cited as the Property Tax Payer
4 Empowerment Act of 2017.

5 SECTION 2. Section 5.07, Tax Code, is amended by adding
6 Subsection (f) to read as follows:

7 (f) The comptroller shall prescribe the form of the
8 worksheets to be used by the designated officer or employee of each
9 taxing unit in calculating the no new taxes tax rate and rollback
10 tax rate for the unit as required by Chapter 26. The form must be in
11 an electronic format and be capable of:

12 (1) being completed electronically;

13 (2) performing calculations automatically based on
14 the data entered by the designated officer or employee;

15 (3) being certified by the designated officer or
16 employee after completion; and

17 (4) being submitted electronically to the comptroller
18 on completion and certification.

19 SECTION 3. Section 5.091, Tax Code, is amended to read as
20 follows:

21 Sec. 5.091. STATEWIDE LIST OF TAX RATES. (a) Each year the
22 comptroller shall prepare a list that includes the total tax rate
23 imposed by each taxing unit in this state[, ~~other than a school~~
24

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1 ~~district, if the tax rate is reported to the comptroller,]~~ for the
2 year [~~preceding the year~~] in which the list is prepared. The
3 comptroller shall list the tax rates alphabetically according to:

4 (1) the county or counties in which each taxing unit is
5 located; and

6 (2) the name of each taxing unit [~~in descending~~
7 ~~order~~].

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

11 SECTION 4. Chapter 5, Tax Code, is amended by adding Section
12 5.092 to read as follows:

13 Sec. 5.092. STATEWIDE DATABASE OF OTHER
14 PROPERTY-TAX-RELATED INFORMATION. (a) The comptroller shall
15 create and maintain a property tax database that:

16 (1) contains information that is provided by
17 designated officers or employees of taxing units in the manner
18 required by the comptroller;

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

22 (3) is accessible to the public; and

23 (4) is searchable by property address.

24 (b) The database must include, with respect to each property
25 listed on an appraisal roll:

26 (1) the property's identification number;

27 (2) the property's market value;

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- 1 (3) the property's taxable value;
2 (4) the name of each taxing unit in which the property
3 is located;
4 (5) for each taxing unit other than a school district
5 in which the property is located:
6 (A) the no new taxes tax rate; and
7 (B) the rollback tax rate;
8 (6) for each school district in which the property is
9 located:
10 (A) the rate to maintain the same amount of state
11 and local revenue per weighted student that the district received
12 in the school year beginning in the preceding tax year; and
13 (B) the rollback tax rate;
14 (7) the tax rate proposed by the governing body of each
15 taxing unit in which the property is located;
16 (8) for each taxing unit other than a school district
17 in which the property is located, the taxes that would be imposed on
18 the property if the unit adopted a tax rate equal to:
19 (A) the no new taxes tax rate; and
20 (B) the proposed tax rate;
21 (9) for each school district in which the property is
22 located, the taxes that would be imposed on the property if the unit
23 adopted a tax rate equal to:
24 (A) the rate to maintain the same amount of state
25 and local revenue per weighted student that the district received
26 in the school year beginning in the preceding tax year; and
27 (B) the proposed tax rate;

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

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

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

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

15 (c) The database must provide a link to the information
16 posted under Section 26.17 on the Internet website of each taxing
17 unit in which the property is located.

18 (d) The officer or employee designated by the governing body
19 of each taxing unit to calculate the no new taxes tax rate and the
20 rollback tax rate for the unit must electronically submit to the
21 comptroller:

22 (1) the information described by Subsection (b) as the
23 information becomes available; and

24 (2) the worksheets prepared under Section 26.04(d-1)
25 at the same time the officer or employee submits the tax rates to
26 the governing body of the unit under Section 26.04(e).

27 (e) The comptroller shall deliver by e-mail to the

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1 designated officer or employee confirmation of receipt of the
2 worksheets submitted under Subsection (d)(2). The comptroller
3 shall incorporate the worksheets into the database and make them
4 available to the public not later than the third day after the date
5 the comptroller receives them.

6 SECTION 5. Sections 25.19(b) and (i), Tax Code, are amended
7 to read as follows:

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

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

12 (2) the appraised value of the property in the
13 preceding year;

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

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

23 ~~(5) [if the appraised value is greater than it was in~~
24 ~~the preceding year, the amount of tax that would be imposed on the~~
25 ~~property on the basis of the tax rate for the preceding year,~~ 8-8

26 [~~6~~] in italic typeface, the following statement:
27 "The Texas Legislature does not set the amount of your local taxes.

1 Your property tax burden is decided by your locally elected
2 officials, and all inquiries concerning your taxes should be
3 directed to those officials";

4 (6) [~~(7)~~] a detailed explanation of the time and
5 procedure for protesting the value;

6 (7) [~~(8)~~] the date and place the appraisal review
7 board will begin hearing protests; and

8 (8) [~~(9)~~] a brief explanation that the governing body
9 of each taxing unit decides whether or not taxes on the property
10 will increase and the appraisal district only determines the value
11 of the property.

12 (i) Delivery with a notice required by Subsection (a) or (g)
13 of a copy of the pamphlet published by the comptroller under Section
14 5.06 or a copy of the notice published by the chief appraiser under
15 Section 41.70 is sufficient to comply with the requirement that the
16 notice include the information specified by Subsection (b)(6)
17 [~~(b)(7)~~] or (g)(3), as applicable.

18 SECTION 6. Section 26.012(7), Tax Code, is amended to read
19 as follows:

20 (7) "Debt" means a bond, warrant, certificate of
21 obligation, or other evidence of indebtedness owed by a taxing unit
22 that has been approved at an election and is payable solely from
23 property taxes in installments over a period of more than one year,
24 not budgeted for payment from maintenance and operations funds, and
25 secured by a pledge of property taxes, or a payment made under
26 contract to secure indebtedness of a similar nature issued by
27 another political subdivision on behalf of the taxing unit. 8-9

1 SECTION 7. Section 26.012(9), Tax Code, is redesignated as
2 Section 26.012(18), Tax Code, and amended to read as follows:

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

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

10 SECTION 8. The heading to Section 26.04, Tax Code, is
11 amended to read as follows:

12 Sec. 26.04. SUBMISSION OF ROLL TO GOVERNING BODY; NO NEW
13 TAXES [~~EFFECTIVE]~~ AND ROLLBACK TAX RATES.

14 SECTION 9. Section 26.04, Tax Code, is amended by amending
15 Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and
16 adding Subsections (c-1), (d-1), (d-2), (d-3), (d-4), (e-2), and
17 (h-1) to read as follows:

18 (b) The assessor shall submit the appraisal roll for the
19 unit showing the total appraised, assessed, and taxable values of
20 all property and the total taxable value of new property to the
21 governing body of the unit by August 1 or as soon thereafter as
22 practicable. By August 1 or as soon thereafter as practicable, the
23 taxing unit's collector shall certify [~~an estimate of]~~ the
24 anticipated collection rate for the current year to the governing
25 body. If the collector certified an anticipated collection rate in
26 the preceding year and the actual collection rate in that year
27 exceeded the anticipated rate, the collector shall also certify the

1 amount of debt taxes collected in excess of the anticipated amount
2 in the preceding year.

3 (c) An officer or employee designated by the governing body
4 shall calculate the no new taxes [~~effective~~] tax rate and the
5 rollback tax rate for the unit, where:

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

9
$$\text{NO NEW TAXES } [\text{EFFECTIVE}] \text{ TAX RATE} = (\text{LAST YEAR'S LEVY} -$$

10
$$\text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW}$$

11
$$\text{PROPERTY VALUE})$$

12 ; and

13 (2) "Rollback tax rate" means a rate expressed in
14 dollars per \$100 of taxable value calculated according to the
15 following formula:

16
$$\text{ROLLBACK TAX RATE} = (\text{NO NEW TAXES } [\text{EFFECTIVE}]$$

17
$$\text{MAINTENANCE AND OPERATIONS RATE} \times \underline{1.04} [\text{1.08}]) +$$

18
$$\text{CURRENT DEBT RATE}$$

19 (c-1) Notwithstanding any other provision of this section,
20 the governing body may direct the designated officer or employee to
21 substitute "1.08" for "1.04" in the calculation of the rollback tax
22 rate if any part of the taxing unit is located in an area declared a
23 disaster area during the current tax year by the governor or by the
24 president of the United States.

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25 (d) The no new taxes [~~effective~~] tax rate for a county is the
26 sum of the no new taxes [~~effective~~] tax rates calculated for each
27 type of tax the county levies, and the rollback tax rate for a

1 county is the sum of the rollback tax rates calculated for each type
2 of tax the county levies.

3 (d-1) The designated officer or employee shall use the
4 worksheet forms prescribed by the comptroller under Section 5.07(f)
5 in calculating the no new taxes tax rate and the rollback tax rate.

6 (d-2) The designated officer or employee shall submit the
7 worksheets to:

8 (1) the chief appraiser of the appraisal district in
9 which the taxing unit is located; and

10 (2) the chief financial officer or the auditor for the
11 taxing unit.

12 (d-3) The designated officer or employee may not submit the
13 no new taxes tax rate and the rollback tax rate to the governing
14 body of the taxing unit and the governing body of the unit may not
15 adopt a tax rate until:

16 (1) the chief appraiser submits to the governing body
17 of the unit a written certification that the values used in the
18 calculations are the same as the values shown in the unit's
19 appraisal roll; and

20 (2) the chief financial officer or the auditor for the
21 unit submits to the governing body of the unit a written
22 certification that the rollback tax rate has been calculated
23 correctly.

24 (d-4) The comptroller shall adopt rules governing the form
25 of the certifications required by Subsection (d-3) and the manner
26 in which they are required to be submitted.

27 (e) By August 7 or as soon thereafter as practicable, the

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1 designated officer or employee shall submit the rates to the
2 governing body. The designated officer or employee [~~He~~] shall
3 deliver by mail to each property owner in the unit or publish in a
4 newspaper in the form prescribed by the comptroller:

5 (1) the no new taxes [effective] tax rate, the
6 rollback tax rate, and an explanation of how they were calculated;

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

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

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

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

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

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

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

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

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

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

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

22 (7) in the year following the year in which a taxing
23 unit raised its rollback tax rate as required by Subsection (j), a
24 schedule that includes the following elements:

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25 (A) the amount of property tax revenue spent by
26 the unit to operate the department, function, or activity for which
27 the taxing unit raised the rollback tax rate as required by

1 Subsection (j) for the 12 months preceding the month in which the
2 calculations required by this chapter are made; and

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

5 (e-1) The tax rate certification requirements imposed by
6 Subsections (d-2) and (d-3) and the notice requirements imposed by
7 Subsections (e)(1)-(6) do not apply to a school district.

8 (e-2) By August 7 or as soon thereafter as practicable, the
9 chief appraiser of the appraisal district in which the property is
10 located shall deliver by regular mail or e-mail to each property
11 owner a notice that the estimated amount of taxes to be imposed on
12 the owner's property by each taxing unit in which the property is
13 located may be found in the property tax database maintained by the
14 comptroller under Section 5.092. The notice must include:

15 (1) the address of the Internet website at which the
16 information may be found;

17 (2) a statement that the property owner may request a
18 written copy of the information from the assessor for each taxing
19 unit in which the property is located; and

20 (3) the address and telephone number of each assessor
21 from whom the written copy may be requested.

22 (f) If as a result of consolidation of taxing units a taxing
23 unit includes territory that was in two or more taxing units in the
24 preceding year, the amount of taxes imposed in each in the preceding
25 year is combined for purposes of calculating the no new taxes
26 ~~[effective]~~ and rollback tax rates under this section. 8-15

27 (g) A person who owns taxable property is entitled to an

1 injunction prohibiting the taxing unit in which the property is
2 taxable from adopting a tax rate if the assessor or designated
3 officer or employee of the unit, as applicable, has not complied
4 with the computation or publication requirements of this section or
5 Section 5.092(d) [and the failure to comply was not in good faith].

6 (h-1) Notwithstanding Subsection (h), the assessor may not
7 certify an anticipated collection rate under Subsection (b) that is
8 lower than the lowest actual collection rate in the preceding three
9 years.

10 (i) This subsection applies to a taxing unit that has agreed
11 by written contract to transfer a distinct department, function, or
12 activity to another taxing unit and discontinues operating that
13 distinct department, function, or activity if the operation of that
14 department, function, or activity in all or a majority of the
15 territory of the taxing unit is continued by another existing
16 taxing unit or by a new taxing unit. The rollback tax rate of a
17 taxing unit to which this subsection applies in the first tax year
18 in which a budget is adopted that does not allocate revenue to the
19 discontinued department, function, or activity is calculated as
20 otherwise provided by this section, except that last year's levy
21 used to calculate the no new taxes ~~[effective]~~ maintenance and
22 operations rate of the unit is reduced by the amount of maintenance
23 and operations tax revenue spent by the taxing unit to operate the
24 department, function, or activity for the 12 months preceding the
25 month in which the calculations required by this chapter are made
26 and in which the unit operated the discontinued department,
27 function, or activity. If the unit did not operate that department,

gkb

1 function, or activity for the full 12 months preceding the month in
2 which the calculations required by this chapter are made, the unit
3 shall reduce last year's levy used for calculating the no new taxes
4 [~~effective~~] maintenance and operations rate of the unit by the
5 amount of the revenue spent in the last full fiscal year in which
6 the unit operated the discontinued department, function, or
7 activity.

8 (j) This subsection applies to a taxing unit that had agreed
9 by written contract to accept the transfer of a distinct
10 department, function, or activity from another taxing unit and
11 operates a distinct department, function, or activity if the
12 operation of a substantially similar department, function, or
13 activity in all or a majority of the territory of the taxing unit
14 has been discontinued by another taxing unit, including a dissolved
15 taxing unit. The rollback tax rate of a taxing unit to which this
16 subsection applies in the first tax year after the other taxing unit
17 discontinued the substantially similar department, function, or
18 activity in which a budget is adopted that allocates revenue to the
19 department, function, or activity is calculated as otherwise
20 provided by this section, except that last year's levy used to
21 calculate the no new taxes [~~effective~~] maintenance and operations
22 rate of the unit is increased by the amount of maintenance and
23 operations tax revenue spent by the taxing unit that discontinued
24 operating the substantially similar department, function, or
25 activity to operate that department, function, or activity for the
26 12 months preceding the month in which the calculations required by
27 this chapter are made and in which the unit operated the

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1 discontinued department, function, or activity. If the unit did
2 not operate the discontinued department, function, or activity for
3 the full 12 months preceding the month in which the calculations
4 required by this chapter are made, the unit may increase last year's
5 levy used to calculate the no new taxes [~~effective~~] maintenance and
6 operations rate by an amount not to exceed the amount of property
7 tax revenue spent by the discontinuing unit to operate the
8 discontinued department, function, or activity in the last full
9 fiscal year in which the discontinuing unit operated the
10 department, function, or activity.

11 SECTION 10. Section 26.041, Tax Code, is amended by
12 amending Subsections (a), (b), (c), (e), (g), and (h) and adding
13 Subsection (c-1) to read as follows:

14 (a) In the first year in which an additional sales and use
15 tax is required to be collected, the no new taxes [~~effective~~] tax
16 rate and rollback tax rate for the unit are calculated according to
17 the following formulas:

18
$$\text{NO NEW TAXES } [\text{EFFECTIVE}] \text{ TAX RATE} = \underline{[(\text{LAST YEAR'S} \\ \text{LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW} \\ \text{PROPERTY VALUE})]} - \text{SALES TAX GAIN RATE}$$

21 and

22
$$\text{ROLLBACK TAX RATE} = (\text{NO NEW TAXES } [\text{EFFECTIVE}] \\ \text{MAINTENANCE AND OPERATIONS RATE} \times \underline{1.04} \text{ } [\text{1.08}]) + \\ \text{CURRENT DEBT RATE} - \text{SALES TAX GAIN RATE}$$

23 where "sales tax gain rate" means a number expressed in dollars per
24 \$100 of taxable value, calculated by dividing the revenue that will
25 be generated by the additional sales and use tax in the following
26
27

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1 year as calculated under Subsection (d) [~~of this section~~] by the
 2 current total value.

3 (b) Except as provided by Subsections (a) and (c) [~~of this~~
 4 ~~section~~], in a year in which a taxing unit imposes an additional
 5 sales and use tax the rollback tax rate for the unit is calculated
 6 according to the following formula, regardless of whether the unit
 7 levied a property tax in the preceding year:

$$8 \quad \text{ROLLBACK TAX RATE} = [(\text{LAST YEAR'S MAINTENANCE AND} \\ 9 \quad \text{OPERATIONS EXPENSE} \times \underline{1.04} [\underline{1.08}]) / ((\text{TOTAL} \text{ CURRENT} \\ 10 \quad \text{TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + (\text{CURRENT DEBT RATE} \\ 11 \quad - \text{SALES TAX REVENUE RATE})$$

12 where "last year's maintenance and operations expense" means the
 13 amount spent for maintenance and operations from property tax and
 14 additional sales and use tax revenues in the preceding year, and
 15 "sales tax revenue rate" means a number expressed in dollars per
 16 \$100 of taxable value, calculated by dividing the revenue that will
 17 be generated by the additional sales and use tax in the current year
 18 as calculated under Subsection (d) [~~of this section~~] by the current
 19 total value.

20 (c) In a year in which a taxing unit that has been imposing
 21 an additional sales and use tax ceases to impose an additional sales
 22 and use tax the no new taxes [~~effective~~] tax rate and rollback tax
 23 rate for the unit are calculated according to the following
 24 formulas:

$$25 \quad \text{NO NEW TAXES} [\underline{\text{EFFECTIVE}}] \text{ TAX RATE} = [(\text{LAST YEAR'S} \\ 26 \quad \text{LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW} \\ 27 \quad \text{PROPERTY VALUE})] + \text{SALES TAX LOSS RATE}$$

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1 and

2 ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND
3 OPERATIONS EXPENSE x 1.04 [~~1.08~~]) / ([TOTAL] CURRENT
4 TOTAL VALUE - NEW PROPERTY VALUE)] + CURRENT DEBT RATE

5 where "sales tax loss rate" means a number expressed in dollars per
6 \$100 of taxable value, calculated by dividing the amount of sales
7 and use tax revenue generated in the last four quarters for which
8 the information is available by the current total value and "last
9 year's maintenance and operations expense" means the amount spent
10 for maintenance and operations from property tax and additional
11 sales and use tax revenues in the preceding year.

12 (c-1) Notwithstanding any other provision of this section,
13 the governing body may direct the designated officer or employee to
14 substitute "1.08" for "1.04" in the calculation of the rollback tax
15 rate if any part of the taxing unit is located in an area declared a
16 disaster area during the current tax year by the governor or by the
17 president of the United States.

18 (e) If a city that imposes an additional sales and use tax
19 receives payments under the terms of a contract executed before
20 January 1, 1986, in which the city agrees not to annex certain
21 property or a certain area and the owners or lessees of the property
22 or of property in the area agree to pay at least annually to the city
23 an amount determined by reference to all or a percentage of the
24 property tax rate of the city and all or a part of the value of the
25 property subject to the agreement or included in the area subject to
26 the agreement, the governing body, by order adopted by a majority
27 vote of the governing body, may direct the designated officer or

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1 employee to add to the no new taxes [~~effective~~] and rollback tax
2 rates the amount that, when applied to the total taxable value
3 submitted to the governing body, would produce an amount of taxes
4 equal to the difference between the total amount of payments for the
5 tax year under contracts described by this subsection under the
6 rollback tax rate calculated under this section and the total
7 amount of payments for the tax year that would have been obligated
8 to the city if the city had not adopted an additional sales and use
9 tax.

10 (g) If the rate of the additional sales and use tax is
11 increased, the designated officer or employee shall make two
12 projections, in the manner provided by Subsection (d) [~~of this~~
13 ~~section~~], of the revenue generated by the additional sales and use
14 tax in the following year. The first projection must take into
15 account the increase and the second projection must not take into
16 account the increase. The officer or employee shall then subtract
17 the amount of the result of the second projection from the amount of
18 the result of the first projection to determine the revenue
19 generated as a result of the increase in the additional sales and
20 use tax. In the first year in which an additional sales and use tax
21 is increased, the no new taxes [~~effective~~] tax rate for the unit is
22 the no new taxes [~~effective~~] tax rate before the increase minus a
23 number the numerator of which is the revenue generated as a result
24 of the increase in the additional sales and use tax, as determined
25 under this subsection, and the denominator of which is the current
26 total value minus the new property value. 8-21

27 (h) If the rate of the additional sales and use tax is

1 decreased, the designated officer or employee shall make two
2 projections, in the manner provided by Subsection (d) [~~of this~~
3 ~~section~~], of the revenue generated by the additional sales and use
4 tax in the following year. The first projection must take into
5 account the decrease and the second projection must not take into
6 account the decrease. The officer or employee shall then subtract
7 the amount of the result of the first projection from the amount of
8 the result of the second projection to determine the revenue lost as
9 a result of the decrease in the additional sales and use tax. In the
10 first year in which an additional sales and use tax is decreased,
11 the no new taxes [~~effective~~] tax rate for the unit is the no new
12 taxes [~~effective~~] tax rate before the decrease plus a number the
13 numerator of which is the revenue lost as a result of the decrease
14 in the additional sales and use tax, as determined under this
15 subsection, and the denominator of which is the current total value
16 minus the new property value.

17 SECTION 11. The heading to Section 26.043, Tax Code, is
18 amended to read as follows:

19 Sec. 26.043. ROLLBACK AND NO NEW TAXES [~~EFFECTIVE~~] TAX
20 RATES [~~RATE~~] IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

21 SECTION 12. Sections 26.043(a) and (b), Tax Code, are
22 amended to read as follows:

23 (a) In the tax year in which a city has set an election on
24 the question of whether to impose a local sales and use tax under
25 Subchapter H, Chapter 453, Transportation Code, the officer or
26 employee designated to make the calculations provided by Section
27 26.04 may not make those calculations until the outcome of the

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1 election is determined. If the election is determined in favor of
2 the imposition of the tax, the representative shall subtract from
3 the city's rollback and no new taxes [~~effective~~] tax rates the
4 amount that, if applied to the city's current total value, would
5 impose an amount equal to the amount of property taxes budgeted in
6 the current tax year to pay for expenses related to mass transit
7 services.

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

11 SECTION 13. The heading to Section 26.044, Tax Code, is
12 amended to read as follows:

13 Sec. 26.044. NO NEW TAXES [~~EFFECTIVE~~] TAX RATE TO PAY FOR
14 STATE CRIMINAL JUSTICE MANDATE.

15 SECTION 14. Sections 26.044(a), (b), and (c), Tax Code, are
16 amended to read as follows:

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

22 (State Criminal Justice Mandate) / (Current Total
23 Value - New Property Value)

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24 (b) In the second and subsequent years that a county adopts
25 a tax rate, if the amount spent by the county for the state criminal
26 justice mandate increased over the previous year, the no new taxes
27 [~~effective~~] maintenance and operation rate for the county is

1 increased by the rate calculated according to the following
2 formula:

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

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

11 SECTION 15. Sections 26.0441(a), (b), and (c), Tax Code,
12 are amended to read as follows:

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

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

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

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

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

11 SECTION 16. Section 26.05, Tax Code, is amended by amending
12 Subsections (b), (c), (d), (e), and (g) and adding Subsections
13 (d-1) and (d-2) to read as follows:

14 (b) A taxing unit may not impose property taxes in any year
15 until the governing body has adopted a tax rate for that year, and
16 the annual tax rate must be set by ordinance, resolution, or order,
17 depending on the method prescribed by law for adoption of a law by
18 the governing body. The vote on the ordinance, resolution, or order
19 setting the tax rate must be separate from the vote adopting the
20 budget. For a taxing unit other than a school district, the vote on
21 the ordinance, resolution, or order setting a tax rate that exceeds
22 the no new taxes [~~effective~~] tax rate must be a record vote, and at
23 least 60 percent of the members of the governing body must vote in
24 favor of the ordinance, resolution, or order. For a school
25 district, the vote on the ordinance, resolution, or order setting a
26 tax rate that exceeds the sum of the no new taxes [~~effective~~]
27 maintenance and operations tax rate of the district as determined

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1 under Section 26.08(i) and the district's current debt rate must be
2 a record vote, and at least 60 percent of the members of the
3 governing body must vote in favor of the ordinance, resolution, or
4 order. A motion to adopt an ordinance, resolution, or order setting
5 a tax rate that exceeds the no new taxes [~~effective~~] tax rate must
6 be made in the following form: "I move that the property tax rate be
7 increased by the adoption of a tax rate of (specify tax rate), which
8 is effectively a (insert percentage by which the proposed tax rate
9 exceeds the no new taxes [~~effective~~] tax rate) percent increase in
10 the tax rate." If the ordinance, resolution, or order sets a tax
11 rate that, if applied to the total taxable value, will impose an
12 amount of taxes to fund maintenance and operation expenditures of
13 the taxing unit that exceeds the amount of taxes imposed for that
14 purpose in the preceding year, the taxing unit must:

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

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

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

27 (2) include on the home page of the [~~any~~] Internet

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1 website operated by the unit:

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

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

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

21 (d) The governing body of a taxing unit other than a school
22 district may not adopt a tax rate that exceeds the lower of the
23 rollback tax rate or the no new taxes ~~[effective]~~ tax rate
24 calculated as provided by this chapter until the governing body has
25 held two public hearings on the proposed tax rate and has otherwise
26 complied with Section 26.06 and Section 26.065. The governing body
27 of a taxing unit shall reduce a tax rate set by law or by vote of the

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1 electorate to the lower of the rollback tax rate or the no new taxes
2 ~~[effective]~~ tax rate and may not adopt a higher rate unless it first
3 complies with Section 26.06.

4 (d-1) The governing body of a taxing unit may not hold a
5 public hearing on a proposed tax rate or a public meeting to adopt a
6 tax rate until the 14th day after the date the officer or employee
7 designated by the governing body of the unit to calculate the no new
8 taxes tax rate and the rollback tax rate for the unit electronically
9 submits to the comptroller the information described by Section
10 5.092(d).

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

14 (1) the comptroller has included the information for
15 the current tax year specified by Section 5.092 in the
16 comptroller's property tax database; and

17 (2) the chief appraiser of the appraisal district in
18 which the taxing unit participates has delivered the notice
19 required by Section 26.04(e-2).

20 (e) A person who owns taxable property is entitled to an
21 injunction restraining the collection of taxes by a taxing unit in
22 which the property is taxable if the taxing unit has not complied
23 with the requirements of this section or Section 26.04 ~~[and the~~
24 ~~failure to comply was not in good faith]~~. An action to enjoin the
25 collection of taxes must be filed not later than the 15th day after
26 the date the taxing unit adopts a tax rate. A property owner is not
27 required to pay the taxes imposed by a taxing unit on the owner's

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1 property while an action filed by the property owner to enjoin the
2 collection of taxes imposed by the taxing unit on the owner's
3 property is pending. If the property owner pays the taxes and
4 subsequently prevails in the action, the property owner is entitled
5 to a refund of the taxes paid, together with reasonable attorney's
6 fees and court costs. The property owner is not required to apply
7 to the collector for the taxing unit to receive the refund [~~prior to~~
8 ~~the date a taxing unit delivers substantially all of its tax bills~~].

9 (g) Notwithstanding Subsection (a), the governing body of a
10 school district that elects to adopt a tax rate before the adoption
11 of a budget for the fiscal year that begins in the current tax year
12 may adopt a tax rate for the current tax year before receipt of the
13 certified appraisal roll for the school district if the chief
14 appraiser of the appraisal district in which the school district
15 participates has certified to the assessor for the school district
16 an estimate of the taxable value of property in the school district
17 as provided by Section 26.01(e). If a school district adopts a tax
18 rate under this subsection, the no new taxes [~~effective~~] tax rate
19 and the rollback tax rate of the district shall be calculated based
20 on the certified estimate of taxable value.

21 SECTION 17. Section 26.052(e), Tax Code, is amended to read
22 as follows:

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

25 (1) the tax rate that the governing body proposes to
26 adopt;

27 (2) the date, time, and location of the meeting of the

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1 governing body of the taxing unit at which the governing body will
2 consider adopting the proposed tax rate; and

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

9 SECTION 18. Sections 26.06(b), (c), (d), and (e), Tax Code,
10 are amended to read as follows:

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

15 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

16 "The (name of the taxing unit) will hold two public hearings
17 on a proposal to increase total tax revenues from properties on the
18 tax roll in the preceding tax year by (percentage by which proposed
19 tax rate exceeds lower of rollback tax rate or no new taxes
20 [~~effective~~] tax rate calculated under this chapter) percent. Your
21 individual taxes may increase at a greater or lesser rate, or even
22 decrease, depending on the change in the taxable value of your
23 property in relation to the change in taxable value of all other
24 property and the tax rate that is adopted.

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

27 "The second public hearing will be held on (date and time) at

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1 (meeting place).

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

5 "The average taxable value of a residence homestead in (name
6 of taxing unit) last year was \$____ (average taxable value of a
7 residence homestead in the taxing unit for the preceding tax year,
8 disregarding residence homestead exemptions available only to
9 disabled persons or persons 65 years of age or older). Based on
10 last year's tax rate of \$____ (preceding year's adopted tax rate)
11 per \$100 of taxable value, the amount of taxes imposed last year on
12 the average home was \$____ (tax on average taxable value of a
13 residence homestead in the taxing unit for the preceding tax year,
14 disregarding residence homestead exemptions available only to
15 disabled persons or persons 65 years of age or older).

16 "The average taxable value of a residence homestead in (name
17 of taxing unit) this year is \$____ (average taxable value of a
18 residence homestead in the taxing unit for the current tax year,
19 disregarding residence homestead exemptions available only to
20 disabled persons or persons 65 years of age or older). If the
21 governing body adopts the no new taxes [~~effective~~] tax rate for this
22 year of \$____ (no new taxes [~~effective~~] tax rate) per \$100 of
23 taxable value, the amount of taxes imposed this year on the average
24 home would be \$____ (tax on average taxable value of a residence
25 homestead in the taxing unit for the current tax year, disregarding
26 residence homestead exemptions available only to disabled persons
27 or persons 65 years of age or older).

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

7 "Members of the public are encouraged to attend the hearings
8 and express their views."

9 (c) The notice of a public hearing under this section may be
10 delivered by mail to each property owner in the unit, or may be
11 published in a newspaper. If the notice is published in a
12 newspaper, it may not be in the part of the paper in which legal
13 notices and classified advertisements appear. The [~~If the taxing~~
14 ~~unit operates an Internet website, the~~] notice must be posted on the
15 Internet website operated by the taxing unit from the date the
16 notice is first published until the second public hearing is
17 concluded.

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

24 "NOTICE OF TAX REVENUE INCREASE

25 "The (name of the taxing unit) conducted public hearings on
26 (date of first hearing) and (date of second hearing) on a proposal
27 to increase the total tax revenues of the (name of the taxing unit)

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1 from properties on the tax roll in the preceding year by (percentage
2 by which proposed tax rate exceeds lower of rollback tax rate or no
3 new taxes [~~effective~~] tax rate calculated under this chapter)
4 percent.

5 "The total tax revenue proposed to be raised last year at last
6 year's tax rate of (insert tax rate for the preceding year) for each
7 \$100 of taxable value was (insert total amount of taxes imposed in
8 the preceding year).

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

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

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

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

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27 (e) The meeting to vote on the tax increase may not be

1 earlier than the third day or later than the 14th day after the date
2 of the second public hearing. The meeting must be held inside the
3 boundaries of the taxing unit in a publicly owned building or, if a
4 suitable publicly owned building is not available, in a suitable
5 building to which the public normally has access. If the governing
6 body does not adopt a tax rate that exceeds the lower of the
7 rollback tax rate or the no new taxes ~~[effective]~~ tax rate by the
8 14th day, it must give a new notice under Subsection (d) before it
9 may adopt a rate that exceeds the lower of the rollback tax rate or
10 the no new taxes ~~[effective]~~ tax rate.

11 SECTION 19. Section 26.065(b), Tax Code, is amended to read
12 as follows:

13 (b) The taxing ~~[If the taxing unit owns, operates, or~~
14 ~~controls an Internet website, the]~~ unit shall post notice of the
15 public hearing on the Internet website owned, operated, or
16 controlled by the unit continuously for at least seven days
17 immediately before the public hearing on the proposed tax rate
18 increase and at least seven days immediately before the date of the
19 vote proposing the increase in the tax rate.

20 SECTION 20. The heading to Section 26.08, Tax Code, is
21 amended to read as follows:

22 Sec. 26.08. ELECTION TO RATIFY TAX RATE ~~[SCHOOL TAXES]~~.

23 SECTION 21. Sections 26.08(a), (b), (d), (d-1), (d-2), (e),
24 (g), (h), (n), and (p), Tax Code, are amended to read as follows:

25 (a) If the governing body of a taxing unit ~~[school district]~~
26 adopts a tax rate that exceeds the taxing unit's ~~[district's]~~
27 rollback tax rate, the registered voters of the taxing unit

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1 [~~district~~] at an election held for that purpose must determine
2 whether to approve the adopted tax rate. When increased
3 expenditure of money by a taxing unit [~~school-district~~] is
4 necessary to respond to a disaster, including a tornado, hurricane,
5 flood, or other calamity, but not including a drought, that has
6 impacted the taxing unit [~~a school-district~~] and the governor has
7 requested federal disaster assistance for the area in which the
8 taxing unit [~~school-district~~] is located, an election is not
9 required under this section to approve the tax rate adopted by the
10 governing body for the year following the year in which the disaster
11 occurs.

12 (b) The governing body shall order that the election be held
13 in the taxing unit [~~school-district~~] on a date not less than 30 or
14 more than 90 days after the day on which it adopted the tax rate.
15 Section 41.001, Election Code, does not apply to the election
16 unless a date specified by that section falls within the time
17 permitted by this section. At the election, the ballots shall be
18 prepared to permit voting for or against the proposition:
19 "Approving the ad valorem tax rate of \$_____ per \$100 valuation in
20 (name of taxing unit [~~school-district~~]) for the current year, a rate
21 that is \$_____ higher per \$100 valuation than the [~~school-district~~]
22 rollback tax rate of (name of taxing unit), for the purpose of
23 (description of purpose of increase)." The ballot proposition must
24 include the adopted tax rate and the difference between that rate
25 and the rollback tax rate in the appropriate places. B-35

26 (d) If the proposition is not approved as provided by
27 Subsection (c), the governing body may not adopt a tax rate for the

1 taxing unit [~~school district~~] for the current year that exceeds the
2 taxing unit's [~~school district's~~] rollback tax rate.

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

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

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

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

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

18 (n) For purposes of this section, the rollback tax rate of a
19 school district whose maintenance and operations tax rate for the
20 2005 tax year was \$1.50 or less per \$100 of taxable value is:

21 (1) for the 2006 tax year, the sum of the rate that is
22 equal to 88.67 percent of the maintenance and operations tax rate
23 adopted by the district for the 2005 tax year, the rate of \$0.04 per
24 \$100 of taxable value, and the district's current debt rate; and

25 (2) for the 2007 and subsequent tax years, the lesser
26 of the following:

27 (A) the sum of the following:

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

5 (ii) the rate of \$0.04 per \$100 of taxable
6 value;

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

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

13 (B) the sum of the following:

14 (i) the no new taxes [effective]
15 maintenance and operations tax rate of the district as computed
16 under Subsection (i) [~~or (k), as applicable~~];

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

21 (iii) the district's current debt rate.

22 (p) Notwithstanding Subsections (i), (n), and (o), if for
23 the preceding tax year a school district adopted a maintenance and
24 operations tax rate that was less than the district's no new taxes
25 [~~effective~~] maintenance and operations tax rate for that preceding
26 tax year, the rollback tax rate of the district for the current tax
27 year is calculated as if the district adopted a maintenance and

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1 operations tax rate for the preceding tax year that was equal to the
2 district's no new taxes [~~effective~~] maintenance and operations tax
3 rate for that preceding tax year.

4 SECTION 22. Section 26.08(i), Tax Code, as effective
5 September 1, 2017, is amended to read as follows:

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

19 SECTION 23. Sections 26.16(a) and (d), Tax Code, are
20 amended to read as follows:

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

27 (1) the adopted tax rate;

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

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

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

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

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

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

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

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1 and the preceding tax year.

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

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

16 SECTION 24. Chapter 26, Tax Code, is amended by adding
17 Section 26.17 to read as follows:

18 Sec. 26.17. POSTING OF TAX RATE AND BUDGET INFORMATION ON
19 TAXING UNIT'S WEBSITE. Each taxing unit shall maintain an Internet
20 website. In addition to posting any other information required by
21 this title, each taxing unit shall post on the Internet website
22 maintained by the taxing unit the following information in a format
23 prescribed by the comptroller:

24 (1) the name of and official contact information for
25 each member of the governing body of the taxing unit;

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

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1 (3) the taxing unit's budget for the preceding two
2 years;

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

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

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

11 (A) the preceding two years; and

12 (B) the current year;

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

16 (A) the preceding two years; and

17 (B) the current year;

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

20 (9) the tax rate for debt service adopted by the taxing
21 unit for the preceding two years;

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

24 (11) the tax rate for debt service proposed by the
25 taxing unit for the current year; and

26 (12) the most recent financial audit of the taxing
27 unit.

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1 SECTION 25. Sections 31.12(a) and (b), Tax Code, are
2 amended to read as follows:

3 (a) If a refund of a tax provided by Section 11.431(b),
4 26.08(d-2) [~~26.07(g)~~], 26.15(f), 31.11, or 31.111 is paid on or
5 before the 60th day after the date the liability for the refund
6 arises, no interest is due on the amount refunded. If not paid on or
7 before that 60th day, the amount of the tax to be refunded accrues
8 interest at a rate of one percent for each month or part of a month
9 that the refund is unpaid, beginning with the date on which the
10 liability for the refund arises.

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

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

16 (2) if the refund is required by Section 26.08(d-2)
17 [~~26.07(g)~~], on the date the results of the election to reduce the
18 tax rate are certified;

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

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

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

27 (4) if the refund is required by Section 31.11, on the

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

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

8 SECTION 26. Section 33.08(b), Tax Code, is amended to read
9 as follows:

10 (b) The governing body of the taxing unit or appraisal
11 district, in the manner required by law for official action, may
12 provide that taxes that become delinquent on or after June 1 under
13 Section 26.08(d-1) [~~26.07(f)~~], 26.15(e), 31.03, 31.031, 31.032,
14 31.04, or 42.42 incur an additional penalty to defray costs of
15 collection. The amount of the penalty may not exceed the amount of
16 the compensation specified in the applicable contract with an
17 attorney under Section 6.30 to be paid in connection with the
18 collection of the delinquent taxes.

19 SECTION 27. Section 45.105(e), Education Code, is amended
20 to read as follows:

21 (e) The governing body of an independent school district
22 that governs a junior college district under Subchapter B, Chapter
23 130, in a county with a population of more than two million may
24 dedicate a specific percentage of the local tax levy to the use of
25 the junior college district for facilities and equipment or for the
26 maintenance and operating expenses of the junior college district.
27 To be effective, the dedication must be made by the governing body

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1 on or before the date on which the governing body adopts its tax
2 rate for a year. The amount of local tax funds derived from the
3 percentage of the local tax levy dedicated to a junior college
4 district from a tax levy may not exceed the amount that would be
5 levied by five percent of the no new taxes ~~[effective]~~ tax rate for
6 the tax year calculated as provided by Section 26.04, Tax Code, on
7 all property taxable by the school district. All real property
8 purchased with these funds is the property of the school district,
9 but is subject to the exclusive control of the governing body of the
10 junior college district for as long as the junior college district
11 uses the property for educational purposes.

12 SECTION 28. Section 130.016(b), Education Code, is amended
13 to read as follows:

14 (b) If the board of trustees of an independent school
15 district that divests itself of the management, control, and
16 operation of a junior college district under this section or
17 ~~[under]~~ Section 130.017 ~~[of this code]~~ was authorized by
18 ~~[Subsection (e) of]~~ Section 45.105(e) or former Section 20.48(e)
19 ~~[20.48 of this code]~~ to dedicate a portion of its tax levy to the
20 junior college district before the divestment, the junior college
21 district may levy an ad valorem tax from and after the divestment.
22 In the first two years in which the junior college district levies
23 an ad valorem tax, the tax rate adopted by the governing body may
24 not exceed the rate that, if applied to the total taxable value
25 submitted to the governing body under Section 26.04, Tax Code,
26 would impose an amount equal to the amount of taxes of the school
27 district dedicated to the junior college under ~~[Subsection (e) of]~~

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1 Section 45.105(e) or former Section 20.48(e) [~~20.48 of this code~~]
2 in the last dedication before the divestment. In subsequent years,
3 the tax rate of the junior college district is subject to Section
4 26.08 [~~26.07~~], Tax Code.

5 SECTION 29. Sections 281.124(d) and (e), Health and Safety
6 Code, are amended to read as follows:

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

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

17 SECTION 30. Section 102.007(d), Local Government Code, is
18 amended to read as follows:

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

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

23 (A) "This budget will raise more revenue from
24 property taxes than last year's budget by an amount of (insert total
25 dollar amount of increase), which is a (insert percentage increase)
26 percent increase from last year's budget. The property tax revenue
27 to be raised from new property added to the tax roll this year is

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1 (insert amount computed by multiplying the proposed tax rate by the
2 value of new property added to the roll).";

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

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

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

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

20 (A) the property tax rate;

21 (B) the no new taxes [~~effective~~] tax rate;

22 (C) the no new taxes [~~effective~~] maintenance and
23 operations tax rate;

24 (D) the rollback tax rate; and

25 (E) the debt rate; and

26 (4) the total amount of municipal debt obligations.

27 SECTION 31. Section 111.008(d), Local Government Code, is

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1 amended to read as follows:

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

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

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

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

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

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

27 (3) the county property tax rates for the preceding

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1 fiscal year, and each county property tax rate that has been adopted
2 or calculated for the current fiscal year, including:

- 3 (A) the property tax rate;
- 4 (B) the no new taxes [~~effective~~] tax rate;
- 5 (C) the no new taxes [~~effective~~] maintenance and
6 operations tax rate;
- 7 (D) the rollback tax rate; and
- 8 (E) the debt rate; and
- 9 (4) the total amount of county debt obligations.

10 SECTION 32. Section 111.039(d), Local Government Code, is
11 amended to read as follows:

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

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

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

23 (B) "This budget will raise less revenue from
24 property taxes than last year's budget by an amount of (insert total
25 dollar amount of decrease), which is a (insert percentage decrease)
26 percent decrease from last year's budget. The property tax revenue
27 to be raised from new property added to the tax roll this year is

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1 (insert amount computed by multiplying the proposed tax rate by the
2 value of new property added to the roll)."; or

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

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

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

13 (A) the property tax rate;

14 (B) the no new taxes [~~effective~~] tax rate;

15 (C) the no new taxes [~~effective~~] maintenance and
16 operations tax rate;

17 (D) the rollback tax rate; and

18 (E) the debt rate; and

19 (4) the total amount of county debt obligations.

20 SECTION 33. Section 111.068(c), Local Government Code, is
21 amended to read as follows:

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

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

26 (A) "This budget will raise more revenue from
27 property taxes than last year's budget by an amount of (insert total

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1 dollar amount of increase), which is a (insert percentage increase)
2 percent increase from last year's budget. The property tax revenue
3 to be raised from new property added to the tax roll this year is
4 (insert amount computed by multiplying the proposed tax rate by the
5 value of new property added to the roll).";

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

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

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

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

23 (A) the property tax rate;

24 (B) the no new taxes [~~effective~~] tax rate;

25 (C) the no new taxes [~~effective~~] maintenance and
26 operations tax rate;

27 (D) the rollback tax rate; and

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- 1 (E) the debt rate; and
- 2 (4) the total amount of county debt obligations.

3 SECTION 34. Sections 140.010(a), (d), and (e), Local
 4 Government Code, are amended to read as follows:

5 (a) In this section, "no new taxes [~~effective~~] tax rate"
 6 and "rollback tax rate" mean the no new taxes [~~effective~~] tax rate
 7 and rollback tax rate of a county or municipality, as applicable, as
 8 calculated under Chapter 26, Tax Code.

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

13 "NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX
 14 RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)
 15 "A tax rate of \$_____ per \$100 valuation has been proposed by the
 16 governing body of (insert name of county or municipality).

17	PROPOSED TAX RATE	\$_____ per \$100
18	PRECEDING YEAR'S TAX RATE	\$_____ per \$100
19	<u>NO NEW TAXES</u> [EFFECTIVE] TAX RATE	\$_____ per \$100

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

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

26 FOLLOWS:

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

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"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 proposes a property tax
rate that exceeds the lower of the no new taxes [~~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 taxes
[~~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 TAXES</u> [EFFECTIVE] TAX RATE	\$_____ per \$100
ROLLBACK TAX RATE	\$_____ per \$100

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

6 "The rollback tax rate is the highest tax rate that (insert name of
7 county or municipality) may adopt without holding [~~before voters~~
8 ~~are entitled to petition for~~] an election to ratify [~~limit~~] the rate
9 [~~that may be approved to the rollback rate~~].

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

11 FOLLOWS:

12 property tax amount = (rate) x (taxable value of your property) /
13 100

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

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

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

19 (insert address)

20 (insert telephone number)

21 (insert e-mail address)

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

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

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

27 Second Hearing: (insert date and time) at (insert location

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1 of meeting)."

2 SECTION 35. Section 1101.254(f), Special District Local
3 Laws Code, is amended to read as follows:

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

11 SECTION 36. Sections 1122.2522, 3828.157, and 8876.152,
12 Special District Local Laws Code, are amended to read as follows:

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

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

23 Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE
24 PROVISIONS. Sections 26.04, 26.05, and 26.08 [~~26.07~~], Tax Code, do
25 not apply to a tax imposed under Section 3828.153 or 3828.156. 8-55

26 Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS.
27 (a) Sections 26.04, 26.05, 26.06, and 26.08 [~~26.07~~], Tax Code, do

1 not apply to a tax imposed by the district.

2 (b) Sections 49.236(a)(1) and (2) and (b) [Section 49.236],
3 Water Code, apply [~~as added by Chapter 248 (H.B. 1541), Acts of the~~
4 ~~78th Legislature, Regular Session, 2003, applies~~] to the district.

5 SECTION 37. Section 49.107(g), Water Code, is amended to
6 read as follows:

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

11 SECTION 38. Section 49.108(f), Water Code, is amended to
12 read as follows:

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

16 SECTION 39. Section 49.236, Water Code, as added by Chapter
17 335 (S.B. 392), Acts of the 78th Legislature, Regular Session,
18 2003, is amended by amending Subsections (a) and (d) and adding
19 Subsection (e) to read as follows:

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

24 The notice must:

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

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1 "NOTICE OF PUBLIC HEARING ON TAX RATE

2 "The (name of the district) will hold a public hearing on a
3 proposed tax rate for the tax year (year of tax levy) on (date and
4 time) at (meeting place). Your individual taxes may increase or
5 decrease, depending on the change in the taxable value of your
6 property in relation to the change in taxable value of all other
7 property and the tax rate that is adopted.

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

11 (2) contain the following information:

12 (A) the district's total adopted tax rate for the
13 preceding year and the proposed tax rate, expressed as an amount per
14 \$100;

15 (B) the difference, expressed as an amount per
16 \$100 and as a percent increase or decrease, as applicable, in the
17 proposed tax rate compared to the adopted tax rate for the preceding
18 year;

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

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

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

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

19 (G) if the proposed combined debt service,
20 operation and maintenance, and contract tax rate exceeds the
21 rollback tax rate, a description of the purpose of the proposed tax
22 increase; and

23 (3) contain a statement in substantially the following
24 form:

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

26 "If operation and maintenance taxes on the average residence
27 homestead increase by more than four [~~eight~~] percent, [~~the~~

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1 ~~qualified voters of the district by petition may require that~~ an
2 election must be held to determine whether to ratify [~~reduce~~] the
3 operation and maintenance tax rate [~~to the rollback tax rate~~] under
4 Section 49.236(d), Water Code."

5 (d) If the governing body of a district adopts a combined
6 debt service, operation and maintenance, and contract tax rate that
7 exceeds the rollback tax rate, [~~would impose more than 1.08 times~~
8 ~~the amount of tax imposed by the district in the preceding year on a~~
9 ~~residence homestead appraised at the average appraised value of a~~
10 ~~residence homestead in the district in that year, disregarding any~~
11 ~~homestead exemption available only to disabled persons or persons~~
12 ~~65 years of age or older, the qualified voters of the district by~~
13 ~~petition may require that~~] an election must be held to determine
14 whether [~~or not~~] to ratify [~~reduce~~] the tax rate adopted for the
15 current year [~~to the rollback tax rate~~] in accordance with the
16 procedures provided by Sections 26.08(b)-(d) [~~26.07(b)-(g) and~~
17 ~~26.081~~], Tax Code. For purposes of Sections 26.08(b)-(d), Tax
18 Code, [~~26.07(b)-(g)~~] and this section [~~subsection~~], the rollback
19 tax rate is the sum of the following tax rates:

- 20 (1) the current year's debt service tax rate;
- 21 (2) the current year's [~~and~~] contract tax rate; and
- 22 (3) [~~rates plus~~] the operation and maintenance tax
23 rate that would impose 1.04 [~~1.08~~] times the amount of the operation
24 and maintenance tax imposed by the district in the preceding year on
25 a residence homestead appraised at the average appraised value of a
26 residence homestead in the district in that year, disregarding any
27 homestead exemption available only to disabled persons or persons

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1 65 years of age or older.

2 (e) Notwithstanding any other provision of this section,
3 the board may substitute "eight percent" for "four percent" in
4 Subsection (a) and "1.08" for "1.04" in Subsection (d) if any part
5 of the district is located in an area declared a disaster area
6 during the current tax year by the governor or by the president of
7 the United States.

8 SECTION 40. The following provisions are repealed:

9 (1) Section 1063.255, Special District Local Laws
10 Code;

11 (2) Section 26.07, Tax Code;

12 (3) Section 49.236, Water Code, as added by Chapter
13 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,
14 2003; and

15 (4) Section 49.2361, Water Code.

16 SECTION 41. (a) Not later than January 1, 2018, the
17 comptroller shall appoint the members of an advisory group to
18 provide to the comptroller advice and assistance regarding the
19 creation and operation of the property tax database required by
20 Section 5.092, Tax Code, as added by this Act, and related matters.
21 The advisory group is composed of 13 members as follows:

22 (1) one person who is an employee of the office of the
23 lieutenant governor;

24 (2) one person who is an employee of the office of the
25 speaker of the house of representatives;

26 (3) four persons who are county tax
27 assessor-collectors;

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1 (4) two persons who are assessors or collectors for
2 taxing units but are not county tax assessor-collectors;

3 (5) two persons who are chief appraisers of appraisal
4 districts;

5 (6) one person who is a financial officer or auditor of
6 a municipality;

7 (7) one person who is a financial officer or auditor of
8 a county; and

9 (8) one person who is a representative of water
10 districts.

11 (b) The advisory group is abolished and this section expires
12 July 1, 2019.

13 SECTION 42. The comptroller shall comply with Sections
14 5.07(f) and 5.092, Tax Code, as added by this Act, not later than
15 June 1, 2019.

16 SECTION 43. (a) Except as provided by Subsections (b) and
17 (c) of this section, this Act takes effect January 1, 2018.

18 (b) The following provisions take effect September 1, 2017:

- 19 (1) Section 5.091, Tax Code, as amended by this Act;
20 (2) Section 26.17, Tax Code, as added by this Act; and
21 (3) Section 41 of this Act.

22 (c) The following provisions take effect January 1, 2019:

- 23 (1) Section 5.07(f), Tax Code, as added by this Act;
24 (2) Section 5.092, Tax Code, as added by this Act;
25 (3) Sections 25.19(b) and (i), Tax Code, as amended by
26 this Act; 8-61
27 (4) Sections 26.04(d-1), (d-2), (d-3), (d-4), and

1 (e-2), Tax Code, as added by this Act;

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

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

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

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