

By: Bettencourt, et al.

S.B. No. 1

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem taxation.

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

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

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

(a) Notwithstanding any other provision in this title and except as provided by this section, any notice, rendition, application form, or completed application, or information requested under Section 41.461(a)(2), that is required or permitted by this title to be delivered between a chief appraiser, an appraisal district, an appraisal review board, or any combination of those persons and a property owner or ~~[between a chief appraiser, an appraisal district, an appraisal review board, or any combination of those persons and]~~ a person designated by a property owner under Section 1.111(f) may be delivered in an electronic format if the chief appraiser and the property owner or person designated by the owner agree under this section.

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

Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD.

(a) The comptroller shall appoint the property tax administration advisory board to advise the comptroller with respect to the

1 division or divisions within the office of the comptroller with  
2 primary responsibility for state administration of property  
3 taxation and state oversight of appraisal districts and local tax  
4 offices. The advisory board may make recommendations to the  
5 comptroller regarding improving the effectiveness and efficiency  
6 of the property tax system, best practices, and complaint  
7 resolution procedures.

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

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

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

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

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

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

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

25 (b) A member of the appraisal review board established for  
26 an appraisal district must complete the course established under  
27 Subsection (a). The course must provide at least eight hours of

1 classroom training and education. A member of the appraisal review  
2 board may not participate in a hearing conducted by the board unless  
3 the person has completed the course established under Subsection  
4 (a) and received a certificate of course completion.

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

16 (e-1) In addition to the course established under  
17 Subsection (a), the comptroller shall approve curricula and provide  
18 materials for use in a continuing education course for members of an  
19 appraisal review board. The course must provide at least four hours  
20 of classroom training and education. The curricula and materials  
21 must include information regarding:

22 (1) the cost, income, and market data comparison  
23 methods of appraising property;

24 (2) the appraisal of business personal property;

25 (3) the determination of capitalization rates for  
26 property appraisal purposes;

27 (4) the duties of an appraisal review board;

1 (5) the requirements regarding the independence of an  
2 appraisal review board from the board of directors and the chief  
3 appraiser and other employees of the appraisal district;

4 (6) the prohibitions against ex parte communications  
5 applicable to appraisal review board members;

6 (7) the Uniform Standards of Professional Appraisal  
7 Practice;

8 (8) the duty of the appraisal district to substantiate  
9 the district's determination of the value of property;

10 (9) the requirements regarding the equal and uniform  
11 appraisal of property;

12 (10) the right of a property owner to protest the  
13 appraisal of the property as provided by Chapter 41; and

14 (11) a detailed explanation of each of the actions  
15 described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413,  
16 41.42, and 41.43 so that members are fully aware of each of the  
17 grounds on which a property appraisal can be appealed.

18 SECTION 5. Chapter 5, Tax Code, is amended by adding Section  
19 5.043 to read as follows:

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

23 (b) The comptroller shall:

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

27 (2) make all materials for use in training and

1 educating arbitrators freely available online; and

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

4 (c) The training program must:

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

7 (2) be at least four hours in length.

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

12 (e) The comptroller may contract with service providers to  
13 assist with the duties imposed under Subsection (b), but the  
14 training program may not be provided by an appraisal district, the  
15 chief appraiser or another employee of an appraisal district, a  
16 member of the board of directors of an appraisal district, a member  
17 of an appraisal review board, or a taxing unit. The comptroller may  
18 assess a fee to recover a portion of the costs incurred for the  
19 training program, but the fee may not exceed \$50 for each person  
20 trained.

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

1 mediation is required.

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

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

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

9 (f) In conjunction with prescribing a uniform record system  
10 to be used by all appraisal districts as required by Subsection (c),  
11 the comptroller shall prescribe tax rate calculation forms to be  
12 used by the designated officer or employee of each:

13 (1) taxing unit other than a school district to  
14 calculate and submit the equivalent tax rate and the rollback tax  
15 rate for the unit as required by Chapter 26; and

16 (2) school district to calculate and submit the  
17 equivalent tax rate, the rollback tax rate, and the rate to maintain  
18 the same amount of state and local revenue per weighted student that  
19 the district received in the school year beginning in the preceding  
20 tax year as required by Chapter 26.

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

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

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

1           (3) be capable of being electronically incorporated  
2 into the real-time tax database maintained by the tax notice  
3 officer of each appraisal district and submitted electronically to  
4 the county assessor-collector of each county in which all or part of  
5 the territory of the taxing unit is located.

6           (h) For purposes of Subsections (f) and (g), the comptroller  
7 shall use the forms published on the comptroller's Internet website  
8 as of January 1, 2017, as modified as necessary to comply with the  
9 requirements of those subsections. The forms may be updated at the  
10 discretion of the comptroller to reflect any change in the values  
11 used to calculate a tax rate, including the changes resulting from  
12 the implementation in the 2018 tax year of S.B. 1, Acts of the 85th  
13 Legislature, 1st Called Session, 2017, or similar legislation  
14 enacted at that session, or a change in a subsequent tax year  
15 resulting from a statutory change in a value used to calculate a tax  
16 rate. The forms may also be updated at the discretion of the  
17 comptroller to reflect formatting or other nonsubstantive changes.

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

1 if the comptroller determines that mediation is required.

2 SECTION 8. Section 5.091, Tax Code, is amended to read as  
3 follows:

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

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

13 (2) list the tax rates alphabetically according to:

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

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

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

21 SECTION 9. Sections 5.102(a) and (c), Tax Code, are amended  
22 to read as follows:

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



1 procedures, and methodology, including compliance with standards,  
2 procedures, and methodology prescribed by appraisal manuals  
3 prepared and issued by the comptroller. After consultation with  
4 the property tax administration advisory board [~~committee created~~  
5 ~~under Section 403.302, Government Code~~], the comptroller by rule  
6 may establish procedures and standards for conducting and scoring  
7 the review.

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

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

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

21 SECTION 10. Chapter 5, Tax Code, is amended by adding  
22 Section 5.104 to read as follows:

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

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

1 and

2 (2) instructions for completing and submitting the  
3 form.

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

6 (1) a property owner who files a motion under Section  
7 25.25 to correct the appraisal roll or a protest under Chapter 41;

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

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

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

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

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

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

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

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

3           (1) in person;

4           (2) by mail;

5           (3) by electronic mail; or

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

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

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

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

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

23       SECTION 11. Section 5.13(d), Tax Code, is amended to read as  
24 follows:

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

27           (1) the extent to which the district complies with

1 applicable law or generally accepted standards of appraisal or  
2 other relevant practice, including appraisal standards and  
3 practices prescribed by appraisal manuals prepared and issued by  
4 the comptroller;

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

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

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

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

15 SECTION 12. Section 6.035(a-1), Tax Code, is amended to  
16 read as follows:

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

23 SECTION 13. Section 6.05, Tax Code, is amended by adding  
24 Subsection (k) to read as follows:

25 (k) The chief appraiser shall establish an office of tax  
26 notices in the appraisal district. The office is responsible for  
27 delivering the notice required by Section 26.04(e-2) and creating

1 and maintaining the database required by Section 26.17. The office  
2 is administered by the tax notice officer, who is appointed by and  
3 serves at the pleasure of the chief appraiser. The chief appraiser  
4 may designate other personnel to assist the tax notice officer in  
5 performing the functions of the office. In all communications, the  
6 office must identify itself as the "(insert name of county in which  
7 appraisal district is established) County Office of Tax Notices"  
8 rather than as the appraisal district.

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

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

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

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

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

25 (b-2) An appraisal district board of directors for a  
26 district established in a county with a population of one million or  
27 more by resolution of a majority of the board's members shall

1 increase the size of the district's appraisal review board to the  
2 number of members the board of directors considers appropriate to  
3 manage the duties of the appraisal review board, including the  
4 duties of each special panel established under Section 6.425.

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

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

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

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

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

27 (2) owns property on which delinquent taxes have been

1 owed to a taxing unit for more than 60 days after the date the  
2 individual knew or should have known of the delinquency unless:

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

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

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

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

13 (B) the appraisal review board.

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

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

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

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

27 (4) served for all or part of three previous terms as a

1 board member or auxiliary board member on the appraisal review  
2 board.

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

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

16 SECTION 18. Section 6.42(a), Tax Code, is amended to read as  
17 follows:

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

27 SECTION 19. Section 6.42, Tax Code, is amended by adding



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 20. 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 special  
15 panels to conduct protest hearings under Chapter 41 relating to  
16 property that:

17 (1) has an appraised value of \$50 million or more as  
18 determined by the appraisal district; and

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

21 (A) commercial real and personal property;

22 (B) real and personal property of utilities;

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

25 (D) multifamily residential real property.

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

1 chairman of the board.

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

5 (1) hold a juris doctor or equivalent degree;

6 (2) hold a master of business administration degree;

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

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

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

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

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

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

20 (e) Notwithstanding Subsection (d), 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

1 holds a bachelor's degree in any field.

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

7 SECTION 21. Section 11.4391(a), Tax Code, is amended to  
8 read as follows:

9 (a) The chief appraiser shall accept and approve or deny an  
10 application for an exemption for freeport goods under Section  
11 11.251 after the deadline for filing it has passed if it is filed  
12 not later than June 1 [~~before the date the appraisal review board~~  
13 ~~approves the appraisal records~~].

14 SECTION 22. 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 April 1 [~~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 a date not later than May 1 [~~15~~]. The chief  
23 appraiser may further extend the deadline an additional 15 days  
24 upon good cause shown in writing by the property owner.

25 (c) Notwithstanding any other provision of this section,  
26 rendition statements and property reports for property regulated by  
27 the Public Utility Commission of Texas, the Railroad Commission of

1 Texas, the federal Surface Transportation Board, or the Federal  
2 Energy Regulatory Commission must be delivered to the chief  
3 appraiser not later than April 30, except as provided by Section  
4 22.02. The chief appraiser may extend the filing deadline 15 days  
5 for good cause shown in writing by the property owner.

6 SECTION 23. Section 23.01(b), Tax Code, is amended to read  
7 as follows:

8 (b) The market value of property shall be determined by the  
9 application of generally accepted appraisal methods and  
10 techniques, including appraisal methods and techniques prescribed  
11 by appraisal manuals prepared and issued by the comptroller. If the  
12 appraisal district determines the appraised value of a property  
13 using mass appraisal standards, the mass appraisal standards must  
14 comply with the Uniform Standards of Professional Appraisal  
15 Practice. The same or similar appraisal methods and techniques  
16 shall be used in appraising the same or similar kinds of property.  
17 However, each property shall be appraised based upon the individual  
18 characteristics that affect the property's market value, and all  
19 available evidence that is specific to the value of the property  
20 shall be taken into account in determining the property's market  
21 value.

22 SECTION 24. Sections 25.19(a) and (g), Tax Code, are  
23 amended to read as follows:

24 (a) By April 15 [~~1~~] or as soon thereafter as practicable [~~if~~  
25 ~~the property is a single-family residence that qualifies for an~~  
26 ~~exemption under Section 11.13, or by May 1 or as soon thereafter as~~  
27 ~~practicable in connection with any other property]~~, the chief

1 appraiser shall deliver a clear and understandable written notice  
2 to a property owner of the appraised value of the property owner's  
3 property if:

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

6 (2) the appraised value of the property is greater  
7 than the value rendered by the property owner;

8 (3) the property was not on the appraisal roll in the  
9 preceding year; or

10 (4) an exemption or partial exemption approved for the  
11 property for the preceding year was canceled or reduced for the  
12 current year.

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

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

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

16 (b-4) Subsection (b)(5) applies only to a notice of  
17 appraised value required to be delivered by the chief appraiser of  
18 an appraisal district established in a county with a population of  
19 less than 120,000. This subsection expires January 1, 2020.

20 SECTION 26. Effective January 1, 2020, Sections 25.19(b)  
21 and (i), Tax Code, are amended to read as follows:

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

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

26 (2) the appraised value of the property in the  
27 preceding year;

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

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

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

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

18           (6) [~~(7)~~] a detailed explanation of the time and  
19 procedure for protesting the value;

20           (7) [~~(8)~~] the date and place the appraisal review  
21 board will begin hearing protests; and

22           (8) [~~(9)~~] a brief explanation that the governing body  
23 of each taxing unit decides whether or not taxes on the property  
24 will increase and the appraisal district only determines the value  
25 of the property.

26           (i) Delivery with a notice required by Subsection (a) or (g)  
27 of a copy of the pamphlet published by the comptroller under Section

1 5.06 or a copy of the notice published by the chief appraiser under  
2 Section 41.70 is sufficient to comply with the requirement that the  
3 notice include the information specified by Subsection (b)(6)  
4 [~~(b)(7)~~] or (g)(3), as applicable.

5 SECTION 27. Section 25.22(a), Tax Code, is amended to read  
6 as follows:

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

16 SECTION 28. Sections 26.01(a) and (e), Tax Code, are  
17 amended to read as follows:

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

26 (e) Except as provided by Subsection (f), not later than May  
27 15 [~~April 30~~], the chief appraiser shall prepare and certify to the



1 assessor for each county, municipality, and school district  
2 participating in the appraisal district an estimate of the taxable  
3 value of property in that taxing unit. The chief appraiser shall  
4 assist each county, municipality, and school district in  
5 determining values of property in that taxing unit for the taxing  
6 unit's budgetary purposes.

7 SECTION 29. Section 26.012, Tax Code, is amended by  
8 amending Subdivisions (9) and (10) and adding Subdivision (19) to  
9 read as follows:

10 (9) "Equivalent [~~Effective~~] maintenance and  
11 operations rate" means a rate expressed in dollars per \$100 of  
12 taxable value and calculated according to the following formula:

13 EQUIVALENT [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS  
14 RATE = (LAST YEAR'S LEVY - LAST YEAR'S DEBT LEVY - LAST  
15 YEAR'S JUNIOR COLLEGE LEVY) / (CURRENT TOTAL VALUE -  
16 NEW PROPERTY VALUE)

17 (10) "Excess collections" means the amount, if any, by  
18 which debt taxes collected in the preceding year exceeded the  
19 amount anticipated in the preceding year's calculation of the  
20 rollback tax rate, as certified by the collector under Section  
21 26.04(b) [~~of this code~~].

22 (19) "Small taxing unit" means a taxing unit, other  
23 than a school district, for which the sum of property tax proposed  
24 to be collected for the tax year and sales and use tax projected to  
25 be received from the state comptroller during the fiscal period is  
26 \$20 million or less.

27 SECTION 30. The heading to Section 26.04, Tax Code, is

1 amended to read as follows:

2           Sec. 26.04. SUBMISSION OF ROLL TO GOVERNING BODY;  
3 EQUIVALENT [~~EFFECTIVE~~] AND ROLLBACK TAX RATES.

4           SECTION 31. Section 26.04, Tax Code, is amended by amending  
5 Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and  
6 adding Subsections (c-1), (d-1), (d-2), (d-3), (e-2), (e-3), (e-4),  
7 (e-5), (h-1), and (h-2) to read as follows:

8           (b) The assessor shall submit the appraisal roll for the  
9 unit showing the total appraised, assessed, and taxable values of  
10 all property and the total taxable value of new property to the  
11 governing body of the unit by July 15 [~~August 1~~] or as soon  
12 thereafter as practicable. By July 15 [~~August 1~~] or as soon  
13 thereafter as practicable, the taxing unit's collector shall  
14 certify [~~an estimate of~~] the anticipated collection rate as  
15 calculated under Subsections (h), (h-1), and (h-2) for the current  
16 year to the governing body. If the collector certified an  
17 anticipated collection rate in the preceding year and the actual  
18 collection rate in that year exceeded the anticipated rate, the  
19 collector shall also certify the amount of debt taxes collected in  
20 excess of the anticipated amount in the preceding year.

21           (c) After the assessor for the unit submits the appraisal  
22 roll for the unit to the governing body of the unit as required by  
23 Subsection (b), an [~~An~~] officer or employee designated by the  
24 governing body shall calculate the equivalent [~~effective~~] tax rate  
25 and the rollback tax rate for the unit, where:

26           (1) "Equivalent [~~Effective~~] tax rate" means a rate  
27 expressed in dollars per \$100 of taxable value calculated according

1 to the following formula:

2 EQUIVALENT [~~EFFECTIVE~~] TAX RATE = (LAST YEAR'S LEVY -  
3 LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW  
4 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 applicable formula:

9 (A) for a small taxing unit:

10 ROLLBACK TAX RATE = (EQUIVALENT [~~EFFECTIVE~~]  
11 MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT  
12 RATE

13 ; or

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

16 ROLLBACK TAX RATE = (EQUIVALENT MAINTENANCE AND  
17 OPERATIONS RATE x 1.04) + CURRENT DEBT RATE

18 (c-1) Notwithstanding any other provision of this section,  
19 the governing body of a taxing unit other than a small taxing unit  
20 may direct the designated officer or employee to calculate the  
21 rollback tax rate of the unit in the manner provided for a small  
22 taxing unit if any part of the 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. The designated officer or employee  
25 shall continue calculating the rollback tax rate in the manner  
26 provided by this subsection until the earlier of:

27 (1) the first tax year in which the total taxable value

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

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

8 (d) The equivalent [~~effective~~] tax rate for a county is the  
9 sum of the equivalent [~~effective~~] tax rates calculated for each  
10 type of tax the county levies and the rollback tax rate for a county  
11 is the sum of the rollback tax rates calculated for each type of tax  
12 the county levies.

13 (d-1) The designated officer or employee shall use the tax  
14 rate calculation forms prescribed by the comptroller under Section  
15 5.07 in calculating the equivalent tax rate and the rollback tax  
16 rate.

17 (d-2) The designated officer or employee may not submit the  
18 equivalent tax rate and the rollback tax rate to the governing body  
19 of the taxing unit and the unit may not adopt a tax rate until the  
20 designated officer or employee certifies on the tax rate  
21 calculation forms that the designated officer or employee has  
22 accurately calculated the tax rates and has used values that are the  
23 same as the values shown in the unit's certified appraisal roll in  
24 performing the calculations.

25 (d-3) As soon as practicable after the designated officer or  
26 employee calculates the equivalent tax rate and the rollback tax  
27 rate of the taxing unit, the designated officer or employee shall

1 submit the tax rate calculation forms used in calculating the rates  
2 to the county assessor-collector for each county in which all or  
3 part of the territory of the unit is located.

4 (e) By July 22 [~~August 7~~] or as soon thereafter as  
5 practicable, the designated officer or employee shall submit the  
6 rates to the governing body. By July 27, the designated officer or  
7 employee [~~He~~] shall deliver by mail to each property owner in the  
8 unit or publish in a newspaper, and shall also post prominently on  
9 the home page of the unit's Internet website if published in a  
10 newspaper, in the form prescribed by the comptroller:

11 (1) the equivalent [~~effective~~] tax rate, the rollback  
12 tax rate, and an explanation of how they were calculated;

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

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

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

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

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

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

9 (5) a statement that the adoption of a tax rate equal  
10 to the equivalent [~~effective~~] tax rate would result in an increase  
11 or decrease, as applicable, in the amount of taxes imposed by the  
12 unit as compared to last year's levy, and the amount of the increase  
13 or decrease;

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

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

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

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

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

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

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

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

14 (e-2) By July 22 or as soon thereafter as practicable, the  
15 tax notice officer of each appraisal district shall deliver by  
16 regular mail or e-mail to each owner of property located in the  
17 appraisal district a notice that the estimated amount of taxes to be  
18 imposed on the owner's property by each taxing unit in which the  
19 property is located may be found in the real-time tax database  
20 maintained by the tax notice officer under Section 26.17. The  
21 notice must include:

22 (1) the following statement:

23 "PROPOSED (tax year) PROPERTY TAX BILL INFORMATION

24 "Information concerning the (insert tax year) property taxes  
25 on your property proposed by your local taxing units, together with  
26 information about expressing your support for or opposition to the  
27 proposed property taxes, may be found in the real-time tax notice at

1 the website listed below:

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

4 (2) a statement that the property owner may request  
5 from the county assessor-collector contact information for the  
6 assessor for each taxing unit in which the property is located, who  
7 must provide the information described by this subsection to the  
8 owner on request; and

9 (3) the address and telephone number of the county  
10 assessor-collector.

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

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

16 (e-5) The governing body of a taxing unit shall include as  
17 an appendix to the unit's budget for a fiscal year the tax rate  
18 calculation forms used by the designated officer or employee of the  
19 unit to calculate the equivalent tax rate and the rollback tax rate  
20 of the unit for the tax year in which the fiscal year begins.

21 (f) If as a result of consolidation of taxing units a taxing  
22 unit includes territory that was in two or more taxing units in the  
23 preceding year, the amount of taxes imposed in each in the preceding  
24 year is combined for purposes of calculating the equivalent  
25 ~~[effective]~~ and rollback tax rates under this section.

26 (g) A person who owns taxable property is entitled to an  
27 injunction prohibiting the taxing unit in which the property is



1 taxable from adopting a tax rate if the assessor or designated  
2 officer or employee of the unit, the tax notice officer of the  
3 applicable appraisal district, or the taxing unit, as applicable,  
4 has not complied with the computation, ~~[or]~~ publication, or posting  
5 requirements of this section or Section 26.16, 26.17, or 26.18 ~~[and~~  
6 ~~the failure to comply was not in good faith]~~. It is a defense in an  
7 action for an injunction under this subsection that the failure to  
8 comply was in good faith.

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

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

20 (i) This subsection applies to a taxing unit that has agreed  
21 by written contract to transfer a distinct department, function, or  
22 activity to another taxing unit and discontinues operating that  
23 distinct department, function, or activity if the operation of that  
24 department, function, or activity in all or a majority of the  
25 territory of the taxing unit is continued by another existing  
26 taxing unit or by a new taxing unit. The rollback tax rate of a  
27 taxing unit to which this subsection applies in the first tax year

1 in which a budget is adopted that does not allocate revenue to the  
2 discontinued department, function, or activity is calculated as  
3 otherwise provided by this section, except that last year's levy  
4 used to calculate the equivalent [~~effective~~] maintenance and  
5 operations rate of the unit is reduced by the amount of maintenance  
6 and operations tax revenue spent by the taxing unit to operate the  
7 department, function, or activity for the 12 months preceding the  
8 month in which the calculations required by this chapter are made  
9 and in which the unit operated the discontinued department,  
10 function, or activity. If the unit did not operate that department,  
11 function, or activity for the full 12 months preceding the month in  
12 which the calculations required by this chapter are made, the unit  
13 shall reduce last year's levy used for calculating the equivalent  
14 [~~effective~~] maintenance and operations rate of the unit by the  
15 amount of the revenue spent in the last full fiscal year in which  
16 the unit operated the discontinued department, function, or  
17 activity.

18 (j) This subsection applies to a taxing unit that had agreed  
19 by written contract to accept the transfer of a distinct  
20 department, function, or activity from another taxing unit and  
21 operates a distinct department, function, or activity if the  
22 operation of a substantially similar department, function, or  
23 activity in all or a majority of the territory of the taxing unit  
24 has been discontinued by another taxing unit, including a dissolved  
25 taxing unit. The rollback tax rate of a taxing unit to which this  
26 subsection applies in the first tax year after the other taxing unit  
27 discontinued the substantially similar department, function, or

1 activity in which a budget is adopted that allocates revenue to the  
2 department, function, or activity is calculated as otherwise  
3 provided by this section, except that last year's levy used to  
4 calculate the equivalent [~~effective~~] maintenance and operations  
5 rate of the unit is increased by the amount of maintenance and  
6 operations tax revenue spent by the taxing unit that discontinued  
7 operating the substantially similar department, function, or  
8 activity to operate that department, function, or activity for the  
9 12 months preceding the month in which the calculations required by  
10 this chapter are made and in which the unit operated the  
11 discontinued department, function, or activity. If the unit did  
12 not operate the discontinued department, function, or activity for  
13 the full 12 months preceding the month in which the calculations  
14 required by this chapter are made, the unit may increase last year's  
15 levy used to calculate the equivalent [~~effective~~] maintenance and  
16 operations rate by an amount not to exceed the amount of property  
17 tax revenue spent by the discontinuing unit to operate the  
18 discontinued department, function, or activity in the last full  
19 fiscal year in which the discontinuing unit operated the  
20 department, function, or activity.

21 SECTION 32. Section 26.041, Tax Code, is amended by  
22 amending Subsections (a), (b), (c), (e), (g), and (h) and adding  
23 Subsection (c-1) to read as follows:

24 (a) In the first year in which an additional sales and use  
25 tax is required to be collected, the equivalent [~~effective~~] tax  
26 rate and rollback tax rate for the unit are calculated according to  
27 the following formulas:

1        EQUIVALENT [~~EFFECTIVE~~] TAX RATE = [(LAST YEAR'S LEVY -  
 2        LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW  
 3        PROPERTY VALUE)] - SALES TAX GAIN RATE

4        and

5        ROLLBACK TAX RATE FOR SMALL TAXING UNIT = (EQUIVALENT  
 6        [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE x 1.08) +  
 7        CURRENT DEBT RATE - SALES TAX GAIN RATE

8        or

9        ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SMALL  
 10        TAXING UNIT = (EQUIVALENT MAINTENANCE AND OPERATIONS  
 11        RATE x 1.04) + CURRENT DEBT RATE - SALES TAX GAIN RATE

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

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

22        ROLLBACK TAX RATE FOR SMALL TAXING UNIT = [(LAST YEAR'S  
 23        MAINTENANCE AND OPERATIONS EXPENSE x 1.08) / ([~~TOTAL~~]  
 24        CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT  
 25        DEBT RATE - SALES TAX REVENUE RATE)

26        or

27        ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SMALL

1           TAXING UNIT = [(LAST YEAR'S MAINTENANCE AND OPERATIONS  
 2           EXPENSE x 1.04) / (CURRENT TOTAL VALUE - NEW PROPERTY  
 3           VALUE)] + (CURRENT DEBT RATE - SALES TAX REVENUE RATE)

4 where "last year's maintenance and operations expense" means the  
 5 amount spent for maintenance and operations from property tax and  
 6 additional sales and use tax revenues in the preceding year, and  
 7 "sales tax revenue rate" means a number expressed in dollars per  
 8 \$100 of taxable value, calculated by dividing the revenue that will  
 9 be generated by the additional sales and use tax in the current year  
 10 as calculated under Subsection (d) [~~of this section~~] by the current  
 11 total value.

12           (c) In a year in which a taxing unit that has been imposing  
 13 an additional sales and use tax ceases to impose an additional sales  
 14 and use tax, the equivalent [~~effective~~] tax rate and rollback tax  
 15 rate for the unit are calculated according to the following  
 16 formulas:

17           EQUIVALENT [~~EFFECTIVE~~] TAX RATE = [(LAST YEAR'S LEVY -  
 18           LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW  
 19           PROPERTY VALUE)] + SALES TAX LOSS RATE

20 [~~and~~]

21           ROLLBACK TAX RATE FOR SMALL TAXING UNIT = [(LAST YEAR'S  
 22           MAINTENANCE AND OPERATIONS EXPENSE x 1.08) / ([~~TOTAL~~  
 23           CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + CURRENT  
 24           DEBT RATE

25 and

26           ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SMALL  
 27           TAXING UNIT = [(LAST YEAR'S MAINTENANCE AND OPERATIONS

1           EXPENSE x 1.04) / (CURRENT TOTAL VALUE - NEW PROPERTY  
2           VALUE)] + CURRENT DEBT RATE

3 where "sales tax loss rate" means a number expressed in dollars per  
4 \$100 of taxable value, calculated by dividing the amount of sales  
5 and use tax revenue generated in the last four quarters for which  
6 the information is available by the current total value and "last  
7 year's maintenance and operations expense" means the amount spent  
8 for maintenance and operations from property tax and additional  
9 sales and use tax revenues in the preceding year.

10           (c-1) Notwithstanding any other provision of this section,  
11 the governing body of a taxing unit other than a small taxing unit  
12 may direct the designated officer or employee to calculate the  
13 rollback tax rate of the unit in the manner provided for a small  
14 taxing unit if any part of the 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. The designated officer or employee  
17 shall continue calculating the rollback tax rate in the manner  
18 provided by this subsection until the earlier of:

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

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

27           (e) If a city that imposes an additional sales and use tax

1 receives payments under the terms of a contract executed before  
2 January 1, 1986, in which the city agrees not to annex certain  
3 property or a certain area and the owners or lessees of the property  
4 or of property in the area agree to pay at least annually to the city  
5 an amount determined by reference to all or a percentage of the  
6 property tax rate of the city and all or a part of the value of the  
7 property subject to the agreement or included in the area subject to  
8 the agreement, the governing body, by order adopted by a majority  
9 vote of the governing body, may direct the designated officer or  
10 employee to add to the equivalent [~~effective~~] and rollback tax  
11 rates the amount that, when applied to the total taxable value  
12 submitted to the governing body, would produce an amount of taxes  
13 equal to the difference between the total amount of payments for the  
14 tax year under contracts described by this subsection under the  
15 rollback tax rate calculated under this section and the total  
16 amount of payments for the tax year that would have been obligated  
17 to the city if the city had not adopted an additional sales and use  
18 tax.

19 (g) If the rate of the additional sales and use tax is  
20 increased, the designated officer or employee shall make two  
21 projections, in the manner provided by Subsection (d) [~~of this~~  
22 ~~section~~], of the revenue generated by the additional sales and use  
23 tax in the following year. The first projection must take into  
24 account the increase and the second projection must not take into  
25 account the increase. The designated officer or employee shall  
26 then subtract the amount of the result of the second projection from  
27 the amount of the result of the first projection to determine the

1 revenue generated as a result of the increase in the additional  
2 sales and use tax. In the first year in which an additional sales  
3 and use tax is increased, the equivalent [~~effective~~] tax rate for  
4 the unit is the equivalent [~~effective~~] tax rate before the increase  
5 minus a number the numerator of which is the revenue generated as a  
6 result of the increase in the additional sales and use tax, as  
7 determined under this subsection, and the denominator of which is  
8 the current total value minus the new property value.

9 (h) If the rate of the additional sales and use tax is  
10 decreased, the designated officer or employee shall make two  
11 projections, in the manner provided by Subsection (d) [~~of this~~  
12 ~~section~~], of the revenue generated by the additional sales and use  
13 tax in the following year. The first projection must take into  
14 account the decrease and the second projection must not take into  
15 account the decrease. The designated officer or employee shall  
16 then subtract the amount of the result of the first projection from  
17 the amount of the result of the second projection to determine the  
18 revenue lost as a result of the decrease in the additional sales and  
19 use tax. In the first year in which an additional sales and use tax  
20 is decreased, the equivalent [~~effective~~] tax rate for the unit is  
21 the equivalent [~~effective~~] tax rate before the decrease plus a  
22 number the numerator of which is the revenue lost as a result of the  
23 decrease in the additional sales and use tax, as determined under  
24 this subsection, and the denominator of which is the current total  
25 value minus the new property value.

26 SECTION 33. The heading to Section [26.043](#), Tax Code, is  
27 amended to read as follows:



1           Sec. 26.043. ROLLBACK AND EQUIVALENT [~~EFFECTIVE~~] TAX RATES  
2 [~~RATE~~] IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

3           SECTION 34. Sections 26.043(a) and (b), Tax Code, are  
4 amended to read as follows:

5           (a) In the tax year in which a city has set an election on  
6 the question of whether to impose a local sales and use tax under  
7 Subchapter H, Chapter 453, Transportation Code, the officer or  
8 employee designated to make the calculations provided by Section  
9 26.04 may not make those calculations until the outcome of the  
10 election is determined. If the election is determined in favor of  
11 the imposition of the tax, the representative shall subtract from  
12 the city's rollback and equivalent [~~effective~~] tax rates the amount  
13 that, if applied to the city's current total value, would impose an  
14 amount equal to the amount of property taxes budgeted in the current  
15 tax year to pay for expenses related to mass transit services.

16           (b) In a tax year to which this section applies, a reference  
17 in this chapter to the city's equivalent [~~effective~~] or rollback  
18 tax rate refers to that rate as adjusted under this section.

19           SECTION 35. The heading to Section 26.044, Tax Code, is  
20 amended to read as follows:

21           Sec. 26.044. EQUIVALENT [~~EFFECTIVE~~] TAX RATE TO PAY FOR  
22 STATE CRIMINAL JUSTICE MANDATE.

23           SECTION 36. Sections 26.044(a), (b), and (c), Tax Code, are  
24 amended to read as follows:

25           (a) The first time that a county adopts a tax rate after  
26 September 1, 1991, in which the state criminal justice mandate  
27 applies to the county, the equivalent [~~effective~~] maintenance and

1 operation rate for the county is increased by the rate calculated  
2 according to the following formula:

3 (State Criminal Justice Mandate) / (Current Total  
4 Value - New Property Value)

5 (b) In the second and subsequent years that a county adopts  
6 a tax rate, if the amount spent by the county for the state criminal  
7 justice mandate increased over the previous year, the equivalent  
8 [~~effective~~] maintenance and operation rate for the county is  
9 increased by the rate calculated according to the following  
10 formula:

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

14 (c) The county shall include a notice of the increase in the  
15 equivalent [~~effective~~] maintenance and operation rate provided by  
16 this section, including a description and amount of the state  
17 criminal justice mandate, in the information published under  
18 Section 26.04(e) and Section 26.06(b) [~~of this code~~].

19 SECTION 37. Sections 26.0441(a), (b), and (c), Tax Code,  
20 are amended to read as follows:

21 (a) In the first tax year in which a taxing unit adopts a tax  
22 rate after January 1, 2000, and in which the enhanced minimum  
23 eligibility standards for indigent health care established under  
24 Section 61.006, Health and Safety Code, apply to the taxing unit,  
25 the equivalent [~~effective~~] maintenance and operations rate for the  
26 taxing unit is increased by the rate computed according to the  
27 following formula:

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

4 (b) In each subsequent tax year, if the taxing unit's  
5 enhanced indigent health care expenses exceed the amount of those  
6 expenses for the preceding year, the equivalent [~~effective~~]  
7 maintenance and operations rate for the taxing unit is increased by  
8 the rate computed according to the following formula:

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

13 (c) The taxing unit shall include a notice of the increase  
14 in its equivalent [~~effective~~] maintenance and operations rate  
15 provided by this section, including a brief description and the  
16 amount of the enhanced indigent health care expenditures, in the  
17 information published under Section 26.04(e) and, if applicable,  
18 Section 26.06(b).

19 SECTION 38. Chapter 26, Tax Code, is amended by adding  
20 Section 26.0446 to read as follows:

21 Sec. 26.0446. ELECTION TO APPLY LAW GOVERNING TAXING UNIT  
22 OTHER THAN SMALL TAXING UNIT TO SMALL TAXING UNIT. (a) On the  
23 uniform election date prescribed by Section 41.001, Election Code,  
24 in May of 2018, each taxing unit that would have been a small taxing  
25 unit in the 2017 tax year if Section 26.012(19) had been in effect  
26 in that tax year shall call an election for the purpose of allowing  
27 the voters in the taxing unit to determine whether the law governing

1 a taxing unit other than a small taxing unit shall apply to the  
2 taxing unit. At the election, the ballots shall be prepared to  
3 permit voting for or against the proposition: "Limiting the rate at  
4 which the maintenance and operations taxes of the (name of taxing  
5 unit) may be increased without voter approval to four percent  
6 rather than eight percent and requiring an automatic election to  
7 ratify a proposed tax rate that would increase those taxes by more  
8 than that amount instead of requiring an election to limit the tax  
9 rate only if the voters petition for such an election."

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

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

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

20 SECTION 39. Section 26.05, Tax Code, is amended by amending  
21 Subsections (a), (b), (c), (d), (e), and (g) and adding Subsections  
22 (d-1), (d-2), and (e-1) to read as follows:

23 (a) The governing body of each taxing unit [~~before the~~  
24 ~~later of September 30 or the 60th day after the date the certified~~  
25 ~~appraisal roll is received by the taxing unit,~~] shall adopt a tax  
26 rate for the current tax year and shall notify the assessor for the  
27 unit of the rate adopted. The governing body must adopt a tax rate

1 before the later of September 30 or the 60th day after the date the  
2 certified appraisal roll is received by the taxing unit, except  
3 that the governing body must adopt a tax rate that exceeds the  
4 rollback tax rate before August 15. The tax rate consists of two  
5 components, each of which must be approved separately. The  
6 components are:

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

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

16 (b) A taxing unit may not impose property taxes in any year  
17 until the governing body has adopted a tax rate for that year, and  
18 the annual tax rate must be set by ordinance, resolution, or order,  
19 depending on the method prescribed by law for adoption of a law by  
20 the governing body. The vote on the ordinance, resolution, or order  
21 setting the tax rate must be separate from the vote adopting the  
22 budget. For a taxing unit other than a school district, the vote on  
23 the ordinance, resolution, or order setting a tax rate that exceeds  
24 the equivalent [~~effective~~] tax rate must be a record vote, and at  
25 least 60 percent of the members of the governing body must vote in  
26 favor of the ordinance, resolution, or order. For a school  
27 district, the vote on the ordinance, resolution, or order setting a

1 tax rate that exceeds the sum of the equivalent [~~effective~~]  
2 maintenance and operations tax rate of the district as determined  
3 under Section 26.08(i) and the district's current debt rate must be  
4 a record vote, and at least 60 percent of the members of the  
5 governing body must vote in favor of the ordinance, resolution, or  
6 order. A motion to adopt an ordinance, resolution, or order setting  
7 a tax rate that exceeds the equivalent [~~effective~~] tax rate must be  
8 made in the following form: "I move that the property tax rate be  
9 increased by the adoption of a tax rate of (specify tax rate), which  
10 is effectively a (insert percentage by which the proposed tax rate  
11 exceeds the equivalent [~~effective~~] tax rate) percent increase in  
12 the tax rate." If the ordinance, resolution, or order sets a tax  
13 rate that, if applied to the total taxable value, will impose an  
14 amount of taxes to fund maintenance and operation expenditures of  
15 the taxing unit that exceeds the amount of taxes imposed for that  
16 purpose in the preceding year, the taxing unit must:

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

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

22 (B) if the tax rate exceeds the equivalent  
23 [~~effective~~] maintenance and operations rate, the following  
24 statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT  
25 PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE EQUIVALENT [~~EFFECTIVE~~]  
26 MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR  
27 MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY

1 \$(Insert amount)."; and

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

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

7 (B) if the tax rate exceeds the equivalent  
8 [~~effective~~] maintenance and operations rate, the following  
9 statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT  
10 PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE EQUIVALENT [~~EFFECTIVE~~]  
11 MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR  
12 MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY  
13 \$(Insert amount)."

14 (c) If the governing body of a taxing unit does not adopt a  
15 tax rate before the date required by Subsection (a), the tax rate  
16 for the taxing unit for that tax year is the lower of the equivalent  
17 [~~effective~~] tax rate calculated for that tax year or the tax rate  
18 adopted by the taxing unit for the preceding tax year. A tax rate  
19 established by this subsection is treated as an adopted tax rate.  
20 Before the fifth day after the establishment of a tax rate by this  
21 subsection, the governing body of the taxing unit must ratify the  
22 applicable tax rate in the manner required by Subsection (b).

23 (d) The governing body of a taxing unit other than a school  
24 district may not adopt a tax rate that exceeds the lower of the  
25 rollback tax rate or the equivalent [~~effective~~] tax rate calculated  
26 as provided by this chapter until the governing body has held two  
27 public hearings on the proposed tax rate and has otherwise complied

1 with Section 26.06 and Section 26.065. The governing body of a  
2 taxing unit shall reduce a tax rate set by law or by vote of the  
3 electorate to the lower of the rollback tax rate or the equivalent  
4 ~~[effective]~~ tax rate and may not adopt a higher rate unless it first  
5 complies with Section 26.06.

6 (d-1) The governing body of a taxing unit may not hold a  
7 public hearing on a proposed tax rate or a public meeting to adopt a  
8 tax rate until the 14th day after the date the officer or employee  
9 designated by the governing body of the unit to calculate the  
10 equivalent tax rate and the rollback tax rate for the unit complies  
11 with Section 26.17.

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

15 (1) the tax notice officer of each appraisal district  
16 in which the taxing unit participates has delivered the notice  
17 required by Section 26.04(e-2);

18 (2) the designated officer or employee of the taxing  
19 unit has:

20 (A) entered in the real-time tax database  
21 maintained by the tax notice officer the information described by  
22 Section 26.17(b) for the current tax year; and

23 (B) incorporated the completed tax rate  
24 calculation forms prepared under Section 26.04(d-1) into the  
25 real-time tax database maintained by the tax notice officer; and

26 (3) the taxing unit has posted the information  
27 described by Section 26.18 on the Internet website used by the



1 taxing unit for that purpose.

2 (e) A person who owns taxable property is entitled to an  
3 injunction restraining the collection of taxes by a taxing unit in  
4 which the property is taxable if the taxing unit has not complied  
5 with the requirements of this section or Section 26.04 [~~and the~~  
6 ~~failure to comply was not in good faith~~]. It is a defense in an  
7 action for an injunction under this subsection that the failure to  
8 comply was in good faith. An action to enjoin the collection of  
9 taxes must be filed not later than the 15th day after the date the  
10 taxing unit adopts a tax rate. A property owner is not required to  
11 pay the taxes imposed by a taxing unit on the owner's property while  
12 an action filed by the property owner to enjoin the collection of  
13 taxes imposed by the taxing unit on the owner's property is pending.  
14 If the property owner pays the taxes and subsequently prevails in  
15 the action, the property owner is entitled to a refund of the taxes  
16 paid, together with reasonable attorney's fees and court costs.  
17 The property owner is not required to apply to the collector for the  
18 taxing unit to receive the refund [~~prior to the date a taxing unit~~  
19 ~~delivers substantially all of its tax bills~~].

20 (e-1) The governing body of a taxing unit that imposes an  
21 additional sales and use tax may not adopt the component of the tax  
22 rate of the unit described by Subsection (a)(1) of this section  
23 until the chief financial officer or the auditor for the unit  
24 submits to the governing body of the unit a written certification  
25 that the amount of additional sales and use tax revenue that will be  
26 used to pay debt service has been deducted from the total amount  
27 published under Section 26.04(e)(3)(C) as required by Subsection

1 (a)(1) of this section. The comptroller shall adopt rules  
2 governing the form of the certification required by this subsection  
3 and the manner in which it is required to be submitted.

4 (g) Notwithstanding Subsection (a), the governing body of a  
5 school district that elects to adopt a tax rate before the adoption  
6 of a budget for the fiscal year that begins in the current tax year  
7 may adopt a tax rate for the current tax year before receipt of the  
8 certified appraisal roll for the school district if the chief  
9 appraiser of the appraisal district in which the school district  
10 participates has certified to the assessor for the school district  
11 an estimate of the taxable value of property in the school district  
12 as provided by Section 26.01(e). If a school district adopts a tax  
13 rate under this subsection, the equivalent [~~effective~~] tax rate and  
14 the rollback tax rate of the district shall be calculated based on  
15 the certified estimate of taxable value.

16 SECTION 40. Section 26.052, Tax Code, is amended by  
17 amending Subsection (e) and adding Subsection (f) to read as  
18 follows:

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

21 (1) the tax rate that the governing body proposes to  
22 adopt;

23 (2) the date, time, and location of the meeting of the  
24 governing body of the taxing unit at which the governing body will  
25 consider adopting the proposed tax rate; and

26 (3) if the proposed tax rate for the taxing unit  
27 exceeds the unit's equivalent [~~effective~~] tax rate calculated as

1 provided by Section 26.04, a statement substantially identical to  
2 the following: "The proposed tax rate would increase total taxes in  
3 (name of taxing unit) by (percentage by which the proposed tax rate  
4 exceeds the equivalent [~~effective~~] tax rate)."

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

11 SECTION 41. Section 26.06, Tax Code, is amended by amending  
12 Subsections (b), (c), (d), and (e) and adding Subsections (b-1),  
13 (b-2), (b-3), and (b-4) to read as follows:

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

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

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

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

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

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

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

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

1 ~~current tax year, disregarding residence homestead exemptions~~  
2 ~~available only to disabled persons or persons 65 years of age or~~  
3 ~~older).~~

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

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

12 (b-1) If the proposed tax rate exceeds the equivalent tax  
13 rate and the rollback tax rate of the taxing unit, the notice must  
14 contain a statement in the following form:

15 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

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

17 "EQUIVALENT TAX RATE        \$\_\_\_\_\_ per \$100

18 "ROLLBACK TAX RATE         \$\_\_\_\_\_ per \$100

19 "The equivalent tax rate is the tax rate for the (current tax  
20 year) tax year that will raise the same amount of property tax  
21 revenue for (name of taxing unit) from the same properties in both  
22 the (preceding tax year) tax year and the (current tax year) tax  
23 year.

24 "The rollback tax rate is the highest tax rate that (name of  
25 taxing unit) may adopt without holding an election to ratify the  
26 rate.

27 "The proposed tax rate is greater than the equivalent tax

1 rate. This means that (name of taxing unit) is proposing to  
2 increase property taxes for the (current tax year) tax year.

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

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

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

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

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

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

24 (b-2) If the proposed tax rate exceeds the equivalent tax  
25 rate but does not exceed the rollback tax rate of the taxing unit,  
26 the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

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

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

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

"The equivalent tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

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

"The proposed tax rate is greater than the equivalent tax rate. This means that (name of taxing unit) is proposing to increase property taxes for the (current tax year) tax year.

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

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

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

"Your taxes owed under any of the tax rates mentioned above

1 can be calculated as follows:

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

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

7 (b-3) If the proposed tax rate does not exceed the  
8 equivalent tax rate but exceeds the rollback tax rate of the taxing  
9 unit, the notice must contain a statement in the following form:

10 "NOTICE OF PUBLIC HEARING ON TAX RATE

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

12 "EQUIVALENT TAX RATE       \$\_\_\_\_\_ per \$100

13 "ROLLBACK TAX RATE         \$\_\_\_\_\_ per \$100

14 "The equivalent tax rate is the tax rate for the (current tax  
15 year) tax year that will raise the same amount of property tax  
16 revenue for (name of taxing unit) from the same properties in both  
17 the (preceding tax year) tax year and the (current tax year) tax  
18 year.

19 "The rollback tax rate is the highest tax rate that (name of  
20 taxing unit) may adopt without holding an election to ratify the  
21 rate.

22 "The proposed tax rate is not greater than the equivalent tax  
23 rate. This means that (name of taxing unit) is not proposing to  
24 increase property taxes for the (current tax year) tax year.

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

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



1 (meeting place).

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

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

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

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

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

22 (c) The notice of a public hearing under this section may be  
23 delivered by mail to each property owner in the unit, or may be  
24 published in a newspaper. If the notice is published in a  
25 newspaper, it may not be in the part of the paper in which legal  
26 notices and classified advertisements appear. If the taxing unit  
27 publishes the notice in a newspaper [~~operates an Internet website~~],

1 the taxing unit must also post the notice prominently on the home  
2 page of the Internet website of the unit [~~must be posted on the~~  
3 ~~website~~] from the date the notice is first published until the  
4 second public hearing is concluded.

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

11 "NOTICE OF TAX REVENUE INCREASE

12 "The (name of the taxing unit) conducted public hearings on  
13 (date of first hearing) and (date of second hearing) on a proposal  
14 to increase the total tax revenues of the (name of the taxing unit)  
15 from properties on the tax roll in the preceding year by (percentage  
16 by which proposed tax rate exceeds lower of rollback tax rate or  
17 equivalent [~~effective~~] tax rate calculated under this chapter)  
18 percent.

19 "The total tax revenue proposed to be raised last year at last  
20 year's tax rate of (insert tax rate for the preceding year) for each  
21 \$100 of taxable value was (insert total amount of taxes imposed in  
22 the preceding year).

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

1 total value and new property value).

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

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

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

14 (e) The meeting to vote on the tax increase may not be  
15 earlier than the third day or later than the seventh [~~14th~~] day  
16 after the date of the second public hearing. The meeting must be  
17 held inside the boundaries of the taxing unit in a publicly owned  
18 building or, if a suitable publicly owned building is not  
19 available, in a suitable building to which the public normally has  
20 access. If the governing body does not adopt a tax rate that  
21 exceeds the lower of the rollback tax rate or the equivalent  
22 [~~effective~~] tax rate by the seventh [~~14th~~] day, it must give a new  
23 notice under Subsection (d) before it may adopt a rate that exceeds  
24 the lower of the rollback tax rate or the equivalent [~~effective~~] tax  
25 rate.

26 SECTION 42. Chapter 26, Tax Code, is amended by adding  
27 Sections 26.061 and 26.062 to read as follows:

Sec. 26.061. NOTICE OF MEETING TO VOTE ON PROPOSED TAX RATE THAT DOES NOT EXCEED LOWER OF EQUIVALENT OR ROLLBACK TAX RATE.

(a) This section applies only to the governing body of a taxing unit other than a school district that proposes to adopt a tax rate that does not exceed the lower of the equivalent tax rate or the rollback tax rate calculated as provided by this chapter.

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

"NOTICE OF MEETING TO VOTE ON TAX RATE

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

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

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

"The equivalent tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

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

"The proposed tax rate is not greater than the equivalent tax rate. This means that (name of taxing unit) is not proposing to increase property taxes for the (current tax year) tax year.

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

"The proposed tax rate is also not greater than the rollback

1 tax rate. As a result, (name of taxing unit) is not required to hold  
2 an election to ratify the rate. However, you may express your  
3 support for or opposition to the proposed tax rate by contacting the  
4 members of the (name of governing body) of (name of taxing unit) at  
5 their offices or by attending the public meeting mentioned above.

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

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

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

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

16 Sec. 26.062. ADDITIONAL INFORMATION TO BE INCLUDED IN TAX  
17 RATE NOTICE. (a) In addition to the information described by  
18 Section 26.06(b-1), (b-2), (b-3), (b-4), (b-5), or (b-6) or 26.061,  
19 as applicable, a notice required by that provision must include at  
20 the end of the notice:

21 (1) a statement in the following form:

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

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

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

3           (A) if the tax assessor for the taxing unit  
4 maintains an Internet website: "For assistance with tax  
5 calculations, please contact the tax assessor for (name of taxing  
6 unit) at (telephone number) or (e-mail address), or visit (Internet  
7 website address) for more information."; or

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

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

13           (c) The first row must appear as follows:

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

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

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

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

22           (d) The second row must appear as follows:

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

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

27           (3) the third column of the second row must state the

1 proposed tax rate for the current tax year; and  
2 (4) the fourth column of the second row must state the  
3 nominal and percentage difference between the adopted tax rate for  
4 the preceding tax year and the proposed tax rate for the current tax  
5 year as follows: "(increase or decrease, as applicable) of  
6 (nominal difference between tax rate stated in second column of  
7 second row and tax rate stated in third column of second row) per  
8 \$100, or (percentage difference between tax rate stated in second  
9 column of second row and tax rate stated in third column of second  
10 row)%".

11 (e) The third row must appear as follows:

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

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

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

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

1           (f) The fourth row must appear as follows:

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

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

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

15                   (4) the fourth column of the fourth row must state the  
16 nominal and percentage difference between the amount of taxes  
17 imposed by the taxing unit in the preceding tax year on a residence  
18 homestead with a taxable value equal to the average taxable value of  
19 a residence homestead in the taxing unit in the preceding tax year  
20 and the amount of taxes that would be imposed by the taxing unit in  
21 the current tax year on a residence homestead with a taxable value  
22 equal to the average taxable value of a residence homestead in the  
23 taxing unit in the current tax year if the taxing unit adopted the  
24 proposed tax rate, as follows: "(increase or decrease, as  
25 applicable) of (nominal difference between amount stated in second  
26 column of fourth row and amount stated in third column of fourth  
27 row), or (percentage difference between amount stated in second



1 column of fourth row and amount stated in third column of fourth  
2 row)%".

3 (g) The fifth row must appear as follows:

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

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

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

11 (4) the fourth column of the fifth row must state the  
12 nominal and percentage difference between the total amount of taxes  
13 imposed by the taxing unit in the preceding tax year and the amount  
14 that would be imposed by the taxing unit in the current tax year if  
15 the taxing unit adopted the proposed tax rate, as follows:  
16 "(increase or decrease, as applicable) of (nominal difference  
17 between amount stated in second column of fifth row and amount  
18 stated in third column of fifth row), or (percentage difference  
19 between amount stated in second column of fifth row and amount  
20 stated in third column of fifth row)%".

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

27 SECTION 43. Section 26.065(b), Tax Code, is amended to read

1 as follows:

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

9 SECTION 44. The heading to Section 26.08, Tax Code, is  
10 amended to read as follows:

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

13 SECTION 45. Section 26.08, Tax Code, is amended by amending  
14 Subsections (a), (b), (d), (d-1), (d-2), (e), (g), (h), (n), and (p)  
15 and adding Subsection (r) to read as follows:

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

1 approve the tax rate adopted by the governing body for the year  
2 following the year in which the disaster occurs.

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

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

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

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

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

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

1 (g) In a school district that received distributions from an  
2 equalization tax imposed under former Chapter 18, Education Code,  
3 the equivalent tax [~~effective~~] rate of that tax as of the date of  
4 the county unit system's abolition is added to the district's  
5 rollback tax rate.

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

12 (n) For purposes of this section, the rollback tax rate of a  
13 school district whose maintenance and operations tax rate for the  
14 2005 tax year was \$1.50 or less per \$100 of taxable value is:

15 (1) for the 2006 tax year, the sum of the rate that is  
16 equal to 88.67 percent of the maintenance and operations tax rate  
17 adopted by the district for the 2005 tax year, the rate of \$0.04 per  
18 \$100 of taxable value, and the district's current debt rate; and

19 (2) for the 2007 and subsequent tax years, the lesser  
20 of the following:

21 (A) the sum of the following:

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

26 (ii) the rate of \$0.04 per \$100 of taxable  
27 value;

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

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

7 (B) the sum of the following:

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

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

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

16 (p) Notwithstanding Subsections (i), (n), and (o), if for  
17 the preceding tax year a school district adopted a maintenance and  
18 operations tax rate that was less than the district's equivalent  
19 [~~effective~~] maintenance and operations tax rate for that preceding  
20 tax year, the rollback tax rate of the district for the current tax  
21 year is calculated as if the district adopted a maintenance and  
22 operations tax rate for the preceding tax year that was equal to the  
23 district's equivalent [~~effective~~] maintenance and operations tax  
24 rate for that preceding tax year.

25 (r) Except as otherwise expressly provided by law, this  
26 section does not apply to a tax imposed by a taxing unit if a  
27 provision of an uncodified local or special law enacted by the 85th

1 Legislature, Regular Session, 2017, or by an earlier legislature  
2 provides that former Section 26.07 does not apply to a tax imposed  
3 by the taxing unit.

4 SECTION 46. 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 equivalent  
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 47. The heading to Section 26.16, Tax Code, is  
20 amended to read as follows:

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

23 SECTION 48. Section 26.16, Tax Code, is amended by amending  
24 Subsections (a) and (d) and adding Subsections (a-1), (d-1), and  
25 (d-2) to read as follows:

26 (a) Each county shall maintain an Internet website. The  
27 county assessor-collector for each county ~~[that maintains an~~

1 ~~Internet website]~~ shall post on the Internet website maintained by  
2 ~~[of]~~ the county the following information for the most recent five  
3 tax years beginning with the 2012 tax year for each taxing unit all  
4 or part of the territory of which is located in the county:

- 5 (1) the adopted tax rate;
- 6 (2) the maintenance and operations rate;
- 7 (3) the debt rate;
- 8 (4) the equivalent ~~[effective]~~ tax rate;
- 9 (5) the equivalent ~~[effective]~~ maintenance and  
10 operations rate; and
- 11 (6) the rollback tax rate.

12 (a-1) For purposes of Subsection (a), a reference to the  
13 equivalent tax rate or the equivalent maintenance and operations  
14 rate includes the equivalent effective tax rate or effective  
15 maintenance and operations rate for a preceding year. This  
16 subsection expires January 1, 2024.

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

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

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

27 "The maintenance and operations rate is the component of the



1 adopted tax rate of a taxing unit that will impose the amount of  
2 taxes needed to fund maintenance and operation expenditures of the  
3 unit for the following year.

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

7 "The equivalent [~~effective~~] tax rate is the tax rate that  
8 would generate the same amount of revenue in the current tax year as  
9 was generated by a taxing unit's adopted tax rate in the preceding  
10 tax year from property that is taxable in both the current tax year  
11 and the preceding tax year.

12 "The equivalent [~~effective~~] maintenance and operations rate  
13 is the tax rate that would generate the same amount of revenue for  
14 maintenance and operations in the current tax year as was generated  
15 by a taxing unit's maintenance and operations rate in the preceding  
16 tax year from property that is taxable in both the current tax year  
17 and the preceding tax year.

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

26 (d-1) In addition to posting the information described by  
27 Subsection (a), the county assessor-collector shall post on the

1 Internet website of the county for each taxing unit all or part of  
2 the territory of which is located in the county:

3 (1) the tax rate calculation forms used by the  
4 designated officer or employee of each taxing unit to calculate the  
5 equivalent and rollback tax rates of the unit for the most recent  
6 five tax years beginning with the 2018 tax year, as certified by the  
7 designated officer or employee under Section 26.04(d-2); and

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

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

14 SECTION 49. Chapter 26, Tax Code, is amended by adding  
15 Sections 26.17 and 26.18 to read as follows:

16 Sec. 26.17. REAL-TIME TAX DATABASE. (a) The tax notice  
17 officer of each appraisal district shall create and maintain a  
18 database that:

19 (1) is identified by the name of the office of tax  
20 notices, instead of the name of the appraisal district, and as the  
21 "Real-Time Tax Database";

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

26 (3) is continuously updated as preliminary and revised  
27 data become available to and are provided by the designated

1 officers or employees of taxing units;  
2           (4) is accessible to the public; and  
3           (5) is searchable by property address and owner.  
4       (b) The database must be capable of generating, with respect  
5 to each property listed on the appraisal roll for the appraisal  
6 district, a real-time tax notice that includes:  
7           (1) the property's identification number;  
8           (2) the property's market value;  
9           (3) the property's taxable value;  
10          (4) the name of each taxing unit in which the property  
11 is located;  
12          (5) for each taxing unit other than a school district  
13 in which the property is located:  
14               (A) the equivalent tax rate; and  
15               (B) the rollback tax rate;  
16          (6) for each school district in which the property is  
17 located:  
18               (A) the rate to maintain the same amount of state  
19 and local revenue per weighted student that the district received  
20 in the school year beginning in the preceding tax year; and  
21               (B) the rollback tax rate;  
22          (7) the tax rate proposed by the governing body of each  
23 taxing unit in which the property is located;  
24          (8) for each taxing unit other than a school district  
25 in which the property is located, the taxes that would be imposed on  
26 the property if the unit adopted a tax rate equal to:  
27               (A) the equivalent tax rate; and

1                   (B) the proposed tax rate;  
2                   (9) for each school district in which the property is  
3 located, the taxes that would be imposed on the property if the  
4 district adopted a tax rate equal to:  
5                   (A) the rate to maintain the same amount of state  
6 and local revenue per weighted student that the district received  
7 in the school year beginning in the preceding tax year; and  
8                   (B) the proposed tax rate;  
9                   (10) for each taxing unit other than a school district  
10 in which the property is located, the difference between the amount  
11 calculated under Subdivision (8)(A) and the amount calculated under  
12 Subdivision (8)(B);  
13                   (11) for each school district in which the property is  
14 located, the difference between the amount calculated under  
15 Subdivision (9)(A) and the amount calculated under Subdivision  
16 (9)(B);  
17                   (12) the date, time, and location of each public  
18 hearing, if applicable, on the proposed tax rate to be held by the  
19 governing body of each taxing unit in which the property is located;  
20                   (13) the date, time, and location of the public  
21 meeting at which the tax rate will be adopted to be held by the  
22 governing body of each taxing unit in which the property is located;  
23 and  
24                   (14) for each taxing unit in which the property is  
25 located, an e-mail address at which the taxing unit is capable of  
26 receiving written comments regarding the proposed tax rate of the  
27 taxing unit.

1       (c) The address of the Internet website at which the  
2 information contained in the database may be found must be in the  
3 form "(insert name of county in which appraisal district is  
4 established)CountyTaxRates.gov" or a substantially similar form.

5       (d) The database must provide a link to the Internet website  
6 used by each taxing unit in which the property is located to post  
7 the information described by Section 26.18. The link must be  
8 preceded by the following statement:

9 "Click on the name of the taxing unit for the following information  
10 about the taxing unit:

11           "(1) the names of and contact information for each  
12 member of the governing body of the taxing unit;

13           "(2) the budget proposed or adopted for the current  
14 year and the budgets for the preceding two years, as well as an  
15 analysis of the change in the budget from year to year;

16           "(3) the amount of property tax revenue budgeted for  
17 maintenance and operation expenses and debt service in the proposed  
18 or adopted budget and in the budgets for the preceding two years;

19           "(4) the tax rates adopted for maintenance and  
20 operation expenses and debt service for the preceding two years and  
21 the rates proposed for those purposes for the current year; and

22           "(5) the most recent financial audit of the taxing  
23 unit."

24       (d-1) The database must include the following definition of  
25 the equivalent tax rate: "The equivalent tax rate is last year's  
26 tax rate, adjusted for changes in taxable value. The equivalent tax  
27 rate takes into account all property on the tax roll for both last

1 year and this year."

2 (e) The officer or employee designated by the governing body  
3 of each taxing unit to calculate the equivalent tax rate and the  
4 rollback tax rate for the unit must electronically:

5 (1) enter in the database the information described by  
6 Subsection (b) as the information becomes available; and

7 (2) incorporate into the database the completed tax  
8 rate calculation forms prepared under Section 26.04(d-1) at the  
9 same time the designated officer or employee submits the tax rates  
10 to the governing body of the unit under Section 26.04(e).

11 (e-1) The e-mail address described by Subsection (b)(14)  
12 must be accompanied by the following statement: "An e-mail address  
13 is provided for each taxing unit as a way for you to express your  
14 support for or opposition to the proposed tax rate. If you wish to  
15 express your support or opposition, you are encouraged to do so  
16 before the date of the hearing shown on the notice."

17 (f) Each taxing unit shall establish an e-mail address for  
18 the purpose described by Subsection (b)(14).

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

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

27 (2) the mailing address, e-mail address, and telephone

- 1 number of the taxing unit;  
2           (3) the official contact information for each member  
3 of the governing body of the taxing unit, if that information is  
4 different from the information described by Subdivision (2);  
5           (4) the taxing unit's budget for the preceding two  
6 years;  
7           (5) the taxing unit's proposed or adopted budget for  
8 the current year;  
9           (6) the change in the amount of the taxing unit's  
10 budget from the preceding year to the current year, by dollar amount  
11 and percentage;  
12           (7) in the case of a taxing unit other than a school  
13 district, the amount of property tax revenue budgeted for  
14 maintenance and operations for:  
15                   (A) the preceding two years; and  
16                   (B) the current year;  
17           (8) in the case of a taxing unit other than a school  
18 district, the amount of property tax revenue budgeted for debt  
19 service for:  
20                   (A) the preceding two years; and  
21                   (B) the current year;  
22           (9) the tax rate for maintenance and operations  
23 adopted by the taxing unit for the preceding two years;  
24           (10) in the case of a taxing unit other than a school  
25 district, the tax rate for debt service adopted by the unit for the  
26 preceding two years;  
27           (11) in the case of a school district, the interest and

1 sinking fund tax rate adopted by the district for the preceding two  
2 years;

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

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

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

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

13 SECTION 50. Sections 31.12(a) and (b), Tax Code, as amended  
14 by S.B. 2242, Acts of the 85th Legislature, Regular Session, 2017,  
15 are amended to read as follows:

16 (a) If a refund of a tax provided by Section 11.431(b),  
17 26.08(d-2) [~~26.07(g)~~], 26.15(f), 31.11, 31.111, or 31.112 is paid  
18 on or before the 60th day after the date the liability for the  
19 refund arises, no interest is due on the amount refunded. If not  
20 paid on or before that 60th day, the amount of the tax to be refunded  
21 accrues interest at a rate of one percent for each month or part of a  
22 month that the refund is unpaid, beginning with the date on which  
23 the liability for the refund arises.

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

26 (1) if the refund is required by Section 11.431(b), on  
27 the date the chief appraiser notifies the collector for the unit of



1 the approval of the late homestead exemption;

2 (2) if the refund is required by Section 26.08(d-2)  
3 [~~26.07(g)~~], on the date the subsequent tax rate is adopted [~~results~~  
4 ~~of the election to reduce the tax rate are certified~~];

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

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

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

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

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

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

23 SECTION 51. Section 33.08(b), Tax Code, is amended to read  
24 as follows:

25 (b) The governing body of the taxing unit or appraisal  
26 district, in the manner required by law for official action, may  
27 provide that taxes that become delinquent on or after June 1 under

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

7 SECTION 52. Section 41.03(a), Tax Code, is amended to read  
8 as follows:

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

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

14 [~~2~~] an exclusion of property from the appraisal  
15 records;

16 (2) [~~3~~] a grant in whole or in part of a partial  
17 exemption;

18 (3) [~~4~~] a determination that land qualifies for  
19 appraisal as provided by Subchapter C, D, E, or H, Chapter 23; or

20 (4) [~~5~~] failure to identify the taxing unit as one  
21 in which a particular property is taxable.

22 SECTION 53. Section 41.12(a), Tax Code, is amended to read  
23 as follows:

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

25 (1) hear and determine all or substantially all timely  
26 filed protests;

27 (2) determine all timely filed challenges;

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

3 (4) approve the records.

4 SECTION 54. Sections 41.44(a), (c), and (d), Tax Code, are  
5 amended to read as follows:

6 (a) Except as provided by Subsections (b), [~~(b-1)~~], (c),  
7 (c-1), and (c-2), to be entitled to a hearing and determination of a  
8 protest, the property owner initiating the protest must file a  
9 written notice of the protest with the appraisal review board  
10 having authority to hear the matter protested:

11 (1) not later than the later of:

12 (A) [before] May 15; [1] or

13 (B) [not later than] the 30th day after the date  
14 that notice to the property owner was delivered to the property  
15 owner as provided by Section 25.19[~~, if the property is a~~  
16 single-family residence that qualifies for an exemption under  
17 Section 11.13, whichever is later];

18 (2) [before June 1 or not later than the 30th day after  
19 the date that notice was delivered to the property owner as provided  
20 by Section 25.19 in connection with any other property, whichever  
21 is later,

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

26 (3) [~~(4)~~] in the case of a determination that a change  
27 in the use of land appraised under Subchapter C, D, E, or H, Chapter

1 23, has occurred, not later than the 30th day after the date the  
2 notice of the determination is delivered to the property owner; or  
3 (4) [~~(5)~~] in the case of a determination of  
4 eligibility for a refund under Section 23.1243, not later than the  
5 30th day after the date the notice of the determination is delivered  
6 to the property owner.

7 (c) A property owner who files notice of a protest  
8 authorized by Section 41.411 is entitled to a hearing and  
9 determination of the protest if the property owner files the notice  
10 prior to the date the taxes on the property to which the notice  
11 applies become delinquent. An owner of land who files a notice of  
12 protest under Subsection (a)(3) [~~(a)(4)~~] is entitled to a hearing  
13 and determination of the protest without regard to whether the  
14 appraisal records are approved.

15 (d) A notice of protest is sufficient if it identifies the  
16 protesting property owner, including a person claiming an ownership  
17 interest in the property even if that person is not listed on the  
18 appraisal records as an owner of the property, identifies the  
19 property that is the subject of the protest, and indicates apparent  
20 dissatisfaction with some determination of the appraisal office.  
21 The notice need not be on an official form, but the comptroller  
22 shall prescribe a form that provides for more detail about the  
23 nature of the protest. The form must permit a property owner to  
24 include each property in the appraisal district that is the subject  
25 of a protest. The form must permit a property owner to request that  
26 the protest be heard by a special panel established under Section  
27 6.425 if the protest will be determined by an appraisal review board

1 to which that section applies and the property is included in a  
2 classification described by Section 6.425(b). The comptroller,  
3 each appraisal office, and each appraisal review board shall make  
4 the forms readily available and deliver one to a property owner on  
5 request.

6 SECTION 55. Section 41.45, Tax Code, is amended by amending  
7 Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to  
8 read as follows:

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

23 (d-1) An appraisal review board to which Section 6.425  
24 applies shall sit in special panels established under that section  
25 to conduct protest hearings. A special panel may conduct a protest  
26 hearing relating to property only if the property is described by  
27 Section 6.425(b) and the property owner has requested that a

1 special panel conduct the hearing or if the protest is assigned to  
2 the special panel under Section 6.425(f). If the recommendation of  
3 a special panel is not accepted by the board, the board may refer  
4 the matter for rehearing to another special panel composed of  
5 members who did not hear the original protest or, if there are not  
6 at least three other special panel members who did not hear the  
7 original protest, the board may determine the protest.

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

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

14 SECTION 56. Section 41.46(a), Tax Code, is amended to read  
15 as follows:

16 (a) The appraisal review board before which a protest  
17 hearing is scheduled shall deliver written notice to the property  
18 owner initiating a protest of the date, time, ~~and~~ place, and  
19 subject matter of ~~[fixed for]~~ the hearing on the protest and of the  
20 property owner's entitlement to a postponement of the hearing as  
21 provided by Section 41.45 unless the property owner waives in  
22 writing notice of the hearing. The board shall deliver the notice  
23 not later than the 15th day before the date of the hearing.

24 SECTION 57. Section 41.461, Tax Code, is amended to read as  
25 follows:

26 Sec. 41.461. NOTICE OF CERTAIN MATTERS BEFORE HEARING;  
27 DELIVERY OF REQUESTED INFORMATION. (a) At least 14 days before the

1 first scheduled [~~a~~] hearing on a protest, the chief appraiser  
2 shall:

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

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

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

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

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

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

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

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

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

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

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

25       SECTION 58. Section 41.47, Tax Code, is amended by adding  
26 Subsections (c-2) and (f) and amending Subsection (e) to read as  
27 follows:



1        (c-2) The board may not determine the appraised value of the  
2 property that is the subject of a protest to be an amount greater  
3 than the appraised value of the property as shown in the appraisal  
4 records submitted to the board by the chief appraiser under Section  
5 25.22 or 25.23.

6        (e) The notice of the issuance of the order must contain a  
7 prominently printed statement in upper-case bold lettering  
8 informing the property owner in clear and concise language of the  
9 property owner's right to appeal the order of the board [~~board's~~  
10 ~~decision~~] to district court. The statement must describe the  
11 deadline prescribed by Section 42.06(a) [~~of this code~~] for filing a  
12 written notice of appeal[~~r~~] and the deadline prescribed by Section  
13 42.21(a) [~~of this code~~] for filing the petition for review with the  
14 district court.

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

18        SECTION 59. Section 41.66, Tax Code, is amended by amending  
19 Subsections (h), (i), and (j) and adding Subsections (j-1) and (p)  
20 to read as follows:

21        (h) The appraisal review board shall postpone a hearing on a  
22 protest if the property owner or the designated agent of the owner  
23 requests additional time to prepare for the hearing and establishes  
24 to the board that the chief appraiser failed to comply with Section  
25 41.461. The board is not required to postpone a hearing more than  
26 one time under this subsection.

27        (i) A hearing on a protest filed by a property owner or the

1 designated agent of the owner [~~who is not represented by an agent~~  
2 ~~designated under Section 1.111~~] shall be set for a time and date  
3 certain. If the hearing is not commenced within two hours of the  
4 time set for the hearing, the appraisal review board shall postpone  
5 the hearing on the request of the property owner or the designated  
6 agent of the owner.

7 (j) On the request of a property owner or the [~~a~~] designated  
8 agent of the owner, an appraisal review board shall schedule  
9 hearings on protests concerning up to 20 designated properties to  
10 be held consecutively on the same day. The designated properties  
11 must be identified in the same notice of protest, and the notice  
12 must contain in boldfaced type the statement "request for same-day  
13 protest hearings." A property owner or the designated agent of the  
14 owner may [~~not~~] file more than one request under this subsection  
15 with the appraisal review board in the same tax year. The appraisal  
16 review board may schedule hearings on protests concerning more than  
17 20 properties filed by the same property owner or the designated  
18 agent of the owner and may use different panels to conduct the  
19 hearings based on the board's customary scheduling. The appraisal  
20 review board may follow the practices customarily used by the board  
21 in the scheduling of hearings under this subsection.

22 (j-1) An appraisal review board may schedule the hearings on  
23 all protests filed by a property owner or the designated agent of  
24 the owner to be held consecutively. The notice of the hearings must  
25 state the date and time that the first hearing will begin, state the  
26 date the last hearing will end, and list the order in which the  
27 hearings will be held. The order of the hearings listed in the

1 notice may not be changed without the agreement of the property  
2 owner or the designated agent of the owner, the chief appraiser, and  
3 the appraisal review board. The board may not reschedule a hearing  
4 for which notice is given under this subsection to a date earlier  
5 than the seventh day after the date the last hearing was scheduled  
6 to end unless agreed to by the property owner or the designated  
7 agent of the owner, the chief appraiser, and the appraisal review  
8 board. Unless agreed to by the parties, the board must provide  
9 written notice of the date and time of the rescheduled hearing to  
10 the property owner or the designated agent of the owner not later  
11 than the seventh day before the date of the hearing.

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

17 SECTION 60. Section 41.66, Tax Code, is amended by amending  
18 Subsection (k) and adding Subsection (k-1) to read as follows:

19 (k) This subsection does not apply to a special panel  
20 established under Section 6.425. If an appraisal review board sits  
21 in panels to conduct protest hearings, protests shall be randomly  
22 assigned to panels, except that the board may consider the type of  
23 property subject to the protest or the ground of the protest for the  
24 purpose of using the expertise of a particular panel in hearing  
25 protests regarding particular types of property or based on  
26 particular grounds. If a protest is scheduled to be heard by a  
27 particular panel, the protest may not be reassigned to another

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

10 (k-1) On the request of a property owner, an appraisal  
11 review board to which Section 6.425 applies shall assign a protest  
12 relating to property described by Section 6.425(b) to a special  
13 panel. In addition, the chairman of the appraisal review board may  
14 assign a protest relating to property not described by Section  
15 6.425(b) to a special panel as authorized by Section 6.425(f).  
16 Protests assigned to special panels shall be randomly assigned to  
17 those panels. If a protest is scheduled to be heard by a particular  
18 special panel, the protest may not be reassigned to another special  
19 panel without the consent of the property owner or designated  
20 agent. If the board has cause to reassign a protest to another  
21 special panel, a property owner or designated agent may agree to  
22 reassignment of the protest or may request that the hearing on the  
23 protest be postponed. The board shall postpone the hearing on that  
24 request. A change of members of a special panel because of a  
25 conflict of interest, illness, or inability to continue  
26 participating in hearings for the remainder of the day does not  
27 constitute reassignment of a protest to another special panel.

1 SECTION 61. Section 41.67(d), Tax Code, is amended to read  
2 as follows:

3 (d) Information that was previously requested under Section  
4 41.461 by the protesting party that was not delivered [~~made~~  
5 ~~available~~] to the protesting party at least 14 days before the  
6 scheduled or postponed hearing may not be used or offered in any  
7 form as evidence in the hearing, including as a document or through  
8 argument or testimony.

9 SECTION 62. Section 41.71, Tax Code, is amended to read as  
10 follows:

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

15 (b) The board may not schedule:

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

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

19 SECTION 63. Section 41A.06(b), Tax Code, as effective  
20 September 1, 2017, is amended to read as follows:

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

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

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

25 (B) have:

26 (i) completed at least 30 hours of training  
27 in arbitration and alternative dispute resolution procedures from a

1 university, college, or legal or real estate trade association; and  
2 (ii) been licensed or certified  
3 continuously during the five years preceding the date the person  
4 agrees to serve as an arbitrator as:

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

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

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

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

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

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

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

23 (B) \$450, if the property qualifies as the  
24 owner's residence homestead under Section 11.13 and the appraised  
25 or market value, as applicable, of the property is more than  
26 \$500,000, as determined by the order;

27 (C) \$450, if the property does not qualify as the

1 owner's residence homestead under Section 11.13 and the appraised  
2 or market value, as applicable, of the property is \$1 million or  
3 less, as determined by the order;

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

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

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

18 SECTION 64. Section 41A.061(b), Tax Code, is amended to  
19 read as follows:

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

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

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

26 (3) during the preceding two years have completed at  
27 least eight hours of continuing education in arbitration and

1 alternative dispute resolution procedures offered by a university,  
2 college, real estate trade association, or legal association.

3 SECTION 65. Sections 41A.07(e), (f), and (g), Tax Code, as  
4 effective September 1, 2017, are amended to read as follows:

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

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

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

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

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

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

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

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

26 SECTION 66. Section 41A.07, Tax Code, is amended by adding  
27 Subsection (h) to read as follows:



1        (h) A property owner may request that, in appointing an  
2 initial arbitrator under this section, the comptroller appoint an  
3 arbitrator who resides in the county in which the property that is  
4 the subject of the appeal is located or an arbitrator who resides  
5 outside that county. In appointing an initial arbitrator under  
6 Subsection (a), the comptroller shall comply with the request of  
7 the property owner unless the property owner requests that the  
8 comptroller appoint an arbitrator who resides in the county in  
9 which the property that is the subject of the appeal is located and  
10 there is not an available arbitrator who resides in that county. In  
11 appointing a substitute arbitrator under Subsection (d), the  
12 comptroller shall consider but is not required to comply with the  
13 request of the property owner. This subsection does not authorize a  
14 property owner to request the appointment of a specific individual  
15 as an arbitrator.

16        SECTION 67. Section 41A.09(b), Tax Code, is amended to read  
17 as follows:

18        (b) An award under this section:

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

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

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

27                (4) is final and may not be appealed except as

1 permitted under Section 171.088, Civil Practice and Remedies Code,  
2 for an award subject to that section; and

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

5 SECTION 68. Section 45.105(e), Education Code, is amended  
6 to read as follows:

7 (e) The governing body of an independent school district  
8 that governs a junior college district under Subchapter B, Chapter  
9 130, in a county with a population of more than two million may  
10 dedicate a specific percentage of the local tax levy to the use of  
11 the junior college district for facilities and equipment or for the  
12 maintenance and operating expenses of the junior college district.  
13 To be effective, the dedication must be made by the governing body  
14 on or before the date on which the governing body adopts its tax  
15 rate for a year. The amount of local tax funds derived from the  
16 percentage of the local tax levy dedicated to a junior college  
17 district from a tax levy may not exceed the amount that would be  
18 levied by five percent of the equivalent [~~effective~~] tax rate for  
19 the tax year calculated as provided by Section 26.04, Tax Code, on  
20 all property taxable by the school district. All real property  
21 purchased with these funds is the property of the school district,  
22 but is subject to the exclusive control of the governing body of the  
23 junior college district for as long as the junior college district  
24 uses the property for educational purposes.

25 SECTION 69. Section 130.016(b), Education Code, is amended  
26 to read as follows:

27 (b) If the board of trustees of an independent school

1 district that divests itself of the management, control, and  
 2 operation of a junior college district under this section or under  
 3 Section [130.017](#) [~~of this code~~] was authorized by [~~Subsection (e)~~  
 4 ~~of~~] Section [45.105\(e\)](#) or under former Section 20.48(e) [~~20.48 of~~  
 5 ~~this code~~] to dedicate a portion of its tax levy to the junior  
 6 college district before the divestment, the junior college district  
 7 may levy an ad valorem tax from and after the divestment. In the  
 8 first two years in which the junior college district levies an ad  
 9 valorem tax, the tax rate adopted by the governing body may not  
 10 exceed the rate that, if applied to the total taxable value  
 11 submitted to the governing body under Section [26.04](#), Tax Code,  
 12 would impose an amount equal to the amount of taxes of the school  
 13 district dedicated to the junior college under [~~Subsection (e) of~~  
 14 Section [45.105\(e\)](#) or former Section 20.48(e) [~~20.48 of this code~~]  
 15 in the last dedication before the divestment. In subsequent years,  
 16 the tax rate of the junior college district is subject to Section  
 17 [26.08](#) [~~26.07~~], Tax Code.

18 SECTION 70. Section [403.302\(o\)](#), Government Code, is amended  
 19 to read as follows:

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

24 SECTION 71. Sections [281.124\(d\)](#) and (e), Health and Safety  
 25 Code, are amended to read as follows:

26 (d) If a majority of the votes cast in the election favor the  
 27 proposition, the tax rate for the specified tax year is the rate

1 approved by the voters, and that rate is not subject to [~~a rollback~~  
2 ~~election under~~] Section 26.08 [~~26.07~~], Tax Code. The board shall  
3 adopt the tax rate as provided by Chapter 26, Tax Code.

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

9 SECTION 72. Section 102.007(d), Local Government Code, is  
10 amended to read as follows:

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

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

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

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

1 value of new property added to the roll)."; or

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

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

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

12 (A) the property tax rate;

13 (B) the equivalent [~~effective~~] tax rate;

14 (C) the equivalent [~~effective~~] maintenance and  
15 operations tax rate;

16 (D) the rollback tax rate; and

17 (E) the debt rate; and

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

19 SECTION 73. Section [111.008\(d\)](#), Local Government Code, is  
20 amended to read as follows:

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

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

25 (A) "This budget will raise more revenue from  
26 property taxes than last year's budget by an amount of (insert total  
27 dollar amount of increase), which is a (insert percentage increase)

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

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

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

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

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

- 22 (A) the property tax rate;
- 23 (B) the equivalent [~~effective~~] tax rate;
- 24 (C) the equivalent [~~effective~~] maintenance and  
25 operations tax rate;
- 26 (D) the rollback tax rate; and
- 27 (E) the debt rate; and

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

2 SECTION 74. Section [111.039\(d\)](#), Local Government Code, is  
3 amended to read as follows:

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

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

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

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

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

27 (2) the record vote of each member of the

1 commissioners court by name voting on the adoption of the budget;

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

5 (A) the property tax rate;

6 (B) the equivalent [~~effective~~] tax rate;

7 (C) the equivalent [~~effective~~] maintenance and  
8 operations tax rate;

9 (D) the rollback tax rate; and

10 (E) the debt rate; and

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

12 SECTION 75. Section [111.068\(c\)](#), Local Government Code, is  
13 amended to read as follows:

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

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

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

25 (B) "This budget will raise less revenue from  
26 property taxes than last year's budget by an amount of (insert total  
27 dollar amount of decrease), which is a (insert percentage decrease)



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

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

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

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

15 (A) the property tax rate;

16 (B) the equivalent [~~effective~~] tax rate;

17 (C) the equivalent [~~effective~~] maintenance and  
18 operations tax rate;

19 (D) the rollback tax rate; and

20 (E) the debt rate; and

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

22 SECTION 76. Section [1101.254\(f\)](#), Special District Local  
23 Laws Code, is amended to read as follows:

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

1 section, [~~the voters may not petition for an election under~~]  
2 Section 26.08 [~~26.07~~], Tax Code, does not apply [~~as~~] to the tax rate  
3 for that year.

4 SECTION 77. Sections 1122.2522, 3828.157, and 8876.152,  
5 Special District Local Laws Code, are amended to read as follows:

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

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

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

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

22 (b) Sections 49.236(a)(1) and (2) and (b) [~~Section 49.236~~],  
23 Water Code, apply [~~as added by Chapter 248 (H.B. 1541), Acts of the~~  
24 ~~78th Legislature, Regular Session, 2003, applies~~] to the district.

25 SECTION 78. Section 49.107(g), Water Code, is amended to  
26 read as follows:

27 (g) Sections 26.04, 26.05, 26.061, and 26.08 [~~26.07~~], Tax

1 Code, do not apply to a tax levied and collected under this section  
2 or an ad valorem tax levied and collected for the payment of the  
3 interest on and principal of bonds issued by a district.

4 SECTION 79. Section 49.108(f), Water Code, is amended to  
5 read as follows:

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

9 SECTION 80. Sections 49.236(a) and (d), Water Code, as  
10 added by Chapter 335 (S.B. 392), Acts of the 78th Legislature,  
11 Regular Session, 2003, are amended to read as follows:

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

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

19 "NOTICE OF PUBLIC HEARING ON TAX RATE

20 "The (name of the district) will hold a public hearing on a  
21 proposed tax rate for the tax year (year of tax levy) on (date and  
22 time) at (meeting place). Your individual taxes may increase at a  
23 greater or lesser rate, or even decrease, depending on the tax rate  
24 that is adopted and on the change in the taxable value of your  
25 property in relation to the change in taxable value of all other  
26 property [and the tax rate that is adopted]. The change in the  
27 taxable value of your property in relation to the change in the

1 taxable value of all other property determines the distribution of  
2 the tax burden among all property owners.

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

6 (2) contain the following information:

7 (A) the district's total adopted tax rate for the  
8 preceding year and the proposed tax rate, expressed as an amount per  
9 \$100;

10 (B) the difference, expressed as an amount per  
11 \$100 and as a percent increase or decrease, as applicable, in the  
12 proposed tax rate compared to the adopted tax rate for the preceding  
13 year;

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

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

1 older;

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

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

14 (G) if the proposed combined debt service,  
15 operation and maintenance, and contract tax rate exceeds the  
16 rollback tax rate, a description of the purpose of the proposed tax  
17 increase; and

18 (3) contain a statement in substantially the following  
19 form:

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

21 "If operation and maintenance taxes on the average residence  
22 homestead increase by more than eight percent, [~~the qualified~~  
23 ~~voters of the district by petition may require that~~] an election  
24 must be held to determine whether to ratify [~~reduce~~] the operation  
25 and maintenance tax rate [~~to the rollback tax rate~~] under Section  
26 [49.236\(d\)](#), Water Code."

27 (d) If the governing body of a district adopts a combined

1 debt service, operation and maintenance, and contract tax rate that  
2 exceeds the rollback tax rate, [~~would impose more than 1.08 times~~  
3 ~~the amount of tax imposed by the district in the preceding year on a~~  
4 ~~residence homestead appraised at the average appraised value of a~~  
5 ~~residence homestead in the district in that year, disregarding any~~  
6 ~~homestead exemption available only to disabled persons or persons~~  
7 ~~65 years of age or older, the qualified voters of the district by~~  
8 ~~petition may require that~~] an election must be held to determine  
9 whether [~~or not~~] to ratify [~~reduce~~] the tax rate adopted for the  
10 current year [~~to the rollback tax rate~~] in accordance with the  
11 procedures provided by Sections 26.08(b)-(d) [~~26.07(b)-(g) and~~  
12 ~~26.081~~], Tax Code. For purposes of Sections 26.08(b)-(d)  
13 [~~26.07(b)-(g)~~] and this section [~~subsection~~], the rollback tax rate  
14 is the sum of the following tax rates:

- 15 (1) the current year's debt service tax rate;
- 16 (2) the current year's [~~and~~] contract tax rate; and
- 17 (3) [~~rates plus~~] the operation and maintenance tax  
18 rate that would impose 1.08 times the amount of the operation and  
19 maintenance tax imposed by the district in the preceding year on a  
20 residence homestead appraised at the average appraised value of a  
21 residence homestead in the district in that year, disregarding any  
22 homestead exemption available only to disabled persons or persons  
23 65 years of age or older.

24 SECTION 81. The following provisions of the Tax Code are  
25 repealed:

- 26 (1) Sections 5.103(e) and (f);
- 27 (2) Section 6.412(e); and

1 (3) Section 41A.06(c).

2 SECTION 82. The following provisions are repealed:

3 (1) Sections 403.302(m-1) and (n), Government Code;

4 (2) Section 140.010, Local Government Code;

5 (3) Section 1063.255, Special District Local Laws  
6 Code;

7 (4) Section 26.07, Tax Code;

8 (5) Section 49.236, Water Code, as added by Chapter  
9 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,  
10 2003;

11 (6) Section 49.2361, Water Code;

12 (7) Section 1, H.B. 2228, Acts of the 85th  
13 Legislature, Regular Session, 2017, which amended Section  
14 11.4391(a), Tax Code;

15 (8) Section 3, H.B. 2228, Acts of the 85th  
16 Legislature, Regular Session, 2017, which added Sections 22.23(c)  
17 and (d), Tax Code; and

18 (9) Section 5, H.B. 2228, Acts of the 85th  
19 Legislature, Regular Session, 2017, which amended Sections  
20 41.44(a) and (c), Tax Code.

21 SECTION 83. Section 5.041, Tax Code, as amended by this Act,  
22 applies only to an appraisal review board member appointed to serve  
23 a term of office that begins on or after January 1, 2018.

24 SECTION 84. The comptroller shall implement Section 5.043,  
25 Tax Code, as added by this Act, as soon as practicable after January  
26 1, 2018.

27 SECTION 85. Sections 5.05, 5.102, 5.13, and 23.01, Tax

1 Code, as amended by this Act, apply only to the appraisal of  
2 property for ad valorem tax purposes for a tax year beginning on or  
3 after January 1, 2018.

4 SECTION 86. (a) The comptroller shall comply with Sections  
5 5.07(f), (g), (h), and (i), Tax Code, as added by this Act, as soon  
6 as practicable after January 1, 2018.

7 (b) The comptroller shall comply with Section 5.091, Tax  
8 Code, as amended by this Act, not later than January 1, 2019.

9 SECTION 87. The comptroller shall prepare and make  
10 available the survey form and instructions for completing and  
11 submitting the form required by Section 5.104, Tax Code, as added by  
12 this Act, as soon as practicable after January 1, 2018. An  
13 appraisal district is not required to provide the survey form or  
14 instructions under a requirement of that section until the form and  
15 instructions are prepared and made available by the comptroller.

16 SECTION 88. Section 6.41(d-9), Tax Code, as amended by this  
17 Act, applies only to the appointment of appraisal review board  
18 members to terms beginning on or after January 1, 2019.

19 SECTION 89. Section 6.412, Tax Code, as amended by this Act,  
20 does not affect the eligibility of a person serving on an appraisal  
21 review board immediately before January 1, 2018, to continue to  
22 serve on the board for the term to which the member was appointed.

23 SECTION 90. Section 6.42(d), Tax Code, as added by this Act,  
24 applies only to a recommendation, determination, decision, or other  
25 action by an appraisal review board or a panel of such a board on or  
26 after January 1, 2018. A recommendation, determination, decision,  
27 or other action by an appraisal review board or a panel of such a



1 board before January 1, 2018, is governed by the law as it existed  
2 immediately before that date, and that law is continued in effect  
3 for that purpose.

4 SECTION 91. Sections 11.4391(a) and 22.23, Tax Code, as  
5 amended by this Act, apply only to ad valorem taxes imposed for a  
6 tax year beginning on or after January 1, 2018.

7 SECTION 92. (a) An appraisal district established in a  
8 county with a population of 120,000 or more and each taxing unit  
9 located wholly or partly in such an appraisal district shall comply  
10 with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18,  
11 Tax Code, as added by this Act, beginning with the 2019 tax year.

12 (b) An appraisal district established in a county with a  
13 population of less than 120,000 and each taxing unit located wholly  
14 in such an appraisal district shall comply with Sections  
15 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as  
16 added by this Act, beginning with the 2020 tax year.

17 SECTION 93. Not later than the 30th day after the effective  
18 date of this section:

19 (1) the designated officer or employee of each taxing  
20 unit shall submit to the county assessor-collector for each county  
21 in which all or part of the territory of the taxing unit is located  
22 the worksheets used by the designated officer or employee to  
23 calculate the effective and rollback tax rates of the unit for the  
24 2013-2017 tax years; and

25 (2) the county assessor-collector for each county  
26 shall post the worksheets submitted to the county  
27 assessor-collector under Subdivision (1) of this section on the

1 Internet website of the county.

2 SECTION 94. A taxing unit that does not own, operate, or  
3 control an Internet website is not required to comply with Sections  
4 26.05(b)(2) and 26.065(b), Tax Code, as amended by this Act, until  
5 the first tax year in which the unit is required by law to maintain  
6 or have access to an Internet website.

7 SECTION 95. Section 33.08(b), Tax Code, as amended by this  
8 Act, applies only to taxes that become delinquent on or after  
9 January 1, 2018. Taxes that become delinquent before that date are  
10 governed by the law as it existed immediately before that date, and  
11 that law is continued in effect for that purpose.

12 SECTION 96. Section 41.03(a), Tax Code, as amended by this  
13 Act, applies only to a challenge under Chapter 41, Tax Code, for  
14 which a challenge petition is filed on or after January 1, 2018. A  
15 challenge under Chapter 41, Tax Code, for which a challenge  
16 petition was filed before January 1, 2018, is governed by the law in  
17 effect on the date the challenge petition was filed, and the former  
18 law is continued in effect for that purpose.

19 SECTION 97. Sections 41.45 and 41.66(k), Tax Code, as  
20 amended by this Act, and Section 41.66(k-1), Tax Code, as added by  
21 this Act, apply only to a protest filed under Chapter 41, Tax Code,  
22 on or after January 1, 2019. A protest filed under that chapter  
23 before January 1, 2019, is governed by the law in effect on the date  
24 the protest was filed, and the former law is continued in effect for  
25 that purpose.

26 SECTION 98. Sections 41.46, 41.461, 41.47, 41.66(h), (i),  
27 and (j), and 41.67, Tax Code, as amended by this Act, and Sections

1 41.66(j-1) and (p), Tax Code, as added by this Act, apply only to a  
2 protest for which the notice of protest was filed by a property  
3 owner or the designated agent of the owner with the appraisal review  
4 board established for an appraisal district on or after January 1,  
5 2018.

6 SECTION 99. Section 41.71, Tax Code, as amended by this Act,  
7 applies only to a hearing on a protest under Chapter 41, Tax Code,  
8 that is scheduled on or after January 1, 2018. A hearing on a  
9 protest under Chapter 41, Tax Code, that is scheduled before  
10 January 1, 2018, is governed by the law in effect on the date the  
11 hearing was scheduled, and that law is continued in effect for that  
12 purpose.

13 SECTION 100. Section 41A.07, Tax Code, as amended by this  
14 Act, applies only to a request for binding arbitration received by  
15 the comptroller from an appraisal district on or after January 1,  
16 2018.

17 SECTION 101. Section 41A.09(b), Tax Code, as amended by  
18 this Act, applies only to a request for binding arbitration under  
19 Chapter 41A, Tax Code, that is filed on or after January 1, 2018. A  
20 request for binding arbitration under Chapter 41A, Tax Code, that  
21 is filed before January 1, 2018, is governed by the law in effect on  
22 the date the request is filed, and the former law is continued in  
23 effect for that purpose.

24 SECTION 102. The changes in law made by this Act in the  
25 qualifications of persons serving as arbitrators in binding  
26 arbitrations of appeals of appraisal review board orders do not  
27 affect the entitlement of a person serving as an arbitrator

1 immediately before January 1, 2018, to continue to serve as an  
2 arbitrator and to conduct hearings on arbitrations until the person  
3 is required to renew the person's agreement with the comptroller to  
4 serve as an arbitrator. The changes in law apply only to a person  
5 who initially qualifies to serve as an arbitrator or who renews the  
6 person's agreement with the comptroller to serve as an arbitrator  
7 on or after January 1, 2018. This Act does not prohibit a person who  
8 is serving as an arbitrator on January 1, 2018, from renewing the  
9 person's agreement with the comptroller to serve as an arbitrator  
10 if the person has the qualifications required for an arbitrator  
11 under the Tax Code as amended by this Act.

12 SECTION 103. (a) Not later than the 30th day after the date  
13 this section takes effect, the comptroller shall mail a written  
14 notice to each appraisal district and the assessor for each taxing  
15 unit in this state of:

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

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

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

1 SECTION 104. (a) Except as otherwise provided by this Act,  
2 this Act takes effect January 1, 2018.

3 (b) Section 93 of this Act takes effect immediately if this  
4 Act receives a vote of two-thirds of all the members elected to each  
5 house, as provided by Section 39, Article III, Texas Constitution.  
6 If this Act does not receive the vote necessary for immediate  
7 effect, Section 93 of this Act takes effect on the 91st day after  
8 the last day of the legislative session.

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

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

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

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

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

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

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

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

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

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

27 (d) The following provisions take effect January 1, 2019:

- 1           (1) Sections 26.04(d-1), (d-2), (d-3), (e-2), (e-3),  
2 (e-4), and (e-5), Tax Code, as added by this Act;
- 3           (2) Sections 26.04(e-1) and (g), Tax Code, as amended  
4 by this Act;
- 5           (3) Sections 26.05(d-1) and (d-2), Tax Code, as added  
6 by this Act; and
- 7           (4) Section 26.05(e), Tax Code, as amended by this  
8 Act.