By: Bonnen of Brazoria   H.B. No. 15

A BILL TO BE ENTITLED

1   AN ACT

2 relating to ad valorem taxation.

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

4   SECTION 1. This Act may be cited as the Property Tax Payer

5 Empowerment Act of 2017.

6   SECTION 2. Section 5.07, Tax Code, is amended by adding

7 Subsection (f) to read as follows:

8   (f) The comptroller shall prescribe the form of the

9 worksheets to be used by the designated officer or employee of each

10 taxing unit in calculating the no new taxes tax rate and rollback

11 tax rate for the unit as required by Chapter 26. The form must be in

12 an electronic format and be capable of:

13   (1) being completed electronically;

14   (2) performing calculations automatically based on

15 the data entered by the designated officer or employee;

16   (3) being certified by the designated officer or

17 employee after completion; and

18   (4) being submitted electronically to the comptroller

19 on completion and certification.

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

21 follows:

22   Sec. 5.091. STATEWIDE LIST OF TAX RATES. (a) Each year the

23 comptroller shall prepare a list that includes the total tax rate

24 imposed by each taxing unit in this state[, other than a school

1 district, if the tax rate is reported to the comptroller,] for the

2 year [preceding the year] in which the list is prepared. The

3 comptroller shall list the tax rates alphabetically according to:

4   (1) the county or counties in which each taxing unit is

5 located; and

6   (2) the name of each taxing unit [in descending

7 order].

8   (b) Not later than January 1 [December 31] of the following

9 [each] year, the comptroller shall publish on the comptroller's

10 Internet website the list required by Subsection (a).

11   SECTION 4. Chapter 5, Tax Code, is amended by adding Section

12 5.092 to read as follows:

13   Sec. 5.092. STATEWIDE   DATABASE   OF   OTHER

14 PROPERTY-TAX-RELATED INFORMATION.   (a)   The comptroller shall

15 create and maintain a property tax database that:

16   (1) contains   information   that   is   provided   by

17 designated officers or employees of taxing units in the manner

18 required by the comptroller;

19   (2) is continuously updated as preliminary and revised

20 data become available to and are provided by the designated

21 officers or employees of taxing units;

22   (3) is accessible to the public; and

23   (4) is searchable by property address.

24   (b) The database must include, with respect to each property

25 listed on an appraisal roll:

26   (1) the property's identification number;

27   (2) the property's market value;

1 (3) the property's taxable value;

2 (4) the name of each taxing unit in which the property

3 is located;

4 (5) for each taxing unit other than a school district

5 in which the property is located:

6 (A) the no new taxes tax rate; and

7 (B) the rollback tax rate;

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

9 located:

10 (A) the rate to maintain the same amount of state

11 and local revenue per weighted student that the district received

12 in the school year beginning in the preceding tax year; and

13 (B) the rollback tax rate;

14 (7) the tax rate proposed by the governing body of each

15 taxing unit in which the property is located;

16 (8) for each taxing unit other than a school district

17 in which the property is located, the taxes that would be imposed on

18 the property if the unit adopted a tax rate equal to:

19 (A) the no new taxes tax rate; and

20 (B) the proposed tax rate;

21 (9) for each school district in which the property is

22 located, the taxes that would be imposed on the property if the unit

23 adopted a tax rate equal to:

24 (A) the rate to maintain the same amount of state

25 and local revenue per weighted student that the district received

26 in the school year beginning in the preceding tax year; and

27 (B) the proposed tax rate;

1   (10) for each taxing unit other than a school district
2 in which the property is located, the difference between the amount
3 calculated under Subdivision (8)(A) and the amount calculated under
4 Subdivision (8)(B);
5   (11) for each school district in which the property is
6 located, the difference between the amount calculated under
7 Subdivision (9)(A) and the amount calculated under Subdivision
8 (9)(B);
9   (12) the date and location of each public hearing, if
10 applicable, on the proposed tax rate to be held by the governing
11 body of each taxing unit in which the property is located; and
12   (13) the date and location of the public meeting in
13 which the tax rate will be adopted to be held by the governing body
14 of each taxing unit in which the property is located.
15   (c) The database must provide a link to the information
16 posted under Section 26.17 on the Internet website of each taxing
17 unit in which the property is located.
18   (d) The officer or employee designated by the governing body
19 of each taxing unit to calculate the no new taxes tax rate and the
20 rollback tax rate for the unit must electronically submit to the
21 comptroller:
22   (1) the information described by Subsection (b) as the
23 information becomes available; and
24   (2) the worksheets prepared under Section 26.04(d-1)
25 at the same time the officer or employee submits the tax rates to
26 the governing body of the unit under Section 26.04(e).
27   (e) The comptroller shall deliver by e-mail to the

4

1 designated officer or employee confirmation of receipt of the
2 worksheets submitted under Subsection (d)(2). The comptroller
3 shall incorporate the worksheets into the database and make them
4 available to the public not later than the third day after the date
5 the comptroller receives them.
6 　　　　SECTION 5. Sections 25.19(b) and (i), Tax Code, are amended
7 to read as follows:
8 　　　　(b) The chief appraiser shall separate real from personal
9 property and include in the notice for each:
10 　　　　　　　　(1) a list of the taxing units in which the property is
11 taxable;
12 　　　　　　　　(2) the appraised value of the property in the
13 preceding year;
14 　　　　　　　　(3) the taxable value of the property in the preceding
15 year for each taxing unit taxing the property;
16 　　　　　　　　(4) the appraised value of the property for the
17 current year, the kind and amount of each exemption and partial
18 exemption, if any, approved for the property for the current year
19 and for the preceding year, and, if an exemption or partial
20 exemption that was approved for the preceding year was canceled or
21 reduced for the current year, the amount of the exemption or partial
22 exemption canceled or reduced;
23 　　　　　　　　(5) [if the appraised value is greater than it was in
24 the preceding year, the amount of tax that would be imposed on the
25 property on the basis of the tax rate for the preceding year;
26 　　　　　　　　[(6)] in italic typeface, the following statement:
27 "The Texas Legislature does not set the amount of your local taxes.

1 Your property tax burden is decided by your locally elected

2 officials, and all inquiries concerning your taxes should be

3 directed to those officials";

4 ____(6) [(7)] a detailed explanation of the time and

5 procedure for protesting the value;

6 ____(7) [(8)] the date and place the appraisal review

7 board will begin hearing protests; and

8 ____(8) [(9)] a brief explanation that the governing body

9 of each taxing unit decides whether or not taxes on the property

10 will increase and the appraisal district only determines the value

11 of the property.

12 (i) Delivery with a notice required by Subsection (a) or (g)

13 of a copy of the pamphlet published by the comptroller under Section

14 5.06 or a copy of the notice published by the chief appraiser under

15 Section 41.70 is sufficient to comply with the requirement that the

16 notice include the information specified by Subsection _(b)(6)_

17 [(b)(7)] or (g)(3), as applicable.

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

19 as follows:

20 (7) "Debt" means a bond, warrant, certificate of

21 obligation, or other evidence of indebtedness owed by a taxing unit

22 that _has been approved at an election and_ is payable solely from

23 property taxes in installments over a period of more than one year,

24 not budgeted for payment from maintenance and operations funds, and

25 secured by a pledge of property taxes, or a payment made under

26 contract to secure indebtedness of a similar nature issued by

27 another political subdivision on behalf of the taxing unit.

1   SECTION 7. Section 26.012(9), Tax Code, is redesignated as

2 Section 26.012(18), Tax Code, and amended to read as follows:

3   (18) "No new taxes [(9) "Effective] maintenance and

4 operations rate" means a rate expressed in dollars per $100 of

5 taxable value and calculated according to the following formula:

6   NO NEW TAXES [EFFECTIVE] MAINTENANCE AND OPERATIONS

7   RATE = (LAST YEAR'S LEVY - LAST YEAR'S DEBT LEVY - LAST

8   YEAR'S JUNIOR COLLEGE LEVY) / (CURRENT TOTAL VALUE -

9   NEW PROPERTY VALUE)

10   SECTION 8. The heading to Section 26.04, Tax Code, is

11 amended to read as follows:

12   Sec. 26.04. SUBMISSION OF ROLL TO GOVERNING BODY; NO NEW

13 TAXES [EFFECTIVE] AND ROLLBACK TAX RATES.

14   SECTION 9. Section 26.04, Tax Code, is amended by amending

15 Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and

16 adding Subsections (c-1), (d-1), (d-2), (d-3), (d-4), (e-2), and

17 (h-1) to read as follows:

18   (b) The assessor shall submit the appraisal roll for the

19 unit showing the total appraised, assessed, and taxable values of

20 all property and the total taxable value of new property to the

21 governing body of the unit by August 1 or as soon thereafter as

22 practicable. By August 1 or as soon thereafter as practicable, the

23 taxing unit's collector shall certify [an estimate of] the

24 anticipated collection rate for the current year to the governing

25 body. If the collector certified an anticipated collection rate in

26 the preceding year and the actual collection rate in that year

27 exceeded the anticipated rate, the collector shall also certify the

1 amount of debt taxes collected in excess of the anticipated amount

2 in the preceding year.

3   (c) An officer or employee designated by the governing body

4 shall calculate the no new taxes [effective] tax rate and the

5 rollback tax rate for the unit, where:

6   (1) "No new taxes ["Effective] tax rate" means a rate

7 expressed in dollars per $100 of taxable value calculated according

8 to the following formula:

9   NO NEW TAXES [EFFECTIVE] TAX RATE = (LAST YEAR'S LEVY −

10   LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE − NEW

11   PROPERTY VALUE)

12   ; and

13   (2) "Rollback tax rate" means a rate expressed in

14 dollars per $100 of taxable value calculated according to the

15 following formula:

16   ROLLBACK TAX RATE = (NO NEW TAXES [EFFECTIVE]

17   MAINTENANCE AND OPERATIONS RATE x 1.04 [1.08]) +

18   CURRENT DEBT RATE

19   (c-1) Notwithstanding any other provision of this section,

20 the governing body may direct the designated officer or employee to

21 substitute "1.08" for "1.04" in the calculation of the rollback tax

22 rate if any part of the taxing unit is located in an area declared a

23 disaster area during the current tax year by the governor or by the

24 president of the United States.

25   (d) The no new taxes [effective] tax rate for a county is the

26 sum of the no new taxes [effective] tax rates calculated for each

27 type of tax the county levies, and the rollback tax rate for a

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

2 of tax the county levies.

3   (d-1) The designated officer or employee shall use the

4 worksheet forms prescribed by the comptroller under Section 5.07(f)

5 in calculating the no new taxes tax rate and the rollback tax rate.

6   (d-2) The designated officer or employee shall submit the

7 worksheets to:

8   (1) the chief appraiser of the appraisal district in

9 which the taxing unit is located; and

10   (2) the chief financial officer or the auditor for the

11 taxing unit.

12   (d-3) The designated officer or employee may not submit the

13 no new taxes tax rate and the rollback tax rate to the governing

14 body of the taxing unit and the governing body of the unit may not

15 adopt a tax rate until:

16   (1) the chief appraiser submits to the governing body

17 of the unit a written certification that the values used in the

18 calculations are the same as the values shown in the unit's

19 appraisal roll; and

20   (2) the chief financial officer or the auditor for the

21 unit submits to the governing body of the unit a written

22 certification that the rollback tax rate has been calculated

23 correctly.

24   (d-4) The comptroller shall adopt rules governing the form

25 of the certifications required by Subsection (d-3) and the manner

26 in which they are required to be submitted.

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

1 designated officer or employee shall submit the rates to the

2 governing body. The designated officer or employee [He] shall

3 deliver by mail to each property owner in the unit or publish in a

4 newspaper in the form prescribed by the comptroller:

5   (1) the no new taxes [effective] tax rate, the

6 rollback tax rate, and an explanation of how they were calculated;

7   (2) the estimated amount of interest and sinking fund

8 balances and the estimated amount of maintenance and operation or

9 general fund balances remaining at the end of the current fiscal

10 year that are not encumbered with or by corresponding existing debt

11 obligation;

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

13   (A) the amount of principal and interest that

14 will be paid to service the unit's debts in the next year from

15 property tax revenue, including payments of lawfully incurred

16 contractual obligations providing security for the payment of the

17 principal of and interest on bonds and other evidences of

18 indebtedness issued on behalf of the unit by another political

19 subdivision and, if the unit is created under Section 52, Article

20 III, or Section 59, Article XVI, Texas Constitution, payments on

21 debts that the unit anticipates to incur in the next calendar year;

22   (B) the amount by which taxes imposed for debt

23 are to be increased because of the unit's anticipated collection

24 rate; and

25   (C) the total of the amounts listed in Paragraphs

26 (A)-(B), less any amount collected in excess of the previous year's

27 anticipated collections certified as provided in Subsection (b);

1   (4) the amount of additional sales and use tax revenue
2   anticipated in calculations under Section 26.041;
3   (5) a statement that the adoption of a tax rate equal
4   to the no new taxes [effective] tax rate would result in an increase
5   or decrease, as applicable, in the amount of taxes imposed by the
6   unit as compared to last year's levy, and the amount of the increase
7   or decrease;
8   (6) in the year that a taxing unit calculates an
9   adjustment under Subsection (i) or (j), a schedule that includes
10 the following elements:
11   (A) the name of the unit discontinuing the
12 department, function, or activity;
13   (B) the amount of property tax revenue spent by
14 the unit listed under Paragraph (A) to operate the discontinued
15 department, function, or activity in the 12 months preceding the
16 month in which the calculations required by this chapter are made;
17 and
18   (C) the name of the unit that operates a distinct
19 department, function, or activity in all or a majority of the
20 territory of a taxing unit that has discontinued operating the
21 distinct department, function, or activity; and
22   (7) in the year following the year in which a taxing
23 unit raised its rollback tax rate as required by Subsection (j), a
24 schedule that includes the following elements:
25   (A) the amount of property tax revenue spent by
26 the unit to operate the department, function, or activity for which
27 the taxing unit raised the rollback tax rate as required by

1 Subsection (j) for the 12 months preceding the month in which the

2 calculations required by this chapter are made; and

3   (B) the amount published by the unit in the

4 preceding tax year under Subdivision (6)(B).

5   (e-1) The tax rate certification requirements imposed by

6 Subsections (d-2) and (d-3) and the notice requirements imposed by

7 Subsections (e)(1)-(6) do not apply to a school district.

8   (e-2) By August 7 or as soon thereafter as practicable, the

9 chief appraiser of the appraisal district in which the property is

10 located shall deliver by regular mail or e-mail to each property

11 owner a notice that the estimated amount of taxes to be imposed on

12 the owner's property by each taxing unit in which the property is

13 located may be found in the property tax database maintained by the

14 comptroller under Section 5.092. The notice must include:

15   (1) the address of the Internet website at which the

16 information may be found;

17   (2) a statement that the property owner may request a

18 written copy of the information from the assessor for each taxing

19 unit in which the property is located; and

20   (3) the address and telephone number of each assessor

21 from whom the written copy may be requested.

22   (f) If as a result of consolidation of taxing units a taxing

23 unit includes territory that was in two or more taxing units in the

24 preceding year, the amount of taxes imposed in each in the preceding

25 year is combined for purposes of calculating the no new taxes

26 [effective] and rollback tax rates under this section.

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

1 injunction prohibiting the taxing unit in which the property is
2 taxable from adopting a tax rate if the assessor or designated
3 officer or employee of the unit, as applicable, has not complied
4 with the computation or publication requirements of this section or
5 Section 5.092(d) [and the failure to comply was not in good faith].
6   (h-1) Notwithstanding Subsection (h), the assessor may not
7 certify an anticipated collection rate under Subsection (b) that is
8 lower than the lowest actual collection rate in the preceding three
9 years.
10   (i) This subsection applies to a taxing unit that has agreed
11 by written contract to transfer a distinct department, function, or
12 activity to another taxing unit and discontinues operating that
13 distinct department, function, or activity if the operation of that
14 department, function, or activity in all or a majority of the
15 territory of the taxing unit is continued by another existing
16 taxing unit or by a new taxing unit. The rollback tax rate of a
17 taxing unit to which this subsection applies in the first tax year
18 in which a budget is adopted that does not allocate revenue to the
19 discontinued department, function, or activity is calculated as
20 otherwise provided by this section, except that last year's levy
21 used to calculate the no new taxes [effective] maintenance and
22 operations rate of the unit is reduced by the amount of maintenance
23 and operations tax revenue spent by the taxing unit to operate the
24 department, function, or activity for the 12 months preceding the
25 month in which the calculations required by this chapter are made
26 and in which the unit operated the discontinued department,
27 function, or activity. If the unit did not operate that department,

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

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

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

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

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

18   NO NEW TAXES [EFFECTIVE] TAX RATE = [(LAST YEAR'S
19   LEVY − LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE − NEW
20   PROPERTY VALUE)] − SALES TAX GAIN RATE

21 and

22   ROLLBACK TAX RATE = (NO NEW TAXES [EFFECTIVE]
23   MAINTENANCE AND OPERATIONS RATE x 1.04 [1.08]) +
24   CURRENT DEBT RATE − SALES TAX GAIN RATE

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

1 year as calculated under Subsection (d) [of this section] by the

2 current total value.

3   (b) Except as provided by Subsections (a) and (c) [of this

4 section], in a year in which a taxing unit imposes an additional

5 sales and use tax the rollback tax rate for the unit is calculated

6 according to the following formula, regardless of whether the unit

7 levied a property tax in the preceding year:

8   ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND

9   OPERATIONS EXPENSE x 1.04 [1.08]) / ([TOTAL] CURRENT

10   TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT RATE

11   - SALES TAX REVENUE RATE)

12 where "last year's maintenance and operations expense" means the

13 amount spent for maintenance and operations from property tax and

14 additional sales and use tax revenues in the preceding year, and

15 "sales tax revenue rate" means a number expressed in dollars per

16 $100 of taxable value, calculated by dividing the revenue that will

17 be generated by the additional sales and use tax in the current year

18 as calculated under Subsection (d) [of this section] by the current

19 total value.

20   (c) In a year in which a taxing unit that has been imposing

21 an additional sales and use tax ceases to impose an additional sales

22 and use tax the no new taxes [effective] tax rate and rollback tax

23 rate for the unit are calculated according to the following

24 formulas:

25   NO NEW TAXES [EFFECTIVE] TAX RATE = [(LAST YEAR'S

26   LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW

27   PROPERTY VALUE)] + SALES TAX LOSS RATE

1 and

2   ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND

3   OPERATIONS EXPENSE x 1.04 [1.08]) / ([TOTAL] CURRENT

4   TOTAL VALUE - NEW PROPERTY VALUE)] + CURRENT DEBT RATE

5 where "sales tax loss rate" means a number expressed in dollars per

6 $100 of taxable value, calculated by dividing the amount of sales

7 and use tax revenue generated in the last four quarters for which

8 the information is available by the current total value and "last

9 year's maintenance and operations expense" means the amount spent

10 for maintenance and operations from property tax and additional

11 sales and use tax revenues in the preceding year.

12   (c-1) Notwithstanding any other provision of this section,

13 the governing body may direct the designated officer or employee to

14 substitute "1.08" for "1.04" in the calculation of the rollback tax

15 rate if any part of the taxing unit is located in an area declared a

16 disaster area during the current tax year by the governor or by the

17 president of the United States.

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

19 receives payments under the terms of a contract executed before

20 January 1, 1986, in which the city agrees not to annex certain

21 property or a certain area and the owners or lessees of the property

22 or of property in the area agree to pay at least annually to the city

23 an amount determined by reference to all or a percentage of the

24 property tax rate of the city and all or a part of the value of the

25 property subject to the agreement or included in the area subject to

26 the agreement, the governing body, by order adopted by a majority

27 vote of the governing body, may direct the designated officer or

1 employee to add to the <u>no new taxes</u> [~~effective~~] and rollback tax

2 rates the amount that, when applied to the total taxable value

3 submitted to the governing body, would produce an amount of taxes

4 equal to the difference between the total amount of payments for the

5 tax year under contracts described by this subsection under the

6 rollback tax rate calculated under this section and the total

7 amount of payments for the tax year that would have been obligated

8 to the city if the city had not adopted an additional sales and use

9 tax.

10   (g) If the rate of the additional sales and use tax is

11 increased, the designated officer or employee shall make two

12 projections, in the manner provided by Subsection (d) [~~of this~~

13 ~~section~~], of the revenue generated by the additional sales and use

14 tax in the following year. The first projection must take into

15 account the increase and the second projection must not take into

16 account the increase. The officer or employee shall then subtract

17 the amount of the result of the second projection from the amount of

18 the result of the first projection to determine the revenue

19 generated as a result of the increase in the additional sales and

20 use tax. In the first year in which an additional sales and use tax

21 is increased, the <u>no new taxes</u> [~~effective~~] tax rate for the unit is

22 the <u>no new taxes</u> [~~effective~~] tax rate before the increase minus a

23 number the numerator of which is the revenue generated as a result

24 of the increase in the additional sales and use tax, as determined

25 under this subsection, and the denominator of which is the current

26 total value minus the new property value.

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

1 decreased, the designated officer or employee shall make two
2 projections, in the manner provided by Subsection (d) [of this
3 section], of the revenue generated by the additional sales and use
4 tax in the following year. The first projection must take into
5 account the decrease and the second projection must not take into
6 account the decrease. The officer or employee shall then subtract
7 the amount of the result of the first projection from the amount of
8 the result of the second projection to determine the revenue lost as
9 a result of the decrease in the additional sales and use tax. In the
10 first year in which an additional sales and use tax is decreased,
11 the no new taxes [effective] tax rate for the unit is the no new
12 taxes [effective] tax rate before the decrease plus a number the
13 numerator of which is the revenue lost as a result of the decrease
14 in the additional sales and use tax, as determined under this
15 subsection, and the denominator of which is the current total value
16 minus the new property value.
17   SECTION 11. The heading to Section 26.043, Tax Code, is
18 amended to read as follows:
19   Sec. 26.043. ROLLBACK AND NO NEW TAXES [EFFECTIVE] TAX
20 RATES [RATE] IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.
21   SECTION 12. Sections 26.043(a) and (b), Tax Code, are
22 amended to read as follows:
23   (a) In the tax year in which a city has set an election on
24 the question of whether to impose a local sales and use tax under
25 Subchapter H, Chapter 453, Transportation Code, the officer or
26 employee designated to make the calculations provided by Section
27 26.04 may not make those calculations until the outcome of the

19

1 election is determined. If the election is determined in favor of

2 the imposition of the tax, the representative shall subtract from

3 the city's rollback and <u>no new taxes</u> [~~effective~~] tax rates the

4 amount that, if applied to the city's current total value, would

5 impose an amount equal to the amount of property taxes budgeted in

6 the current tax year to pay for expenses related to mass transit

7 services.

8   (b) In a tax year to which this section applies, a reference

9 in this chapter to the city's <u>no new taxes</u> [~~effective~~] or rollback

10 tax rate refers to that rate as adjusted under this section.

11   SECTION 13. The heading to Section 26.044, Tax Code, is

12 amended to read as follows:

13   Sec. 26.044. <u>NO NEW TAXES</u> [~~EFFECTIVE~~] TAX RATE TO PAY FOR

14 STATE CRIMINAL JUSTICE MANDATE.

15   SECTION 14. Sections 26.044(a), (b), and (c), Tax Code, are

16 amended to read as follows:

17   (a) The first time that a county adopts a tax rate after

18 September 1, 1991, in which the state criminal justice mandate

19 applies to the county, the <u>no new taxes</u> [~~effective~~] maintenance and

20 operation rate for the county is increased by the rate calculated

21 according to the following formula:

22   (State Criminal Justice Mandate) / (Current Total

23   Value − New Property Value)

24   (b) In the second and subsequent years that a county adopts

25 a tax rate, if the amount spent by the county for the state criminal

26 justice mandate increased over the previous year, the <u>no new taxes</u>

27 [~~effective~~] maintenance and operation rate for the county is

1 increased by the rate calculated according to the following

2 formula:

3   (This Year's State Criminal Justice Mandate - Previous

4   Year's State Criminal Justice Mandate) / (Current

5   Total Value - New Property Value)

6   (c) The county shall include a notice of the increase in the

7 no new taxes [effective] maintenance and operation rate provided by

8 this section, including a description and amount of the state

9 criminal justice mandate, in the information published under

10 Section 26.04(e) and Section 26.06(b) [of this code].

11   SECTION 15. Sections 26.0441(a), (b), and (c), Tax Code,

12 are amended to read as follows:

13   (a) In the first tax year in which a taxing unit adopts a tax

14 rate after January 1, 2000, and in which the enhanced minimum

15 eligibility standards for indigent health care established under

16 Section 61.006, Health and Safety Code, apply to the taxing unit,

17 the no new taxes [effective] maintenance and operations rate for

18 the taxing unit is increased by the rate computed according to the

19 following formula:

20   Amount of Increase = Enhanced Indigent Health Care

21   Expenditures / (Current Total Value - New Property

22   Value)

23   (b) In each subsequent tax year, if the taxing unit's

24 enhanced indigent health care expenses exceed the amount of those

25 expenses for the preceding year, the no new taxes [effective]

26 maintenance and operations rate for the taxing unit is increased by

27 the rate computed according to the following formula:

21

1   Amount of Increase = (Current Tax Year's Enhanced
2   Indigent Health Care Expenditures - Preceding Tax
3   Year's Indigent Health Care Expenditures) / (Current
4   Total Value - New Property Value)
5   (c) The taxing unit shall include a notice of the increase
6 in its no new taxes [effective] maintenance and operations rate
7 provided by this section, including a brief description and the
8 amount of the enhanced indigent health care expenditures, in the
9 information published under Section 26.04(e) and, if applicable,
10 Section 26.06(b).
11   SECTION 16. Section 26.05, Tax Code, is amended by amending
12 Subsections (b), (c), (d), (e), and (g) and adding Subsections
13 (d-1) and (d-2) to read as follows:
14   (b) A taxing unit may not impose property taxes in any year
15 until the governing body has adopted a tax rate for that year, and
16 the annual tax rate must be set by ordinance, resolution, or order,
17 depending on the method prescribed by law for adoption of a law by
18 the governing body. The vote on the ordinance, resolution, or order
19 setting the tax rate must be separate from the vote adopting the
20 budget. For a taxing unit other than a school district, the vote on
21 the ordinance, resolution, or order setting a tax rate that exceeds
22 the no new taxes [effective] tax rate must be a record vote, and at
23 least 60 percent of the members of the governing body must vote in
24 favor of the ordinance, resolution, or order. For a school
25 district, the vote on the ordinance, resolution, or order setting a
26 tax rate that exceeds the sum of the no new taxes [effective]
27 maintenance and operations tax rate of the district as determined

22

1 under Section 26.08(i) and the district's current debt rate must be

2 a record vote, and at least 60 percent of the members of the

3 governing body must vote in favor of the ordinance, resolution, or

4 order. A motion to adopt an ordinance, resolution, or order setting

5 a tax rate that exceeds the no new taxes [effective] tax rate must

6 be made in the following form: "I move that the property tax rate be

7 increased by the adoption of a tax rate of (specify tax rate), which

8 is effectively a (insert percentage by which the proposed tax rate

9 exceeds the no new taxes [effective] tax rate) percent increase in

10 the tax rate." If the ordinance, resolution, or order sets a tax

11 rate that, if applied to the total taxable value, will impose an

12 amount of taxes to fund maintenance and operation expenditures of

13 the taxing unit that exceeds the amount of taxes imposed for that

14 purpose in the preceding year, the taxing unit must:

15   (1) include in the ordinance, resolution, or order in

16 type larger than the type used in any other portion of the document:

17   (A) the following statement: "THIS TAX RATE WILL

18 RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S

19 TAX RATE."; and

20   (B) if the tax rate exceeds the no new taxes

21 [effective] maintenance and operations rate, the following

22 statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT

23 PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO NEW TAXES

24 [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE

25 TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY

26 APPROXIMATELY $(Insert amount)."; and

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

1 website operated by the unit:

2   (A) the following statement: "(Insert name of

3 unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE

4 AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and

5   (B) if the tax rate exceeds the <u>no new taxes</u>

6 [effective] maintenance and operations rate, the following

7 statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT

8 PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE <u>NO NEW TAXES</u>

9 [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE

10 TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY

11 APPROXIMATELY $(Insert amount)."

12   (c) If the governing body of a taxing unit does not adopt a

13 tax rate before the date required by Subsection (a), the tax rate

14 for the taxing unit for that tax year is the lower of the <u>no new</u>

15 <u>taxes</u> [effective] tax rate calculated for that tax year or the tax

16 rate adopted by the taxing unit for the preceding tax year. A tax

17 rate established by this subsection is treated as an adopted tax

18 rate. Before the fifth day after the establishment of a tax rate by

19 this subsection, the governing body of the taxing unit must ratify

20 the applicable tax rate in the manner required by Subsection (b).

21   (d) The governing body of a taxing unit other than a school

22 district may not adopt a tax rate that exceeds the lower of the

23 rollback tax rate or the <u>no new taxes</u> [effective] tax rate

24 calculated as provided by this chapter until the governing body has

25 held two public hearings on the proposed tax rate and has otherwise

26 complied with Section 26.06 and Section 26.065. The governing body

27 of a taxing unit shall reduce a tax rate set by law or by vote of the

1 electorate to the lower of the rollback tax rate or the no new taxes

2 [effective] tax rate and may not adopt a higher rate unless it first

3 complies with Section 26.06.

4 (d-1) The governing body of a taxing unit may not hold a

5 public hearing on a proposed tax rate or a public meeting to adopt a

6 tax rate until the 14th day after the date the officer or employee

7 designated by the governing body of the unit to calculate the no new

8 taxes tax rate and the rollback tax rate for the unit electronically

9 submits to the comptroller the information described by Section

10 5.092(d).

11 (d-2) Notwithstanding Subsection (a), the governing body of

12 a taxing unit other than a school district may not adopt a tax rate

13 until:

14 (1) the comptroller has included the information for

15 the current tax year specified by Section 5.092 in the

16 comptroller's property tax database; and

17 (2) the chief appraiser of the appraisal district in

18 which the taxing unit participates has delivered the notice

19 required by Section 26.04(e-2).

20 (e) A person who owns taxable property is entitled to an

21 injunction restraining the collection of taxes by a taxing unit in

22 which the property is taxable if the taxing unit has not complied

23 with the requirements of this section or Section 26.04 [and the

24 failure to comply was not in good faith]. An action to enjoin the

25 collection of taxes must be filed not later than the 15th day after

26 the date the taxing unit adopts a tax rate. A property owner is not

27 required to pay the taxes imposed by a taxing unit on the owner's

1 property while an action filed by the property owner to enjoin the

2 collection of taxes imposed by the taxing unit on the owner's

3 property is pending. If the property owner pays the taxes and

4 subsequently prevails in the action, the property owner is entitled

5 to a refund of the taxes paid, together with reasonable attorney's

6 fees and court costs. The property owner is not required to apply

7 to the collector for the taxing unit to receive the refund [prior to

8 the date a taxing unit delivers substantially all of its tax bills].

9   (g) Notwithstanding Subsection (a), the governing body of a

10 school district that elects to adopt a tax rate before the adoption

11 of a budget for the fiscal year that begins in the current tax year

12 may adopt a tax rate for the current tax year before receipt of the

13 certified appraisal roll for the school district if the chief

14 appraiser of the appraisal district in which the school district

15 participates has certified to the assessor for the school district

16 an estimate of the taxable value of property in the school district

17 as provided by Section 26.01(e). If a school district adopts a tax

18 rate under this subsection, the no new taxes [effective] tax rate

19 and the rollback tax rate of the district shall be calculated based

20 on the certified estimate of taxable value.

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

22 as follows:

23   (e) Public notice provided under Subsection (c) must

24 specify:

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

26 adopt;

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

1 governing body of the taxing unit at which the governing body will

2 consider adopting the proposed tax rate; and

3   (3) if the proposed tax rate for the taxing unit

4 exceeds the unit's no new taxes [effective] tax rate calculated as

5 provided by Section 26.04, a statement substantially identical to

6 the following: "The proposed tax rate would increase total taxes in

7 (name of taxing unit) by (percentage by which the proposed tax rate

8 exceeds the no new taxes [effective] tax rate)."

9   SECTION 18. Sections 26.06(b), (c), (d), and (e), Tax Code,

10 are amended to read as follows:

11   (b) The notice of a public hearing may not be smaller than

12 one-quarter page of a standard-size or a tabloid-size newspaper,

13 and the headline on the notice must be in 24-point or larger type.

14 The notice must contain a statement in the following form:

15   "NOTICE OF PUBLIC HEARING ON TAX INCREASE

16   "The (name of the taxing unit) will hold two public hearings

17 on a proposal to increase total tax revenues from properties on the

18 tax roll in the preceding tax year by (percentage by which proposed

19 tax rate exceeds lower of rollback tax rate or no new taxes

20 [effective] tax rate calculated under this chapter) percent. Your

21 individual taxes may increase at a greater or lesser rate, or even

22 decrease, depending on the change in the taxable value of your

23 property in relation to the change in taxable value of all other

24 property and the tax rate that is adopted.

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

26 (meeting place).

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

1 (meeting place).

2   "(Names of all members of the governing body, showing how

3 each voted on the proposal to consider the tax increase or, if one

4 or more were absent, indicating the absences.)

5   "The average taxable value of a residence homestead in (name

6 of taxing unit) last year was $_____ (average taxable value of a

7 residence homestead in the taxing unit for the preceding tax year,

8 disregarding residence homestead exemptions available only to

9 disabled persons or persons 65 years of age or older). Based on

10 last year's tax rate of $_____ (preceding year's adopted tax rate)

11 per $100 of taxable value, the amount of taxes imposed last year on

12 the average home was $_____ (tax on average taxable value of a

13 residence homestead in the taxing unit for the preceding tax year,

14 disregarding residence homestead exemptions available only to

15 disabled persons or persons 65 years of age or older).

16   "The average taxable value of a residence homestead in (name

17 of taxing unit) this year is $_____ (average taxable value of a

18 residence homestead in the taxing unit for the current tax year,

19 disregarding residence homestead exemptions available only to

20 disabled persons or persons 65 years of age or older). If the

21 governing body adopts the no new taxes [effective] tax rate for this

22 year of $_____ (no new taxes [effective] tax rate) per $100 of

23 taxable value, the amount of taxes imposed this year on the average

24 home would be $_____ (tax on average taxable value of a residence

25 homestead in the taxing unit for the current tax year, disregarding

26 residence homestead exemptions available only to disabled persons

27 or persons 65 years of age or older).

1   "If the governing body adopts the proposed tax rate of $____

2 (proposed tax rate) per $100 of taxable value, the amount of taxes

3 imposed this year on the average home would be $____ (tax on the

4 average taxable value of a residence in the taxing unit for the

5 current year disregarding residence homestead exemptions available

6 only to disabled persons or persons 65 years of age or older).

7   "Members of the public are encouraged to attend the hearings

8 and express their views."

9   (c) The notice of a public hearing under this section may be

10 delivered by mail to each property owner in the unit, or may be

11 published in a newspaper. If the notice is published in a

12 newspaper, it may not be in the part of the paper in which legal

13 notices and classified advertisements appear. The [If the taxing

14 unit operates an Internet website, the] notice must be posted on the

15 Internet website operated by the taxing unit from the date the

16 notice is first published until the second public hearing is

17 concluded.

18   (d) At the public hearings the governing body shall announce

19 the date, time, and place of the meeting at which it will vote on the

20 proposed tax rate. After each hearing the governing body shall give

21 notice of the meeting at which it will vote on the proposed tax rate

22 and the notice shall be in the same form as prescribed by

23 Subsections (b) and (c), except that it must state the following:

24   "NOTICE OF TAX REVENUE INCREASE

25   "The (name of the taxing unit) conducted public hearings on

26 (date of first hearing) and (date of second hearing) on a proposal

27 to increase the total tax revenues of the (name of the taxing unit)

1 from properties on the tax roll in the preceding year by (percentage

2 by which proposed tax rate exceeds lower of rollback tax rate or no

3 new taxes [effective] tax rate calculated under this chapter)

4 percent.

5   "The total tax revenue proposed to be raised last year at last

6 year's tax rate of (insert tax rate for the preceding year) for each

7 $100 of taxable value was (insert total amount of taxes imposed in

8 the preceding year).

9   "The total tax revenue proposed to be raised this year at the

10 proposed tax rate of (insert proposed tax rate) for each $100 of

11 taxable value, excluding tax revenue to be raised from new property

12 added to the tax roll this year, is (insert amount computed by

13 multiplying proposed tax rate by the difference between current

14 total value and new property value).

15   "The total tax revenue proposed to be raised this year at the

16 proposed tax rate of (insert proposed tax rate) for each $100 of

17 taxable value, including tax revenue to be raised from new property

18 added to the tax roll this year, is (insert amount computed by

19 multiplying proposed tax rate by current total value).

20   "The (governing body of the taxing unit) is scheduled to vote

21 on the tax rate that will result in that tax increase at a public

22 meeting to be held on (date of meeting) at (location of meeting,

23 including mailing address) at (time of meeting).

24   "The (governing body of the taxing unit) proposes to use the

25 increase in total tax revenue for the purpose of (description of

26 purpose of increase)."

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

1 earlier than the third day or later than the 14th day after the date
2 of the second public hearing. The meeting must be held inside the
3 boundaries of the taxing unit in a publicly owned building or, if a
4 suitable publicly owned building is not available, in a suitable
5 building to which the public normally has access. If the governing
6 body does not adopt a tax rate that exceeds the lower of the
7 rollback tax rate or the no new taxes [effective] tax rate by the
8 14th day, it must give a new notice under Subsection (d) before it
9 may adopt a rate that exceeds the lower of the rollback tax rate or
10 the no new taxes [effective] tax rate.
11   SECTION 19. Section 26.065(b), Tax Code, is amended to read
12 as follows:
13   (b) The taxing [If the taxing unit owns, operates, or
14 controls an Internet website, the] unit shall post notice of the
15 public hearing on the Internet website owned, operated, or
16 controlled by the unit continuously for at least seven days
17 immediately before the public hearing on the proposed tax rate
18 increase and at least seven days immediately before the date of the
19 vote proposing the increase in the tax rate.
20   SECTION 20. The heading to Section 26.08, Tax Code, is
21 amended to read as follows:
22   Sec. 26.08. ELECTION TO RATIFY TAX RATE [SCHOOL TAXES].
23   SECTION 21. Sections 26.08(a), (b), (d), (d-1), (d-2), (e),
24 (g), (h), (n), and (p), Tax Code, are amended to read as follows:
25   (a) If the governing body of a taxing unit [school district]
26 adopts a tax rate that exceeds the taxing unit's [district's]
27 rollback tax rate, the registered voters of the taxing unit

1 [district] at an election held for that purpose must determine
2 whether to approve the adopted tax rate. When increased
3 expenditure of money by a taxing unit [school district] is
4 necessary to respond to a disaster, including a tornado, hurricane,
5 flood, or other calamity, but not including a drought, that has
6 impacted the taxing unit [a school district] and the governor has
7 requested federal disaster assistance for the area in which the
8 taxing unit [school district] is located, an election is not
9 required under this section to approve the tax rate adopted by the
10 governing body for the year following the year in which the disaster
11 occurs.
12   (b) The governing body shall order that the election be held
13 in the taxing unit [school district] on a date not less than 30 or
14 more than 90 days after the day on which it adopted the tax rate.
15 Section 41.001, Election Code, does not apply to the election
16 unless a date specified by that section falls within the time
17 permitted by this section. At the election, the ballots shall be
18 prepared to permit voting for or against the proposition:
19 "Approving the ad valorem tax rate of $_____ per $100 valuation in
20 (name of taxing unit [school district]) for the current year, a rate
21 that is $_____ higher per $100 valuation than the [school district]
22 rollback tax rate of (name of taxing unit), for the purpose of
23 (description of purpose of increase)." The ballot proposition must
24 include the adopted tax rate and the difference between that rate
25 and the rollback tax rate in the appropriate places.
26   (d) If the proposition is not approved as provided by
27 Subsection (c), the governing body may not adopt a tax rate for the

1 taxing unit [school district] for the current year that exceeds the

2 taxing unit's [school district's] rollback tax rate.

3   (d-1) If, after tax bills for the taxing unit [school

4 district] have been mailed, a proposition to approve the taxing

5 unit's [school district's] adopted tax rate is not approved by the

6 voters of the taxing unit [district] at an election held under this

7 section, on subsequent adoption of a new tax rate by the governing

8 body of the taxing unit [district], the assessor for the taxing unit

9 [school] shall prepare and mail corrected tax bills. The assessor

10 shall include with each bill a brief explanation of the reason for

11 and effect of the corrected bill. The date on which the taxes

12 become delinquent for the year is extended by a number of days equal

13 to the number of days between the date the first tax bills were sent

14 and the date the corrected tax bills were sent.

15   (d-2) If a property owner pays taxes calculated using the

16 originally adopted tax rate of the taxing unit [school district]

17 and the proposition to approve the adopted tax rate is not approved

18 by the voters, the taxing unit [school district] shall refund the

19 difference between the amount of taxes paid and the amount due under

20 the subsequently adopted rate if the difference between the amount

21 of taxes paid and the amount due under the subsequent rate is $1 or

22 more. If the difference between the amount of taxes paid and the

23 amount due under the subsequent rate is less than $1, the taxing

24 unit [school district] shall refund the difference on request of

25 the taxpayer. An application for a refund of less than $1 must be

26 made within 90 days after the date the refund becomes due or the

27 taxpayer forfeits the right to the refund.

1 (e) For purposes of this section, local tax funds dedicated

2 to a junior college district under Section 45.105(e), Education

3 Code, shall be eliminated from the calculation of the tax rate

4 adopted by the governing body of a [the] school district. However,

5 the funds dedicated to the junior college district are subject to

6 Section 26.085.

7 (g) In a school district that received distributions from an

8 equalization tax imposed under former Chapter 18, Education Code,

9 the no new taxes [effective] rate of that tax as of the date of the

10 county unit system's abolition is added to the district's rollback

11 tax rate.

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

13 values and tax levies occurring within a reinvestment zone under

14 Chapter 311 (Tax Increment Financing Act), in which a school [the]

15 district is a participant, shall be eliminated from the calculation

16 of the tax rate adopted by the governing body of the school

17 district.

18 (n) For purposes of this section, the rollback tax rate of a

19 school district whose maintenance and operations tax rate for the

20 2005 tax year was $1.50 or less per $100 of taxable value is:

21 (1) for the 2006 tax year, the sum of the rate that is

22 equal to 88.67 percent of the maintenance and operations tax rate

23 adopted by the district for the 2005 tax year, the rate of $0.04 per

24 $100 of taxable value, and the district's current debt rate; and

25 (2) for the 2007 and subsequent tax years, the lesser

26 of the following:

27 (A) the sum of the following:

1   (i) the rate per $100 of taxable value that
2 is equal to the product of the state compression percentage, as
3 determined under Section 42.2516, Education Code, for the current
4 year and $1.50;
5   (ii) the rate of $0.04 per $100 of taxable
6 value;
7   (iii) the rate that is equal to the sum of
8 the differences for the 2006 and each subsequent tax year between
9 the adopted tax rate of the district for that year if the rate was
10 approved at an election under this section and the rollback tax rate
11 of the district for that year; and
12   (iv) the district's current debt rate; or
13   (B) the sum of the following:
14   (i) the no new taxes [effective]
15 maintenance and operations tax rate of the district as computed
16 under Subsection (i) [or (k), as applicable];
17   (ii) the rate per $100 of taxable value that
18 is equal to the product of the state compression percentage, as
19 determined under Section 42.2516, Education Code, for the current
20 year and $0.06; and
21   (iii) the district's current debt rate.
22   (p) Notwithstanding Subsections (i), (n), and (o), if for
23 the preceding tax year a school district adopted a maintenance and
24 operations tax rate that was less than the district's no new taxes
25 [effective] maintenance and operations tax rate for that preceding
26 tax year, the rollback tax rate of the district for the current tax
27 year is calculated as if the district adopted a maintenance and

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

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

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

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

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

27   (1) the adopted tax rate;

1   (2) the maintenance and operations rate;

2   (3) the debt rate;

3   (4) the no new taxes [effective] tax rate;

4   (5) the no new taxes [effective] maintenance and

5 operations rate; and

6   (6) the rollback tax rate.

7   (d) The county assessor-collector shall post immediately

8 below the table prescribed by Subsection (c) the following

9 statement:

10   "The county is providing this table of property tax rate

11 information as a service to the residents of the county. Each

12 individual taxing unit is responsible for calculating the property

13 tax rates listed in this table pertaining to that taxing unit and

14 providing that information to the county.

15   "The adopted tax rate is the tax rate adopted by the governing

16 body of a taxing unit.

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

18 adopted tax rate of a taxing unit that will impose the amount of

19 taxes needed to fund maintenance and operation expenditures of the

20 unit for the following year.

21   "The debt rate is the component of the adopted tax rate of a

22 taxing unit that will impose the amount of taxes needed to fund the

23 unit's debt service for the following year.

24   "The no new taxes [effective] tax rate is the tax rate that

25 would generate the same amount of revenue in the current tax year as

26 was generated by a taxing unit's adopted tax rate in the preceding

27 tax year from property that is taxable in both the current tax year

1 and the preceding tax year.

2   "The no new taxes [effective] maintenance and operations rate

3 is the tax rate that would generate the same amount of revenue for

4 maintenance and operations in the current tax year as was generated

5 by a taxing unit's maintenance and operations rate in the preceding

6 tax year from property that is taxable in both the current tax year

7 and the preceding tax year.

8   "The rollback tax rate is the highest tax rate a taxing unit

9 may adopt before requiring voter approval at an election. An [In

10 the case of a taxing unit other than a school district, the voters

11 by petition may require that a rollback election be held if the unit

12 adopts a tax rate in excess of the unit's rollback tax rate. In the

13 case of a school district, an] election will automatically be held

14 if a taxing unit [the district] wishes to adopt a tax rate in excess

15 of the unit's [district's] rollback tax rate."

16   SECTION 24. Chapter 26, Tax Code, is amended by adding

17 Section 26.17 to read as follows:

18   Sec. 26.17. POSTING OF TAX RATE AND BUDGET INFORMATION ON

19 TAXING UNIT'S WEBSITE. Each taxing unit shall maintain an Internet

20 website. In addition to posting any other information required by

21 this title, each taxing unit shall post on the Internet website

22 maintained by the taxing unit the following information in a format

23 prescribed by the comptroller:

24   (1) the name of and official contact information for

25 each member of the governing body of the taxing unit;

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

27 number of the taxing unit;

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

2 years;

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

4 the current year;

5   (5) the change in the amount of the taxing unit's

6 budget from the preceding year to the current year, by dollar amount

7 and percentage;

8   (6) in the case of a taxing unit other than a school

9 district, the amount of property tax revenue budgeted for

10 maintenance and operations for:

11   (A) the preceding two years; and

12   (B) the current year;

13   (7) in the case of a taxing unit other than a school

14 district, the amount of property tax revenue budgeted for debt

15 service for:

16   (A) the preceding two years; and

17   (B) the current year;

18   (8) the tax rate for maintenance and operations

19 adopted by the taxing unit for the preceding two years;

20   (9) the tax rate for debt service adopted by the taxing

21 unit for the preceding two years;

22   (10) the tax rate for maintenance and operations

23 proposed by the taxing unit for the current year;

24   (11) the tax rate for debt service proposed by the

25 taxing unit for the current year; and

26   (12) the most recent financial audit of the taxing

27 unit.

1   SECTION 25. Sections 31.12(a) and (b), Tax Code, are

2 amended to read as follows:

3   (a) If a refund of a tax provided by Section 11.431(b),

4 26.08(d-2) [26.07(g)], 26.15(f), 31.11, or 31.111 is paid on or

5 before the 60th day after the date the liability for the refund

6 arises, no interest is due on the amount refunded. If not paid on or

7 before that 60th day, the amount of the tax to be refunded accrues

8 interest at a rate of one percent for each month or part of a month

9 that the refund is unpaid, beginning with the date on which the

10 liability for the refund arises.

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

12 arises:

13   (1) if the refund is required by Section 11.431(b), on

14 the date the chief appraiser notifies the collector for the unit of

15 the approval of the late homestead exemption;

16   (2) if the refund is required by Section 26.08(d-2)

17 [26.07(g)], on the date the results of the election to reduce the

18 tax rate are certified;

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

20   (A) for a correction to the tax roll made under

21 Section 26.15(b), on the date the change in the tax roll is

22 certified to the assessor for the taxing unit under Section 25.25;

23 or

24   (B) for a correction to the tax roll made under

25 Section 26.15(c), on the date the change in the tax roll is ordered

26 by the governing body of the taxing unit;

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

1 date the auditor for the taxing unit determines that the payment was
2 erroneous or excessive or, if the amount of the refund exceeds the
3 applicable amount specified by Section 31.11(a), on the date the
4 governing body of the unit approves the refund; or
5   (5) if the refund is required by Section 31.111, on the
6 date the collector for the taxing unit determines that the payment
7 was erroneous.
8   SECTION 26.   Section 33.08(b), Tax Code, is amended to read
9 as follows:
10   (b) The governing body of the taxing unit or appraisal
11 district, in the manner required by law for official action, may
12 provide that taxes that become delinquent on or after June 1 under
13 Section 26.08(d-1) [26.07(f)], 26.15(e), 31.03, 31.031, 31.032,
14 31.04, or 42.42 incur an additional penalty to defray costs of
15 collection. The amount of the penalty may not exceed the amount of
16 the compensation specified in the applicable contract with an
17 attorney under Section 6.30 to be paid in connection with the
18 collection of the delinquent taxes.
19   SECTION 27.   Section 45.105(e), Education Code, is amended
20 to read as follows:
21   (e) The governing body of an independent school district
22 that governs a junior college district under Subchapter B, Chapter
23 130, in a county with a population of more than two million may
24 dedicate a specific percentage of the local tax levy to the use of
25 the junior college district for facilities and equipment or for the
26 maintenance and operating expenses of the junior college district.
27 To be effective, the dedication must be made by the governing body

1 on or before the date on which the governing body adopts its tax
2 rate for a year. The amount of local tax funds derived from the
3 percentage of the local tax levy dedicated to a junior college
4 district from a tax levy may not exceed the amount that would be
5 levied by five percent of the no new taxes [effective] tax rate for
6 the tax year calculated as provided by Section 26.04, Tax Code, on
7 all property taxable by the school district. All real property
8 purchased with these funds is the property of the school district,
9 but is subject to the exclusive control of the governing body of the
10 junior college district for as long as the junior college district
11 uses the property for educational purposes.
12   SECTION 28. Section 130.016(b), Education Code, is amended
13 to read as follows:
14   (b) If the board of trustees of an independent school
15 district that divests itself of the management, control, and
16 operation of a junior college district under this section or
17 [under] Section 130.017 [of this code] was authorized by
18 [Subsection (e) of] Section 45.105(e) or former Section 20.48(e)
19 [20.48 of this code] to dedicate a portion of its tax levy to the
20 junior college district before the divestment, the junior college
21 district may levy an ad valorem tax from and after the divestment.
22 In the first two years in which the junior college district levies
23 an ad valorem tax, the tax rate adopted by the governing body may
24 not exceed the rate that, if applied to the total taxable value
25 submitted to the governing body under Section 26.04, Tax Code,
26 would impose an amount equal to the amount of taxes of the school
27 district dedicated to the junior college under [Subsection (e) of]

42

1 Section 45.105(e) or former Section 20.48(e) [20.48 of this code]

2 in the last dedication before the divestment. In subsequent years,

3 the tax rate of the junior college district is subject to Section

4 26.08 [26.07], Tax Code.

5 　　　　SECTION 29. Sections 281.124(d) and (e), Health and Safety

6 Code, are amended to read as follows:

7 　　　　(d) If a majority of the votes cast in the election favor the

8 proposition, the tax rate for the specified tax year is the rate

9 approved by the voters, and that rate is not subject to [a rollback

10 election under] Section 26.08 [26.07], Tax Code. The board shall

11 adopt the tax rate as provided by Chapter 26, Tax Code.

12 　　　　(e) If the proposition is not approved as provided by

13 Subsection (c), the board may not adopt a tax rate for the district

14 for the specified tax year that exceeds the rate that was not

15 approved, and Section 26.08 [26.07], Tax Code, applies to the

16 adopted rate if that rate exceeds the district's rollback tax rate.

17 　　　　SECTION 30. Section 102.007(d), Local Government Code, is

18 amended to read as follows:

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

20 includes:

21 　　　　　　(1) one of the following statements in 18-point or

22 larger type that accurately describes the adopted budget:

23 　　　　　　　　(A) "This budget will raise more revenue from

24 property taxes than last year's budget by an amount of (insert total

25 dollar amount of increase), which is a (insert percentage increase)

26 percent increase from last year's budget. The property tax revenue

27 to be raised from new property added to the tax roll this year is

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

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

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

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

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

20   (A) the property tax rate;

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

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

24   (D) the rollback tax rate; and

25   (E) the debt rate; and

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

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

44

1 amended to read as follows:

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

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

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

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

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

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

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

1 fiscal year, and each county property tax rate that has been adopted

2 or calculated for the current fiscal year, including:

3   (A)   the property tax rate;

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

5   (C)   the no new taxes [effective] maintenance and

6 operations tax rate;

7   (D)   the rollback tax rate; and

8   (E)   the debt rate; and

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

10   SECTION 32.   Section 111.039(d), Local Government Code, is

11 amended to read as follows:

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

13 includes:

14   (1)   one of the following statements in 18-point or

15 larger type that accurately describes the adopted budget:

16   (A)   "This budget will raise more revenue from

17 property taxes than last year's budget by an amount of (insert total

18 dollar amount of increase), which is a (insert percentage increase)

19 percent increase from last year's budget. The property tax revenue

20 to be raised from new property added to the tax roll this year is

21 (insert amount computed by multiplying the proposed tax rate by the

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

23   (B)   "This budget will raise less revenue from

24 property taxes than last year's budget by an amount of (insert total

25 dollar amount of decrease), which is a (insert percentage decrease)

26 percent decrease from last year's budget. The property tax revenue

27 to be raised from new property added to the tax roll this year is

1 (insert amount computed by multiplying the proposed tax rate by the

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

3   (C) "This budget will raise the same amount of

4 revenue from property taxes as last year's budget. The property tax

5 revenue to be raised from new property added to the tax roll this

6 year is (insert amount computed by multiplying the proposed tax

7 rate by the value of new property added to the roll).";

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

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

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

11 fiscal year, and each county property tax rate that has been adopted

12 or calculated for the current fiscal year, including:

13   (A) the property tax rate;

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

15   (C) the no new taxes [effective] maintenance and

16 operations tax rate;

17   (D) the rollback tax rate; and

18   (E) the debt rate; and

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

20   SECTION 33. Section 111.068(c), Local Government Code, is

21 amended to read as follows:

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

23 includes:

24   (1) one of the following statements in 18-point or

25 larger type that accurately describes the adopted budget:

26   (A) "This budget will raise more revenue from

27 property taxes than last year's budget by an amount of (insert total

47

1 dollar amount of increase), which is a (insert percentage increase)

2 percent increase from last year's budget. The property tax revenue

3 to be raised from new property added to the tax roll this year is

4 (insert amount computed by multiplying the proposed tax rate by the

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

6   (B) "This budget will raise less revenue from

7 property taxes than last year's budget by an amount of (insert total

8 dollar amount of decrease), which is a (insert percentage decrease)

9 percent decrease from last year's budget. The property tax revenue

10 to be raised from new property added to the tax roll this year is

11 (insert amount computed by multiplying the proposed tax rate by the

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

13   (C) "This budget will raise the same amount of

14 revenue from property taxes as last year's budget. The property tax

15 revenue to be raised from new property added to the tax roll this

16 year is (insert amount computed by multiplying the proposed tax

17 rate by the value of new property added to the roll).";

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

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

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

21 fiscal year, and each county property tax rate that has been adopted

22 or calculated for the current fiscal year, including:

23   (A) the property tax rate;

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

25   (C) the no new taxes [effective] maintenance and

26 operations tax rate;

27   (D) the rollback tax rate; and

48

1   (E) the debt rate; and

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

3   SECTION 34. Sections 140.010(a), (d), and (e), Local

4 Government Code, are amended to read as follows:

5   (a) In this section, "no new taxes ["effective] tax rate"

6 and "rollback tax rate" mean the no new taxes [effective] tax rate

7 and rollback tax rate of a county or municipality, as applicable, as

8 calculated under Chapter 26, Tax Code.

9   (d) A county or municipality that proposes a property tax

10 rate that does not exceed the lower of the no new taxes [effective]

11 tax rate or the rollback tax rate shall provide the following

12 notice:

13 "NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX

14   RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)

15 "A tax rate of $_____ per $100 valuation has been proposed by the

16 governing body of (insert name of county or municipality).

17   PROPOSED TAX RATE $_____ per $100

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

19   NO NEW TAXES [EFFECTIVE] TAX RATE $_____ per $100

20 "The no new taxes [effective] tax rate is the total tax rate needed

21 to raise the same amount of property tax revenue for (insert name of

22 county or municipality) from the same properties in both the

23 (insert preceding tax year) tax year and the (insert current tax

24 year) tax year.

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

26   FOLLOWS:

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

1   100

2 "For assistance or detailed information about tax calculations,

3 please contact:

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

5   (insert   name   of   county   or   municipality)   tax

6 assessor-collector

7   (insert address)

8   (insert telephone number)

9   (insert e-mail address)

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

11   (e)   A county or municipality that proposes a property tax

12 rate that exceeds the lower of the no new taxes [effective] tax rate

13 or the rollback tax rate shall provide the following notice:

14 "NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX

15   RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)

16 "A tax rate of $_____ per $100 valuation has been proposed for

17 adoption by the governing body of (insert name of county or

18 municipality).   This rate exceeds the lower of the no new taxes

19 [effective] or rollback tax rate, and state law requires that two

20 public hearings be held by the governing body before adopting the

21 proposed tax rate.   The governing body of (insert name of county or

22 municipality) proposes to use revenue attributable to the tax rate

23 increase for the purpose of (description of purpose of increase).

24   PROPOSED TAX RATE $_____ per $100

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

26   NO NEW TAXES [EFFECTIVE] TAX RATE $_____ per $100

27   ROLLBACK TAX RATE $_____ per $100

1   "The no new taxes [effective] tax rate is the total tax rate needed

2   to raise the same amount of property tax revenue for (insert name of

3   county or municipality) from the same properties in both the

4   (insert preceding tax year) tax year and the (insert current tax

5   year) tax year.

6   "The rollback tax rate is the highest tax rate that (insert name of

7   county or municipality) may adopt without holding [before voters

8   are entitled to petition for] an election to ratify [limit] the rate

9   [that may be approved to the rollback rate].

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

11   FOLLOWS:

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

13   100

14   "For assistance or detailed information about tax calculations,

15   please contact:

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

17   (insert name of county or municipality) tax

18   assessor-collector

19   (insert address)

20   (insert telephone number)

21   (insert e-mail address)

22   (insert Internet website address[, if applicable])

23   "You are urged to attend and express your views at the following

24   public hearings on the proposed tax rate:

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

26   meeting).

27   Second Hearing: (insert date and time) at (insert location

1 of meeting)."

2   SECTION 35. Section 1101.254(f), Special District Local

3 Laws Code, is amended to read as follows:

4   (f) This section does not affect the applicability of [any

5 rights district voters may have to petition for an election under]

6 Section 26.08 [26.07], Tax Code, to the district's tax rate, except

7 that if district voters approve a tax rate increase under this

8 section, [the voters may not petition for an election under]

9 Section 26.08 [26.07], Tax Code, does not apply [as] to the tax rate

10 for that year.

11   SECTION 36. Sections 1122.2522, 3828.157, and 8876.152,

12 Special District Local Laws Code, are amended to read as follows:

13   Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE.

14 [(a)] If in any year the board adopts a tax rate that exceeds the

15 rollback tax rate calculated as provided by Chapter 26, Tax Code,

16 [the qualified voters of the district by petition may require that]

17 an election under Section 26.08 of that code must be held to

18 determine whether or not to approve [reduce] the tax rate adopted by

19 the board for that year [to the rollback tax rate].

20   [(b) To the extent a conflict exists between this section

21 and a provision of the Tax Code, the provision of the Tax Code

22 prevails.]

23   Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE

24 PROVISIONS. Sections 26.04, 26.05, and 26.08 [26.07], Tax Code, do

25 not apply to a tax imposed under Section 3828.153 or 3828.156.

26   Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS.

27 (a) Sections 26.04, 26.05, 26.06, and 26.08 [26.07], Tax Code, do

1 not apply to a tax imposed by the district.

2   (b) Sections 49.236(a)(1) and (2) and (b) [Section 49.236],

3 Water Code, apply [as added by Chapter 248 (H.B. 1541), Acts of the

4 78th Legislature, Regular Session, 2003, applies] to the district.

5   SECTION 37. Section 49.107(g), Water Code, is amended to

6 read as follows:

7   (g) Sections 26.04, 26.05, and 26.08 [26.07], Tax Code, do

8 not apply to a tax levied and collected under this section or an ad

9 valorem tax levied and collected for the payment of the interest on

10 and principal of bonds issued by a district.

11   SECTION 38. Section 49.108(f), Water Code, is amended to

12 read as follows:

13   (f) Sections 26.04, 26.05, and 26.08 [26.07], Tax Code, do

14 not apply to a tax levied and collected for payments made under a

15 contract approved in accordance with this section.

16   SECTION 39. Section 49.236, Water Code, as added by Chapter

17 335 (S.B. 392), Acts of the 78th Legislature, Regular Session,

18 2003, is amended by amending Subsections (a) and (d) and adding

19 Subsection (e) to read as follows:

20   (a) Before the board adopts an ad valorem tax rate for the

21 district for debt service, operation and maintenance purposes, or

22 contract purposes, the board shall give notice of each meeting of

23 the board at which the adoption of a tax rate will be considered.

24 The notice must:

25   (1) contain a statement in substantially the following

26 form:

53

1 "NOTICE OF PUBLIC HEARING ON TAX RATE

2   "The (name of the district) will hold a public hearing on a

3 proposed tax rate for the tax year (year of tax levy) on (date and

4 time) at (meeting place). Your individual taxes may increase or

5 decrease, depending on the change in the taxable value of your

6 property in relation to the change in taxable value of all other

7 property and the tax rate that is adopted.

8   "(Names of all board members and, if a vote was taken, an

9 indication of how each voted on the proposed tax rate and an

10 indication of any absences.)";

11   (2) contain the following information:

12   (A) the district's total adopted tax rate for the

13 preceding year and the proposed tax rate, expressed as an amount per

14 $100;

15   (B) the difference, expressed as an amount per

16 $100 and as a percent increase or decrease, as applicable, in the

17 proposed tax rate compared to the adopted tax rate for the preceding

18 year;

19   (C) the average appraised value of a residence

20 homestead in the district in the preceding year and in the current

21 year; the district's total homestead exemption, other than an

22 exemption available only to disabled persons or persons 65 years of

23 age or older, applicable to that appraised value in each of those

24 years; and the average taxable value of a residence homestead in the

25 district in each of those years, disregarding any homestead

26 exemption available only to disabled persons or persons 65 years of

27 age or older;

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

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

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

19   (G) if the proposed combined debt service,
20 operation and maintenance, and contract tax rate exceeds the
21 rollback tax rate, a description of the purpose of the proposed tax
22 increase; and

23   (3) contain a statement in substantially the following
24 form:

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

26   "If operation and maintenance taxes on the average residence
27 homestead increase by more than four [eight] percent, [the

55

1   qualified voters of the district by petition may require that] an

2   election must be held to determine whether to ratify [reduce] the

3   operation and maintenance tax rate [to the rollback tax rate] under

4   Section 49.236(d), Water Code."

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

6   debt service, operation and maintenance, and contract tax rate that

7   exceeds the rollback tax rate, [would impose more than 1.08 times

8   the amount of tax imposed by the district in the preceding year on a

9   residence homestead appraised at the average appraised value of a

10 residence homestead in the district in that year, disregarding any

11 homestead exemption available only to disabled persons or persons

12 65 years of age or older, the qualified voters of the district by

13 petition may require that] an election must be held to determine

14 whether [or not] to ratify [reduce] the tax rate adopted for the

15 current year [to the rollback tax rate] in accordance with the

16 procedures provided by Sections 26.08(b)-(d) [26.07(b)-(g) and

17 26.081], Tax Code.   For purposes of Sections 26.08(b)-(d), Tax

18 Code, [26.07(b)-(g)] and this section [subsection], the rollback

19 tax rate is the sum of the following tax rates:

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

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

22   (3)   [rates plus] the operation and maintenance tax

23 rate that would impose 1.04 [1.08] times the amount of the operation

24 and maintenance tax imposed by the district in the preceding year on

25 a residence homestead appraised at the average appraised value of a

26 residence homestead in the district in that year, disregarding any

27 homestead exemption available only to disabled persons or persons

1 65 years of age or older.

2   (e) Notwithstanding any other provision of this section,

3 the board may substitute "eight percent" for "four percent" in

4 Subsection (a) and "1.08" for "1.04" in Subsection (d) if any part

5 of the district is located in an area declared a disaster area

6 during the current tax year by the governor or by the president of

7 the United States.

8   SECTION 40. The following provisions are repealed:

9   (1) Section 1063.255, Special District Local Laws

10 Code;

11   (2) Section 26.07, Tax Code;

12   (3) Section 49.236, Water Code, as added by Chapter

13 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,

14 2003; and

15   (4) Section 49.2361, Water Code.

16   SECTION 41. (a) Not later than January 1, 2018, the

17 comptroller shall appoint the members of an advisory group to

18 provide to the comptroller advice and assistance regarding the

19 creation and operation of the property tax database required by

20 Section 5.092, Tax Code, as added by this Act, and related matters.

21 The advisory group is composed of 13 members as follows:

22   (1) one person who is an employee of the office of the

23 lieutenant governor;

24   (2) one person who is an employee of the office of the

25 speaker of the house of representatives;

26   (3) four   persons   who   are   county   tax

27 assessor-collectors;

1 (4) two persons who are assessors or collectors for

2 taxing units but are not county tax assessor-collectors;

3 (5) two persons who are chief appraisers of appraisal

4 districts;

5 (6) one person who is a financial officer or auditor of

6 a municipality;

7 (7) one person who is a financial officer or auditor of

8 a county; and

9 (8) one person who is a representative of water

10 districts.

11 (b) The advisory group is abolished and this section expires

12 July 1, 2019.

13 SECTION 42. The comptroller shall comply with Sections

14 5.07(f) and 5.092, Tax Code, as added by this Act, not later than

15 June 1, 2019.

16 SECTION 43. (a) Except as provided by Subsections (b) and

17 (c) of this section, this Act takes effect January 1, 2018.

18 (b) The following provisions take effect September 1, 2017:

19 (1) Section 5.091, Tax Code, as amended by this Act;

20 (2) Section 26.17, Tax Code, as added by this Act; and

21 (3) Section 41 of this Act.

22 (c) The following provisions take effect January 1, 2019:

23 (1) Section 5.07(f), Tax Code, as added by this Act;

24 (2) Section 5.092, Tax Code, as added by this Act;

25 (3) Sections 25.19(b) and (i), Tax Code, as amended by

26 this Act;

27 (4) Sections 26.04(d-1), (d-2), (d-3), (d-4), and

1 (e-2), Tax Code, as added by this Act;

2 　　　　　(5)　Sections 26.04(e-1) and (g), Tax Code, as amended

3 by this Act;

4 　　　　　(6)　Sections 26.05(d-1) and (d-2), Tax Code, as added

5 by this Act; and

6 　　　　　(7)　Section 26.05(e), Tax Code, as amended by this

7 Act.