

By: Bettencourt, et al.
(Bonnen of Brazoria)

S.B. No. 2

Substitute the following for S.B. No. 2:

By: Murphy

C.S.S.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the ad valorem tax system.

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

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

SECTION 2. Section 5.07, Tax Code, is amended by adding Subsections (f), (g), (h), and (i) to read as follows:

(f) The comptroller shall prescribe tax rate calculation forms to be used by the designated officer or employee of each:

(1) taxing unit other than a school district to calculate and submit the no-new-revenue tax rate and the rollback tax rate for the unit as required by Chapter 26; and

(2) school district to calculate and submit the no-new-revenue tax rate, the rollback tax rate, and the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year as required by Chapter 26.

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

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

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

1 (3) be capable of being submitted electronically to
2 the chief appraiser of each appraisal district in which the taxing
3 unit is located.

4 (h) For purposes of Subsections (f) and (g), the comptroller
5 shall use the forms published on the comptroller's Internet website
6 as of January 1, 2017, as modified as necessary to comply with the
7 requirements of those subsections. The forms may be updated at the
8 discretion of the comptroller to reflect any statutory change in
9 the values used to calculate a tax rate or to reflect formatting or
10 other nonsubstantive changes.

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

22 SECTION 3. Section 5.091, Tax Code, is amended to read as
23 follows:

24 Sec. 5.091. STATEWIDE LIST OF TAX RATES. (a) Each year the
25 comptroller shall prepare a list that includes the total tax rate
26 imposed by each taxing unit in this state, as ~~[other than a school~~
27 ~~district, if the tax rate is]~~ reported to the comptroller by each

1 appraisal district, for the year [~~preceding the year~~] in which the
2 list is prepared. The comptroller shall:

3 (1) prescribe the manner in which and deadline by
4 which appraisal districts are required to submit the tax rates to
5 the comptroller; and

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

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

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

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

14 SECTION 4. Section 6.41, Tax Code, is amended by amending
15 Subsections (b) and (d-9) and adding Subsections (b-1), (b-2), and
16 (d-10) to read as follows:

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

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

23 (b-2) An appraisal district board of directors for a
24 district established in a county with a population of one million or
25 more by resolution of a majority of the board's members shall
26 increase the size of the district's appraisal review board to the
27 number of members the board of directors considers appropriate to

1 manage the duties of the appraisal review board, including the
2 duties of each special panel established under Section 6.425.

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

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

13 SECTION 5. Section 6.414(d), Tax Code, is amended to read as
14 follows:

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

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

1 Sec. 6.425. SPECIAL APPRAISAL REVIEW BOARD PANELS IN
2 CERTAIN DISTRICTS. (a) This section applies only to the appraisal
3 review board for an appraisal district described by Section
4 6.41(b-2).

5 (b) The appraisal review board shall establish special
6 panels to conduct protest hearings under Chapter 41 relating to
7 property that:

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

10 (2) is included in one of the following
11 classifications:

12 (A) commercial real and personal property;

13 (B) real and personal property of utilities;

14 (C) industrial and manufacturing real and
15 personal property; and

16 (D) multifamily residential real property.

17 (c) Each special panel described by this section consists of
18 three members of the appraisal review board appointed by the
19 chairman of the board.

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

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

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

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

27 (4) be accredited by the American Society of

1 Appraisers as an accredited senior appraiser;

2 (5) possess an MAI professional designation from the
3 Appraisal Institute;

4 (6) possess a Certified Assessment Evaluator (CAE)
5 professional designation from the International Association of
6 Assessing Officers;

7 (7) have at least 20 years of experience in property
8 tax appraisal or consulting; or

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

11 (e) Notwithstanding Subsection (d), the chairman of the
12 appraisal review board may appoint to a special panel described by
13 this section a member of the appraisal review board who does not
14 meet the qualifications prescribed by that subsection if:

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

18 (2) the board member being appointed to the panel
19 holds a bachelor's degree in any field.

20 (f) In addition to conducting protest hearings relating to
21 property described by Subsection (b) of this section, a special
22 panel may conduct protest hearings under Chapter 41 relating to
23 property not described by Subsection (b) of this section as
24 assigned by the chairman of the appraisal review board.

25 SECTION 7. Effective January 1, 2019, Section 25.19, Tax
26 Code, is amended by adding Subsections (b-3) and (b-4) to read as
27 follows:

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

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

11 SECTION 8. Effective January 1, 2020, Sections 25.19(b) and
12 (i), Tax Code, are amended to read as follows:

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

15 (1) a list of the taxing units in which the property is
16 taxable;

17 (2) the appraised value of the property in the
18 preceding year;

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

21 (4) the appraised value of the property for the
22 current year, the kind and amount of each exemption and partial
23 exemption, if any, approved for the property for the current year
24 and for the preceding year, and, if an exemption or partial
25 exemption that was approved for the preceding year was canceled or
26 reduced for the current year, the amount of the exemption or partial
27 exemption canceled or reduced;

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

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

9 (6) ~~(7)~~ a detailed explanation of the time and
10 procedure for protesting the value;

11 (7) ~~(8)~~ the date and place the appraisal review
12 board will begin hearing protests; and

13 (8) ~~(9)~~ a brief explanation that the governing body
14 of each taxing unit decides whether or not taxes on the property
15 will increase and the appraisal district only determines the value
16 of the property.

17 (i) Delivery with a notice required by Subsection (a) or (g)
18 of a copy of the pamphlet published by the comptroller under Section
19 5.06 or a copy of the notice published by the chief appraiser under
20 Section 41.70 is sufficient to comply with the requirement that the
21 notice include the information specified by Subsection (b)(6)
22 ~~(b)(7)~~ or (g)(3), as applicable.

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

25 (18) "No-new-revenue ~~(9) "Effective]~~ maintenance
26 and operations rate" means a rate expressed in dollars per \$100 of
27 taxable value and calculated according to the following formula:

1 NO-NEW-REVENUE [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS
2 RATE = (LAST YEAR'S LEVY - LAST YEAR'S DEBT LEVY - LAST
3 YEAR'S JUNIOR COLLEGE LEVY) / (CURRENT TOTAL VALUE -
4 NEW PROPERTY VALUE)

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

7 Sec. 26.04. SUBMISSION OF ROLL TO GOVERNING BODY;
8 NO-NEW-REVENUE [~~EFFECTIVE~~] AND ROLLBACK TAX RATES.

9 SECTION 11. Section 26.04, Tax Code, is amended by amending
10 Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and
11 adding Subsections (d-1), (d-2), (e-2), (e-3), and (e-4) to read as
12 follows:

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

25 (c) An officer or employee designated by the governing body
26 shall calculate the no-new-revenue [~~effective~~] tax rate and the
27 rollback tax rate for the unit, where:

1 (1) "No-new-revenue [~~Effective~~] tax rate" means a rate
2 expressed in dollars per \$100 of taxable value calculated according
3 to the following formula:

4
$$\frac{\text{NO-NEW-REVENUE} [\text{EFFECTIVE}] \text{ TAX RATE}}{\text{LEVY} - \text{LOST PROPERTY LEVY}} = \frac{(\text{LAST YEAR'S})}{(\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})}$$

7 ; and

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

11
$$\text{ROLLBACK TAX RATE} = (\frac{\text{NO-NEW-REVENUE} [\text{EFFECTIVE}] \text{ MAINTENANCE}}{\text{AND OPERATIONS RATE}} \times 1.08) + \text{CURRENT DEBT RATE}$$

13 (d) The no-new-revenue [~~effective~~] tax rate for a county is
14 the sum of the no-new-revenue [~~effective~~] tax rates calculated for
15 each type of tax the county levies and the rollback tax rate for a
16 county is the sum of the rollback tax rates calculated for each type
17 of tax the county levies.

18 (d-1) The designated officer or employee shall use the tax
19 rate calculation forms prescribed by the comptroller under Section
20 5.07 in calculating the no-new-revenue tax rate and the rollback
21 tax rate.

22 (d-2) The designated officer or employee may not submit the
23 no-new-revenue tax rate and the rollback tax rate to the governing
24 body of the taxing unit and the unit may not adopt a tax rate until
25 the designated officer or employee certifies on the tax rate
26 calculation forms that the designated officer or employee has
27 accurately calculated the tax rates and has used values that are the

1 same as the values shown in the unit's certified appraisal roll in
2 performing the calculations.

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

10 (1) the no-new-revenue [~~effective~~] tax rate, the
11 rollback tax rate, and an explanation of how they were calculated;

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

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

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

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

1 are to be increased because of the unit's anticipated collection
2 rate; and

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

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

8 (5) a statement that the adoption of a tax rate equal
9 to the no-new-revenue [~~effective~~] tax rate would result in an
10 increase or decrease, as applicable, in the amount of taxes imposed
11 by the unit as compared to last year's levy, and the amount of the
12 increase or decrease;

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

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

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

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

27 (7) in the year following the year in which a taxing

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

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

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

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

13 (e-2) By August 7 or as soon thereafter as practicable, the
14 chief appraiser of each appraisal district shall deliver by regular
15 mail or e-mail to each owner of property located in the appraisal
16 district a notice that the estimated amount of taxes to be imposed
17 on the owner's property by each taxing unit in which the property is
18 located may be found in the property tax database maintained by the
19 appraisal district under Section 26.17. The notice must include:

20 (1) the following statement:

21 "PROPOSED (tax year) PROPERTY TAX BILL INFORMATION

22 "Information concerning the property taxes that may be
23 imposed on your property by local taxing units, the dates and
24 locations of any public hearings on the tax rates of the taxing
25 units, and the dates and locations of meetings of the governing
26 bodies of the taxing units to vote on the tax rates, together with
27 other important property tax information, may be found at the

1 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 (f) If as a result of consolidation of taxing units a taxing
17 unit includes territory that was in two or more taxing units in the
18 preceding year, the amount of taxes imposed in each in the preceding
19 year is combined for purposes of calculating the no-new-revenue
20 ~~[effective]~~ and rollback tax rates under this section.

21 (g) A person who owns taxable property is entitled to an
22 injunction prohibiting the taxing unit in which the property is
23 taxable from adopting a tax rate if the assessor or designated
24 officer or employee of the unit, the chief appraiser of the
25 applicable appraisal district, or the taxing unit, as applicable,
26 has not complied with the computation, ~~[or]~~ publication, or posting
27 requirements of this section or Section 26.17 or 26.18 ~~[and the~~

1 ~~failure to comply was not in good faith].~~

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

27 (j) This subsection applies to a taxing unit that had agreed

1 by written contract to accept the transfer of a distinct
2 department, function, or activity from another taxing unit and
3 operates a distinct department, function, or activity if the
4 operation of a substantially similar department, function, or
5 activity in all or a majority of the territory of the taxing unit
6 has been discontinued by another taxing unit, including a dissolved
7 taxing unit. The rollback tax rate of a taxing unit to which this
8 subsection applies in the first tax year after the other taxing unit
9 discontinued the substantially similar department, function, or
10 activity in which a budget is adopted that allocates revenue to the
11 department, function, or activity is calculated as otherwise
12 provided by this section, except that last year's levy used to
13 calculate the no-new-revenue [~~effective~~] maintenance and
14 operations rate of the unit is increased by the amount of
15 maintenance and operations tax revenue spent by the taxing unit
16 that discontinued operating the substantially similar department,
17 function, or activity to operate that department, function, or
18 activity for the 12 months preceding the month in which the
19 calculations required by this chapter are made and in which the unit
20 operated the discontinued department, function, or activity. If
21 the unit did not operate the discontinued department, function, or
22 activity for the full 12 months preceding the month in which the
23 calculations required by this chapter are made, the unit may
24 increase last year's levy used to calculate the no-new-revenue
25 [~~effective~~] maintenance and operations rate by an amount not to
26 exceed the amount of property tax revenue spent by the
27 discontinuing unit to operate the discontinued department,

1 function, or activity in the last full fiscal year in which the
2 discontinuing unit operated the department, function, or activity.

3 SECTION 12. Sections 26.041(a), (b), (c), (e), (g), and
4 (h), Tax Code, are amended to read as follows:

5 (a) In the first year in which an additional sales and use
6 tax is required to be collected, the no-new-revenue ~~[effective]~~ tax
7 rate and rollback tax rate for the unit are calculated according to
8 the following formulas:

9 NO-NEW-REVENUE ~~[EFFECTIVE]~~ TAX RATE = [(LAST YEAR'S
10 LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW
11 PROPERTY VALUE)] - SALES TAX GAIN RATE

12 and

13 ROLLBACK TAX RATE = (NO-NEW-REVENUE ~~[EFFECTIVE]~~
14 MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT
15 RATE - SALES TAX GAIN RATE

16 where "sales tax gain rate" means a number expressed in dollars per
17 \$100 of taxable value, calculated by dividing the revenue that will
18 be generated by the additional sales and use tax in the following
19 year as calculated under Subsection (d) ~~[of this section]~~ by the
20 current total value.

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

26 ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND
27 OPERATIONS EXPENSE x 1.08) / ([~~TOTAL~~] CURRENT TOTAL

1 VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT RATE -
2 SALES TAX REVENUE RATE)

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

11 (c) In a year in which a taxing unit that has been imposing
12 an additional sales and use tax ceases to impose an additional sales
13 and use tax, the no-new-revenue [~~effective~~] tax rate and rollback
14 tax rate for the unit are calculated according to the following
15 formulas:

16 NO-NEW-REVENUE [~~EFFECTIVE~~] TAX RATE = [(LAST YEAR'S
17 LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW
18 PROPERTY VALUE)] + SALES TAX LOSS RATE

19 and

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

23 where "sales tax loss rate" means a number expressed in dollars per
24 \$100 of taxable value, calculated by dividing the amount of sales
25 and use tax revenue generated in the last four quarters for which
26 the information is available by the current total value and "last
27 year's maintenance and operations expense" means the amount spent

1 for maintenance and operations from property tax and additional
2 sales and use tax revenues in the preceding year.

3 (e) If a city that imposes an additional sales and use tax
4 receives payments under the terms of a contract executed before
5 January 1, 1986, in which the city agrees not to annex certain
6 property or a certain area and the owners or lessees of the property
7 or of property in the area agree to pay at least annually to the city
8 an amount determined by reference to all or a percentage of the
9 property tax rate of the city and all or a part of the value of the
10 property subject to the agreement or included in the area subject to
11 the agreement, the governing body, by order adopted by a majority
12 vote of the governing body, may direct the designated officer or
13 employee to add to the no-new-revenue [~~effective~~] and rollback tax
14 rates the amount that, when applied to the total taxable value
15 submitted to the governing body, would produce an amount of taxes
16 equal to the difference between the total amount of payments for the
17 tax year under contracts described by this subsection under the
18 rollback tax rate calculated under this section and the total
19 amount of payments for the tax year that would have been obligated
20 to the city if the city had not adopted an additional sales and use
21 tax.

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

1 account the increase. The designated officer or employee shall
2 then subtract the amount of the result of the second projection from
3 the amount of the result of the first projection to determine the
4 revenue generated as a result of the increase in the additional
5 sales and use tax. In the first year in which an additional sales
6 and use tax is increased, the no-new-revenue [~~effective~~] tax rate
7 for the unit is the no-new-revenue [~~effective~~] tax rate before the
8 increase minus a number the numerator of which is the revenue
9 generated as a result of the increase in the additional sales and
10 use tax, as determined under this subsection, and the denominator
11 of which is the current total value minus the new property value.

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

1 total value minus the new property value.

2 SECTION 13. The heading to Section 26.043, Tax Code, is
3 amended to read as follows:

4 Sec. 26.043. ROLLBACK AND NO-NEW-REVENUE [~~EFFECTIVE~~] TAX
5 RATES [~~RATE~~] IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

6 SECTION 14. Sections 26.043(a) and (b), Tax Code, are
7 amended to read as follows:

8 (a) In the tax year in which a city has set an election on
9 the question of whether to impose a local sales and use tax under
10 Subchapter H, Chapter 453, Transportation Code, the officer or
11 employee designated to make the calculations provided by Section
12 26.04 may not make those calculations until the outcome of the
13 election is determined. If the election is determined in favor of
14 the imposition of the tax, the representative shall subtract from
15 the city's rollback and no-new-revenue [~~effective~~] tax rates the
16 amount that, if applied to the city's current total value, would
17 impose an amount equal to the amount of property taxes budgeted in
18 the current tax year to pay for expenses related to mass transit
19 services.

20 (b) In a tax year to which this section applies, a reference
21 in this chapter to the city's no-new-revenue [~~effective~~] or
22 rollback tax rate refers to that rate as adjusted under this
23 section.

24 SECTION 15. The heading to Section 26.044, Tax Code, is
25 amended to read as follows:

26 Sec. 26.044. NO-NEW-REVENUE [~~EFFECTIVE~~] TAX RATE TO PAY FOR
27 STATE CRIMINAL JUSTICE MANDATE.

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

3 (a) The first time that a county adopts a tax rate after
4 September 1, 1991, in which the state criminal justice mandate
5 applies to the county, the no-new-revenue [~~effective~~] maintenance
6 and operation rate for the county is increased by the rate
7 calculated according to the following formula:

8 (State Criminal Justice Mandate) / (Current Total
9 Value - New Property Value)

10 (b) In the second and subsequent years that a county adopts
11 a tax rate, if the amount spent by the county for the state criminal
12 justice mandate increased over the previous year, the
13 no-new-revenue [~~effective~~] maintenance and operation rate for the
14 county is increased by the rate calculated according to the
15 following formula:

16 (This Year's State Criminal Justice Mandate - Previous
17 Year's State Criminal Justice Mandate) / (Current
18 Total Value - New Property Value)

19 (c) The county shall include a notice of the increase in the
20 no-new-revenue [~~effective~~] maintenance and operation rate provided
21 by this section, including a description and amount of the state
22 criminal justice mandate, in the information published under
23 Section 26.04(e) and Section 26.06(b) [~~of this code~~].

24 SECTION 17. Sections 26.0441(a), (b), and (c), Tax Code,
25 are amended to read as follows:

26 (a) In the first tax year in which a taxing unit adopts a tax
27 rate after January 1, 2000, and in which the enhanced minimum

1 eligibility standards for indigent health care established under
 2 Section 61.006, Health and Safety Code, apply to the taxing unit,
 3 the no-new-revenue [~~effective~~] maintenance and operations rate for
 4 the taxing unit is increased by the rate computed according to the
 5 following formula:

6 Amount of Increase = Enhanced Indigent Health Care
 7 Expenditures / (Current Total Value - New Property
 8 Value)

9 (b) In each subsequent tax year, if the taxing unit's
 10 enhanced indigent health care expenses exceed the amount of those
 11 expenses for the preceding year, the no-new-revenue [~~effective~~]
 12 maintenance and operations rate for the taxing unit is increased by
 13 the rate computed according to the following formula:

14 Amount of Increase = (Current Tax Year's Enhanced
 15 Indigent Health Care Expenditures - Preceding Tax
 16 Year's Indigent Health Care Expenditures) / (Current
 17 Total Value - New Property Value)

18 (c) The taxing unit shall include a notice of the increase
 19 in its no-new-revenue [~~effective~~] maintenance and operations rate
 20 provided by this section, including a brief description and the
 21 amount of the enhanced indigent health care expenditures, in the
 22 information published under Section 26.04(e) and, if applicable,
 23 Section 26.06(b).

24 SECTION 18. Section 26.05, Tax Code, is amended by amending
 25 Subsections (b), (c), (d), (e), and (g) and adding Subsections
 26 (d-1) and (d-2) to read as follows:

27 (b) A taxing unit may not impose property taxes in any year

1 until the governing body has adopted a tax rate for that year, and
2 the annual tax rate must be set by ordinance, resolution, or order,
3 depending on the method prescribed by law for adoption of a law by
4 the governing body. The vote on the ordinance, resolution, or order
5 setting the tax rate must be separate from the vote adopting the
6 budget. For a taxing unit other than a school district, the vote on
7 the ordinance, resolution, or order setting a tax rate that exceeds
8 the no-new-revenue [~~effective~~] tax rate must be a record vote, and
9 at least 60 percent of the members of the governing body must vote
10 in favor of the ordinance, resolution, or order. For a school
11 district, the vote on the ordinance, resolution, or order setting a
12 tax rate that exceeds the sum of the no-new-revenue [~~effective~~]
13 maintenance and operations tax rate of the district as determined
14 under Section 26.08(i) and the district's current debt rate must be
15 a record vote, and at least 60 percent of the members of the
16 governing body must vote in favor of the ordinance, resolution, or
17 order. A motion to adopt an ordinance, resolution, or order setting
18 a tax rate that exceeds the no-new-revenue [~~effective~~] tax rate
19 must be made in the following form: "I move that the property tax
20 rate be increased by the adoption of a tax rate of (specify tax
21 rate), which is effectively a (insert percentage by which the
22 proposed tax rate exceeds the no-new-revenue [~~effective~~] tax rate)
23 percent increase in the tax rate." If the ordinance, resolution, or
24 order sets a tax rate that, if applied to the total taxable value,
25 will impose an amount of taxes to fund maintenance and operation
26 expenditures of the taxing unit that exceeds the amount of taxes
27 imposed for that purpose in the preceding year, the taxing unit

1 must:

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

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

7 (B) if the tax rate exceeds the no-new-revenue
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 NO-NEW-REVENUE
11 [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE
12 TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY
13 APPROXIMATELY \$(Insert amount)."; and

14 (2) include on the home page of any Internet website
15 operated by the unit:

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

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

26 (c) If the governing body of a taxing unit does not adopt a
27 tax rate before the date required by Subsection (a), the tax rate

1 for the taxing unit for that tax year is the lower of the
2 no-new-revenue [~~effective~~] tax rate calculated for that tax year or
3 the tax rate adopted by the taxing unit for the preceding tax year.
4 A tax rate established by this subsection is treated as an adopted
5 tax rate. Before the fifth day after the establishment of a tax
6 rate by this subsection, the governing body of the taxing unit must
7 ratify the applicable tax rate in the manner required by Subsection
8 (b).

9 (d) The governing body of a taxing unit other than a school
10 district may not adopt a tax rate that exceeds the lower of the
11 rollback tax rate or the no-new-revenue [~~effective~~] tax rate
12 calculated as provided by this chapter until the governing body has
13 held two public hearings on the proposed tax rate and has otherwise
14 complied with Section 26.06 and Section 26.065. The governing body
15 of a taxing unit shall reduce a tax rate set by law or by vote of the
16 electorate to the lower of the rollback tax rate or the
17 no-new-revenue [~~effective~~] tax rate and may not adopt a higher rate
18 unless it first complies with Section 26.06.

19 (d-1) The governing body of a taxing unit may not hold a
20 public hearing on a proposed tax rate or a public meeting to adopt a
21 tax rate until the 14th day after the date the officer or employee
22 designated by the governing body of the unit to calculate the
23 no-new-revenue tax rate and the rollback tax rate for the unit
24 complies with Section 26.17.

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

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

3 (A) delivered the notice required by Section
4 26.04(e-2); and

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

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

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

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

1 subsequently prevails in the action, the property owner is entitled
2 to a refund of the taxes paid, together with reasonable attorney's
3 fees and court costs. The property owner is not required to apply
4 to the collector for the taxing unit to receive the refund [~~prior to~~
5 ~~the date a taxing unit delivers substantially all of its tax bills~~].

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

18 SECTION 19. Sections 26.052(c) and (e), Tax Code, are
19 amended to read as follows:

20 (c) A taxing unit to which this section applies may provide
21 public notice of its proposed tax rate in one [~~either~~] of the
22 following methods not later than the seventh day before the date on
23 which the tax rate is adopted:

24 (1) mailing a notice of the proposed tax rate to each
25 owner of taxable property in the taxing unit; [~~or~~]

26 (2) publishing notice of the proposed tax rate in the
27 legal notices section of a newspaper having general circulation in

1 the taxing unit; or

2 (3) posting notice of the proposed tax rate
3 prominently on the home page of the Internet website maintained by
4 the taxing unit, if applicable.

5 (e) Public notice provided under Subsection (c) must
6 specify:

7 (1) the tax rate that the governing body proposes to
8 adopt;

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

12 (3) if the proposed tax rate for the taxing unit
13 exceeds the unit's no-new-revenue [~~effective~~] tax rate calculated
14 as provided by Section 26.04, a statement substantially identical
15 to the following: "The proposed tax rate would increase total taxes
16 in (name of taxing unit) by (percentage by which the proposed tax
17 rate exceeds the no-new-revenue [~~effective~~] tax rate)."

18 SECTION 20. Sections 26.06(b), (c), (d), and (e), Tax Code,
19 are amended to read as follows:

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

24 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

25 "The (name of the taxing unit) will hold two public hearings
26 on a proposal to increase total tax revenues from properties on the
27 tax roll in the preceding tax year by (percentage by which proposed

1 tax rate exceeds lower of rollback tax rate or no-new-revenue
2 [~~effective~~] tax rate calculated under this chapter) percent. Your
3 individual taxes may increase at a greater or lesser rate, or even
4 decrease, depending on the tax rate that is adopted and on the
5 change in the taxable value of your property in relation to the
6 change in taxable value of all other property [~~and the tax rate that~~
7 ~~is adopted~~]. The change in the taxable value of your property in
8 relation to the change in the taxable value of all other property
9 determines the distribution of the tax burden among all property
10 owners.

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

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

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

18 "The average taxable value of a residence homestead in (name
19 of taxing unit) last year was \$____ (average taxable value of a
20 residence homestead in the taxing unit for the preceding tax year,
21 disregarding residence homestead exemptions available only to
22 disabled persons or persons 65 years of age or older). Based on
23 last year's tax rate of \$____ (preceding year's adopted tax rate)
24 per \$100 of taxable value, the amount of taxes imposed last year on
25 the average home was \$____ (tax on average taxable value of a
26 residence homestead in the taxing unit for the preceding tax year,
27 disregarding residence homestead exemptions available only to

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

2 "The average taxable value of a residence homestead in (name
3 of taxing unit) this year is \$____ (average taxable value of a
4 residence homestead in the taxing unit for the current tax year,
5 disregarding residence homestead exemptions available only to
6 disabled persons or persons 65 years of age or older). If the
7 governing body adopts the no-new-revenue [~~effective~~] tax rate for
8 this year of \$____ (no-new-revenue [~~effective~~] tax rate) per \$100
9 of taxable value, the amount of taxes imposed this year on the
10 average home would be \$____ (tax on average taxable value of a
11 residence homestead in the taxing unit for the current tax year,
12 disregarding residence homestead exemptions available only to
13 disabled persons or persons 65 years of age or older).

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

20 "Members of the public are encouraged to attend the hearings
21 and express their views."

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, or posted prominently on the home page of
25 the Internet website operated by the unit, if applicable. If the
26 notice is published in a newspaper, it may not be in the part of the
27 paper in which legal notices and classified advertisements appear.

1 If the taxing unit posts the notice on [~~operates~~] an Internet
2 website operated by the unit, the notice must be posted on the
3 website from the date the notice is first posted [~~published~~] until
4 the 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 no-new-revenue [~~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 14th day after the date
16 of the second public hearing. The meeting must be held inside the
17 boundaries of the taxing unit in a publicly owned building or, if a
18 suitable publicly owned building is not available, in a suitable
19 building to which the public normally has access. If the governing
20 body does not adopt a tax rate that exceeds the lower of the
21 rollback tax rate or the no-new-revenue [~~effective~~] tax rate by the
22 14th day, it must give a new notice under Subsection (d) before it
23 may adopt a rate that exceeds the lower of the rollback tax rate or
24 the no-new-revenue [~~effective~~] tax rate.

25 SECTION 21. Section 26.065(b), Tax Code, is amended to read
26 as follows:

27 (b) If the taxing unit owns, operates, or controls an

1 Internet website, the unit shall post notice of the public hearing
2 prominently on the home page of the website continuously for at
3 least seven days immediately before the public hearing on the
4 proposed tax rate increase and at least seven days immediately
5 before the date of the vote proposing the increase in the tax rate.

6 SECTION 22. Sections 26.08(g), (n), and (p), Tax Code, are
7 amended to read as follows:

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

13 (n) For purposes of this section, the rollback tax rate of a
14 school district whose maintenance and operations tax rate for the
15 2005 tax year was \$1.50 or less per \$100 of taxable value is:

16 (1) for the 2006 tax year, the sum of the rate that is
17 equal to 88.67 percent of the maintenance and operations tax rate
18 adopted by the district for the 2005 tax year, the rate of \$0.04 per
19 \$100 of taxable value, and the district's current debt rate; and

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

22 (A) the sum of the following:

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

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

1 value;

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

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

8 (B) the sum of the following:

9 (i) the no-new-revenue [~~effective~~]
10 maintenance and operations tax rate of the district as computed
11 under Subsection (i) [~~or (k), as applicable~~];

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

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

17 (p) Notwithstanding Subsections (i), (n), and (o), if for
18 the preceding tax year a school district adopted a maintenance and
19 operations tax rate that was less than the district's
20 no-new-revenue [~~effective~~] maintenance and operations tax rate for
21 that preceding tax year, the rollback tax rate of the district for
22 the current tax year is calculated as if the district adopted a
23 maintenance and operations tax rate for the preceding tax year that
24 was equal to the district's no-new-revenue [~~effective~~] maintenance
25 and operations tax rate for that preceding tax year.

26 SECTION 23. Section 26.08(i), Tax Code, as effective
27 September 1, 2017, is amended to read as follows:

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

14 SECTION 24. Section 26.16, Tax Code, is amended by amending
15 Subsections (a) and (d) and adding Subsection (a-1) to read as
16 follows:

17 (a) The county assessor-collector for each county that
18 maintains an Internet website shall post on the website of the
19 county the following information for the most recent five tax years
20 beginning with the 2012 tax year for each taxing unit all or part of
21 the territory of which is located in the county:

- 22 (1) the adopted tax rate;
- 23 (2) the maintenance and operations rate;
- 24 (3) the debt rate;
- 25 (4) the no-new-revenue ~~[effective]~~ tax rate;
- 26 (5) the no-new-revenue ~~[effective]~~ maintenance and
27 operations rate; and

1 (6) the rollback tax rate.

2 (a-1) For purposes of Subsection (a), a reference to the
3 no-new-revenue tax rate or the no-new-revenue maintenance and
4 operations rate includes the equivalent effective tax rate or
5 effective maintenance and operations rate for a preceding year.
6 This subsection expires January 1, 2024.

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-revenue [~~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-revenue [~~effective~~] maintenance and operations
3 rate is the tax rate that would generate the same amount of revenue
4 for maintenance and operations in the current tax year as was
5 generated by a taxing unit's maintenance and operations rate in the
6 preceding tax year from property that is taxable in both the current
7 tax year 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. In the
10 case of a taxing unit other than a school district, the voters by
11 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 if
14 the district wishes to adopt a tax rate in excess of the district's
15 rollback tax rate."

16 SECTION 25. Chapter 26, Tax Code, is amended by adding
17 Sections 26.17 and 26.18 to read as follows:

18 Sec. 26.17. DATABASE OF PROPERTY-TAX-RELATED INFORMATION.

19 (a) The chief appraiser of each appraisal district shall create and
20 maintain a property tax database that:

21 (1) is identified by the name of the county in which
22 the appraisal district is established instead of the name of the
23 appraisal district;

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

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

4 (4) is accessible to the public; and

5 (5) is searchable by property address and owner.

6 (b) The database must include, with respect to each property
7 listed on the appraisal roll for the appraisal district:

8 (1) the property's identification number;

9 (2) the property's market value;

10 (3) the property's taxable value;

11 (4) the name of each taxing unit in which the property
12 is located;

13 (5) for each taxing unit other than a school district
14 in which the property is located:

15 (A) the no-new-revenue tax rate; and

16 (B) the rollback tax rate;

17 (6) for each school district in which the property is
18 located:

19 (A) the rate to maintain the same amount of state
20 and local revenue per weighted student that the district received
21 in the school year beginning in the preceding tax year; and

22 (B) the rollback tax rate;

23 (7) the tax rate proposed by the governing body of each
24 taxing unit in which the property is located;

25 (8) for each taxing unit other than a school district
26 in which the property is located, the taxes that would be imposed on
27 the property if the unit adopted a tax rate equal to:

- 1 (A) the no-new-revenue tax rate; and
2 (B) the proposed tax rate;
3 (9) for each school district in which the property is
4 located, the taxes that would be imposed on the property if the
5 district adopted a tax rate equal to:
6 (A) the rate to maintain the same amount of state
7 and local revenue per weighted student that the district received
8 in the school year beginning in the preceding tax year; and
9 (B) the proposed tax rate;
10 (10) for each taxing unit other than a school district
11 in which the property is located, the difference between the amount
12 calculated under Subdivision (8)(A) and the amount calculated under
13 Subdivision (8)(B);
14 (11) for each school district in which the property is
15 located, the difference between the amount calculated under
16 Subdivision (9)(A) and the amount calculated under Subdivision
17 (9)(B);
18 (12) the date and location of each public hearing, if
19 applicable, on the proposed tax rate to be held by the governing
20 body of each taxing unit in which the property is located; and
21 (13) the date and location of the public meeting at
22 which the tax rate will be adopted to be held by the governing body
23 of each taxing unit in which the property is located.
24 (c) The database must provide a link to the Internet website
25 used by each taxing unit in which the property is located to post
26 the information described by Section 26.18.
27 (d) The officer or employee designated by the governing body

1 of each taxing unit to calculate the no-new-revenue tax rate and the
2 rollback tax rate for the unit must electronically:

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

5 (2) submit to the appraisal district the tax rate
6 calculation forms prepared under Section 26.04(d-1) at the same
7 time the designated officer or employee submits the tax rates to the
8 governing body of the unit under Section 26.04(e).

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

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

21 (1) the name of each member of the governing body of
22 the taxing unit;

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

25 (3) the official contact information for each member
26 of the governing body of the taxing unit, if that information is
27 different from the information described by Subdivision (2);

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

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

5 (6) 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 (7) 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 (8) 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 (9) the tax rate for maintenance and operations
19 adopted by the taxing unit for the preceding two years;

20 (10) in the case of a taxing unit other than a school
21 district, the tax rate for debt service adopted by the unit for the
22 preceding two years;

23 (11) in the case of a school district, the interest and
24 sinking fund tax rate adopted by the district for the preceding two
25 years;

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

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

4 (14) in the case of a school district, the interest and
5 sinking fund tax rate proposed by the district for the current year;
6 and

7 (15) the most recent financial audit of the taxing
8 unit.

9 SECTION 26. Section 41.03(a), Tax Code, is amended to read
10 as follows:

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

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

16 ~~(2)~~ an exclusion of property from the appraisal
17 records;

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

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

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

24 SECTION 27. Section 41.44(d), Tax Code, is amended to read
25 as follows:

26 (d) A notice of protest is sufficient if it identifies the
27 protesting property owner, including a person claiming an ownership

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

16 SECTION 28. Section 41.45, Tax Code, is amended by amending
17 Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to
18 read as follows:

19 (d) This subsection does not apply to a special panel
20 established under Section 6.425. An appraisal review board
21 consisting of more than three members may sit in panels of not fewer
22 than three members to conduct protest hearings. [~~However, the~~
23 ~~determination of a protest heard by a panel must be made by the~~
24 ~~board.~~] If the recommendation of a panel is not accepted by the
25 board, the board may refer the matter for rehearing to a panel
26 composed of members who did not hear the original protest [~~hearing~~]
27 or, if there are not at least three members who did not hear the

1 original protest, the board may determine the protest. [~~Before~~
2 ~~determining a protest or conducting a rehearing before a new panel~~
3 ~~or the board, the board shall deliver notice of the hearing or~~
4 ~~meeting to determine the protest in accordance with the provisions~~
5 ~~of this subchapter.~~]

6 (d-1) An appraisal review board to which Section 6.425
7 applies shall sit in special panels established under that section
8 to conduct protest hearings. A special panel may conduct a protest
9 hearing relating to property only if the property is described by
10 Section 6.425(b) and the property owner has requested that a
11 special panel conduct the hearing or if the protest is assigned to
12 the special panel under Section 6.425(f). If the recommendation of
13 a special panel is not accepted by the board, the board may refer
14 the matter for rehearing to another special panel composed of
15 members who did not hear the original protest or, if there are not
16 at least three other special panel members who did not hear the
17 original protest, the board may determine the protest.

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

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

24 SECTION 29. Section 41.66, Tax Code, is amended by amending
25 Subsection (k) and adding Subsection (k-1) to read as follows:

26 (k) This subsection does not apply to a special panel
27 established under Section 6.425. If an appraisal review board sits

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

17 (k-1) On the request of a property owner, an appraisal
18 review board to which Section 6.425 applies shall assign a protest
19 relating to property described by Section 6.425(b) to a special
20 panel. In addition, the chairman of the appraisal review board may
21 assign a protest relating to property not described by Section
22 6.425(b) to a special panel as authorized by Section 6.425(f).
23 Protests assigned to special panels shall be randomly assigned to
24 those panels. If a protest is scheduled to be heard by a particular
25 special panel, the protest may not be reassigned to another special
26 panel without the consent of the property owner or designated
27 agent. If the board has cause to reassign a protest to another

1 special panel, a property owner or designated agent may agree to
2 reassignment of the protest or may request that the hearing on the
3 protest be postponed. The board shall postpone the hearing on that
4 request. A change of members of a special panel because of a
5 conflict of interest, illness, or inability to continue
6 participating in hearings for the remainder of the day does not
7 constitute reassignment of a protest to another special panel.

8 SECTION 30. Section 45.105(e), Education Code, is amended
9 to read as follows:

10 (e) The governing body of an independent school district
11 that governs a junior college district under Subchapter B, Chapter
12 130, in a county with a population of more than two million may
13 dedicate a specific percentage of the local tax levy to the use of
14 the junior college district for facilities and equipment or for the
15 maintenance and operating expenses of the junior college district.
16 To be effective, the dedication must be made by the governing body
17 on or before the date on which the governing body adopts its tax
18 rate for a year. The amount of local tax funds derived from the
19 percentage of the local tax levy dedicated to a junior college
20 district from a tax levy may not exceed the amount that would be
21 levied by five percent of the no-new-revenue [~~effective~~] tax rate
22 for the tax year calculated as provided by Section 26.04, Tax Code,
23 on all property taxable by the school district. All real property
24 purchased with these funds is the property of the school district,
25 but is subject to the exclusive control of the governing body of the
26 junior college district for as long as the junior college district
27 uses the property for educational purposes.

1 SECTION 31. Section 102.007(d), Local Government Code, is
2 amended to read as follows:

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

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

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

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

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

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

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

4 (A) the property tax rate;

5 (B) the no-new-revenue [~~effective~~] tax rate;

6 (C) the no-new-revenue [~~effective~~] maintenance
7 and operations tax rate;

8 (D) the rollback tax rate; and

9 (E) the debt rate; and

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

11 SECTION 32. Section [111.008\(d\)](#), Local Government Code, is
12 amended to read as follows:

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

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

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

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

1 to be raised from new property added to the tax roll this year is
2 (insert amount computed by multiplying the proposed tax rate by the
3 value of new property added to the roll)."; or

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

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

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

14 (A) the property tax rate;

15 (B) the no-new-revenue [~~effective~~] tax rate;

16 (C) the no-new-revenue [~~effective~~] maintenance
17 and operations tax rate;

18 (D) the rollback tax rate; and

19 (E) the debt rate; and

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

21 SECTION 33. Section [111.039](#)(d), Local Government Code, is
22 amended to read as follows:

23 (d) An adopted budget must contain a cover page that
24 includes:

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

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

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

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

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

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

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

24 (A) the property tax rate;

25 (B) the no-new-revenue [~~effective~~] tax rate;

26 (C) the no-new-revenue [~~effective~~] maintenance
27 and operations tax rate;

1 (D) the rollback tax rate; and

2 (E) the debt rate; and

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

4 SECTION 34. Section [111.068\(c\)](#), Local Government Code, is
5 amended to read as follows:

6 (c) An adopted budget must contain a cover page that
7 includes:

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

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

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

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

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

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

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

7 (A) the property tax rate;

8 (B) the no-new-revenue [~~effective~~] tax rate;

9 (C) the no-new-revenue [~~effective~~] maintenance
10 and operations tax rate;

11 (D) the rollback tax rate; and

12 (E) the debt rate; and

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

14 SECTION 35. Sections 140.010(a), (d), (e), and (f), Local
15 Government Code, are amended to read as follows:

16 (a) In this section, "no-new-revenue [~~effective~~] tax rate"
17 and "rollback tax rate" mean the no-new-revenue [~~effective~~] tax
18 rate and rollback tax rate of a county or municipality, as
19 applicable, as calculated under Chapter 26, Tax Code.

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

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

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

1 PROPOSED TAX RATE \$_____ per \$100

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

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

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

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

11 property tax amount = (rate) x (taxable value of your property) /
12 100

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

15 (insert name of county or municipal tax assessor-collector)
16 (insert name of county or municipality) tax
17 assessor-collector
18 (insert address)
19 (insert telephone number)
20 (insert e-mail address)
21 (insert Internet website address, if applicable)"

22 (e) A county or municipality that proposes a property tax
23 rate that exceeds the lower of the no-new-revenue [~~effective~~] tax
24 rate or the rollback tax rate shall provide the following notice:

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

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

1 adoption by the governing body of (insert name of county or
2 municipality). This rate exceeds the lower of the no-new-revenue
3 [~~effective~~] or rollback tax rate, and state law requires that two
4 public hearings be held by the governing body before adopting the
5 proposed tax rate. The governing body of (insert name of county or
6 municipality) proposes to use revenue attributable to the tax rate
7 increase for the purpose of (description of purpose of increase).

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

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

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

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

23
$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) /$$

24
$$100$$

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

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

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

3 (insert address)

4 (insert telephone number)

5 (insert e-mail address)

6 (insert Internet website address, if applicable)

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

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

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

13 (f) A county or municipality shall~~+~~

14 ~~(1)~~ provide the notice required by Subsection (d) or
15 (e), as applicable, not later than the later of September 1 or the
16 30th day after the first date that the taxing unit has received each
17 applicable certified appraisal roll by:

18 (1) ~~(A)~~ publishing the notice in a newspaper having
19 general circulation in:

20 (A) ~~(i)~~ the county, in the case of notice
21 published by a county; or

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

25 (2) ~~(B)~~ mailing the notice to each property owner
26 in:

27 (A) ~~(i)~~ the county, in the case of notice

1 provided by a county; or

2 (B) [~~(ii)~~] the municipality, in the case of
3 notice provided by a municipality; or [~~and~~]

4 (3) posting [~~(2) post~~] the notice prominently on the
5 home page of the Internet website of the county or municipality, if
6 applicable, beginning not later than the later of September 1 or the
7 30th day after the first date that the taxing unit has received each
8 applicable certified appraisal roll and continuing until the county
9 or municipality adopts a tax rate.

10 SECTION 36. Section 8876.152(b), Special District Local
11 Laws Code, is amended to read as follows:

12 (b) Sections 49.236(a)(1) and (2) and (b) [~~Section 49.236~~],
13 Water Code, apply [~~as added by Chapter 248 (H.B. 1541), Acts of the~~
14 ~~78th Legislature, Regular Session, 2003, applies~~] to the district.

15 SECTION 37. Section 49.236(a), Water Code, as added by
16 Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular
17 Session, 2003, is amended to read as follows:

18 (a) Before the board adopts an ad valorem tax rate for the
19 district for debt service, operation and maintenance purposes, or
20 contract purposes, the board shall give notice of each meeting of
21 the board at which the adoption of a tax rate will be considered.
22 The notice must:

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

25 "NOTICE OF PUBLIC HEARING ON TAX RATE

26 "The (name of the district) will hold a public hearing on a
27 proposed tax rate for the tax year (year of tax levy) on (date and

1 time) at (meeting place). Your individual taxes may increase at a
2 greater or lesser rate, or even decrease, depending on the tax rate
3 that is adopted and on the change in the taxable value of your
4 property in relation to the change in taxable value of all other
5 property [~~and the tax rate that is adopted~~]. The change in the
6 taxable value of your property in relation to the change in the
7 taxable value of all other property determines the distribution of
8 the tax burden among all property owners.

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

12 (2) contain the following information:

13 (A) the district's total adopted tax rate for the
14 preceding year and the proposed tax rate, expressed as an amount per
15 \$100;

16 (B) the difference, expressed as an amount per
17 \$100 and as a percent increase or decrease, as applicable, in the
18 proposed tax rate compared to the adopted tax rate for the preceding
19 year;

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

1 age or older;

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

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

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

20 (G) if the proposed combined debt service,
21 operation and maintenance, and contract tax rate would authorize
22 the qualified voters of the district by petition to require a
23 rollback election to be held in the district, a description of the
24 purpose of the proposed tax increase; and

25 (3) contain a statement in substantially the following
26 form:

27 "NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

1 "If taxes on the average residence homestead increase by more
2 than eight percent, the qualified voters of the district by
3 petition may require that an election be held to determine whether
4 to reduce the operation and maintenance tax rate to the rollback tax
5 rate under Section 49.236(d), Water Code."

6 SECTION 38. The following provisions are repealed:

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

10 (2) Section 49.2361, Water Code.

11 SECTION 39. The changes in law made by this Act relating to
12 the ad valorem tax rate of a taxing unit apply beginning with the
13 2018 tax year.

14 SECTION 40. (a) The comptroller shall comply with Sections
15 5.07(f), (g), (h), and (i), Tax Code, as added by this Act, as soon
16 as practicable after January 1, 2018.

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

19 SECTION 41. Section 6.41(d-9), Tax Code, as amended by this
20 Act, and Section 6.41(d-10), Tax Code, as added by this Act, apply
21 only to the appointment of appraisal review board members to terms
22 beginning on or after January 1, 2019.

23 SECTION 42. (a) An appraisal district established in a
24 county with a population of 120,000 or more and each taxing unit
25 located wholly or partly in such an appraisal district shall comply
26 with Sections 26.04(e-2), 26.17, and 26.18, Tax Code, as added by
27 this Act, beginning with the 2019 tax year.

1 (b) An appraisal district established in a county with a
2 population of less than 120,000 and each taxing unit located wholly
3 in such an appraisal district shall comply with Sections
4 26.04(e-2), 26.17, and 26.18, Tax Code, as added by this Act,
5 beginning with the 2020 tax year.

6 SECTION 43. Section 41.03(a), Tax Code, as amended by this
7 Act, applies only to a challenge under Chapter 41, Tax Code, for
8 which a challenge petition is filed on or after January 1, 2018. A
9 challenge under Chapter 41, Tax Code, for which a challenge
10 petition was filed before January 1, 2018, is governed by the law in
11 effect on the date the challenge petition was filed, and the former
12 law is continued in effect for that purpose.

13 SECTION 44. Sections 41.45 and 41.66, Tax Code, as amended
14 by this Act, apply only to a protest filed under Chapter 41, Tax
15 Code, on or after January 1, 2019. A protest filed under that
16 chapter before January 1, 2019, is governed by the law in effect on
17 the date the protest was filed, and the former law is continued in
18 effect for that purpose.

19 SECTION 45. (a) Except as otherwise provided by this Act,
20 this Act takes effect January 1, 2018.

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

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

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

26 (3) Section 6.414(d), Tax Code, as amended by this
27 Act;

- 1 (4) Section 6.425, Tax Code, as added by this Act;
 - 2 (5) Section 41.44(d), Tax Code, as amended by this
3 Act;
 - 4 (6) Section 41.45(d), Tax Code, as amended by this
5 Act;
 - 6 (7) Sections 41.45(d-1), (d-2), and (d-3), Tax Code,
7 as added by this Act;
 - 8 (8) Section 41.66(k), Tax Code, as amended by this
9 Act; and
 - 10 (9) Section 41.66(k-1), Tax Code, as added by this
11 Act.
- 12 (c) The following provisions take effect January 1, 2019:
- 13 (1) Sections 26.04(d-1), (d-2), (e-2), (e-3), and
14 (e-4), Tax Code, as added by this Act;
 - 15 (2) Sections 26.04(e-1) and (g), Tax Code, as amended
16 by this Act;
 - 17 (3) Sections 26.05(d-1) and (d-2), Tax Code, as added
18 by this Act; and
 - 19 (4) Section 26.05(e), Tax Code, as amended by this
20 Act.