

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 23, 2019
Date

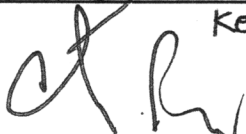
Honorable Dan Patrick
President of the Senate

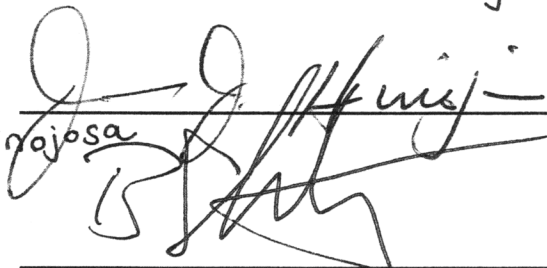
Honorable Dennis Bonnen
Speaker of the House of Representatives


Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on SB 2 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.


Kelly Hancock

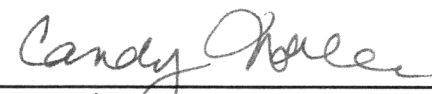

Charles Perry

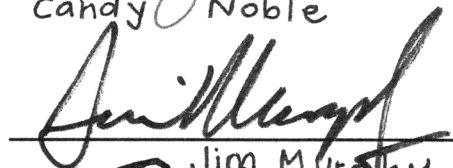
Juan Hinojosa


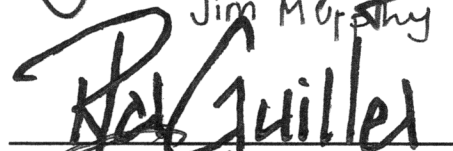
Brandon Creighton


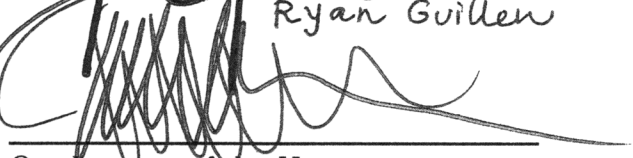
On the part of the Senate
Paul Bettencourt


Dustin Burrows


Candy Noble


Jim Murphy


Ryan Guillen


On the part of the House
Terry Canales

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CORRECTED

**CONFERENCE
COMMITTEE REPORT**

3rd Printing

S.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem taxation; authorizing fees.

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

SECTION 1. This Act may be cited as the Texas Property Tax Reform and Transparency Act of 2019.

SECTION 2. Chapter 1, Tax Code, is amended by adding Section 1.045 to read as follows:

Sec. 1.045. REFERENCE TO CERTAIN TERMS IN LAW. Unless the context indicates otherwise:

(1) a reference in law to a taxing unit's effective maintenance and operations rate is a reference to the taxing unit's no-new-revenue maintenance and operations rate, as defined by Chapter 26;

(2) a reference in law to a taxing unit's effective tax rate is a reference to the taxing unit's no-new-revenue tax rate, as defined by Chapter 26; and

(3) a reference in law to a taxing unit's rollback tax rate is a reference to the taxing unit's voter-approval tax rate, as defined by Chapter 26.

SECTION 3. Section 1.07(a), Tax Code, is amended to read as follows:

(a) An official or agency required by this title to deliver a notice to a property owner may deliver the notice by regular first-class mail, with postage prepaid, unless this section or

1 another provision of this title requires or authorizes a different
2 method of delivery or the parties agree that the notice must be
3 delivered as provided by Section 1.085 or 1.086.

4 SECTION 4. Section 1.085(a), Tax Code, is amended to read as
5 follows:

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

18 SECTION 5. Chapter 1, Tax Code, is amended by adding Section
19 1.086 to read as follows:

20 Sec. 1.086. DELIVERY OF CERTAIN NOTICES BY E-MAIL. (a) On
21 the written request of the owner of a residential property that is
22 occupied by the owner as the owner's principal residence, the chief
23 appraiser of the appraisal district in which the property is
24 located shall send each notice required by this title related to the
25 following to the e-mail address of the owner:

26 (1) a change in value of the property;

27 (2) the eligibility of the property for an exemption;

1 or

2 (3) the grant, denial, cancellation, or other change
3 in the status of an exemption or exemption application applicable
4 to the property.

5 (b) A property owner must provide the e-mail address to
6 which the chief appraiser must send the notices described by
7 Subsection (a) in a request made under that subsection.

8 (c) A chief appraiser who delivers a notice electronically
9 under this section is not required to mail the same notice to the
10 property owner.

11 (d) A request made under this section remains in effect
12 until revoked by the property owner in a written revocation filed
13 with the chief appraiser.

14 (e) After a property owner makes a request under this
15 section and before a chief appraiser may deliver a notice
16 electronically under this section, the chief appraiser must send an
17 e-mail to the address provided by the property owner confirming the
18 owner's request to receive notices electronically.

19 (f) The chief appraiser of an appraisal district that
20 maintains an Internet website shall provide a form on the website
21 that a property owner may use to electronically make a request under
22 this section.

23 SECTION 6. Chapter 5, Tax Code, is amended by adding Section
24 5.01 to read as follows:

25 Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD.

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

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

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

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

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

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

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

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

22 SECTION 7. Sections 5.041(b), (c), (e-1), and (e-3), Tax
23 Code, are amended to read as follows:

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

1 board may not participate in a hearing conducted by the board unless
2 the person has completed the course established under Subsection
3 (a) and received a certificate of course completion.

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

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

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

23 (2) the appraisal of business personal property;

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

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

27 (5) the requirements regarding the independence of an

1 appraisal review board from the board of directors and the chief
2 appraiser and other employees of the appraisal district;

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

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

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

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

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

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

17 (e-3) The comptroller may contract with service providers
18 to assist with the duties imposed under Subsection (e-1), but the
19 course required by that subsection may not be provided by an
20 appraisal district, the chief appraiser or another employee of an
21 appraisal district, a member of the board of directors of an
22 appraisal district, a member of an appraisal review board, or a
23 taxing unit. The comptroller may assess a fee to recover a portion
24 of the costs incurred for the continuing education course, but the
25 fee may not exceed \$50 for each person trained. If the training is
26 provided to an individual other than a member of an appraisal review
27 board, the comptroller may assess a fee not to exceed \$50 for each

1 person trained.

2 SECTION 8. Chapter 5, Tax Code, is amended by adding Section
3 5.043 to read as follows:

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

7 (b) The comptroller shall:

8 (1) approve curricula and provide an arbitration
9 manual and other materials for use in training and educating
10 arbitrators;

11 (2) make all materials for use in training and
12 educating arbitrators freely available online; and

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

15 (c) The training program must:

16 (1) emphasize the requirements regarding the equal and
17 uniform appraisal of property; and

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

19 (d) The training program may be provided online. The
20 comptroller by rule may prescribe the manner by which the
21 comptroller may verify that a person taking the training program
22 online has taken and completed the program.

23 (e) The comptroller may contract with service providers to
24 assist with the duties imposed under Subsection (b), but the
25 training program may not be provided by an appraisal district, the
26 chief appraiser or another employee of an appraisal district, a
27 member of the board of directors of an appraisal district, a member

1 of an appraisal review board, or a taxing unit. The comptroller may
 2 assess a fee to recover a portion of the costs incurred for the
 3 training program, but the fee may not exceed \$50 for each person
 4 trained. If the training is provided to a person other than a
 5 person who has agreed to serve as an arbitrator under Chapter 41A,
 6 the comptroller may assess a fee not to exceed \$50 for each person
 7 trained.

8 (f) The comptroller shall prepare an arbitration manual for
 9 use in the training program. The manual shall be updated regularly
 10 and may be revised on request, in writing, to the comptroller. The
 11 revised language must be approved by the unanimous agreement of a
 12 committee selected by the comptroller and representing, equally,
 13 taxpayers and chief appraisers. The person requesting the revision
 14 must pay the costs of mediation if the comptroller determines that
 15 mediation is required.

16 SECTION 9. Section 5.05, Tax Code, is amended by adding
 17 Subsections (c-1) and (c-2) to read as follows:

18 (c-1) An appraisal district shall appraise property in
 19 accordance with any appraisal manuals required by law to be
 20 prepared and issued by the comptroller.

21 (c-2) Appraisal manuals required by law to be prepared and
 22 issued by the comptroller for the purpose of determining the market
 23 value of property shall be prepared based on generally accepted
 24 appraisal methods and techniques.

25 SECTION 10. Section 5.07, Tax Code, is amended by adding
 26 Subsections (f), (g), (h), (i), and (j) to read as follows:

27 (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 voter-approval tax rate for the taxing unit as required by Chapter 26; and

(2) school district to:

(A) calculate and submit the no-new-revenue tax rate and the voter-approval tax rate for the district as required by Chapter 26; and

(B) submit 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, as applicable:

(A) the taxing unit's certified appraisal roll;

or

(B) the certified estimate of taxable value of property in the taxing unit prepared under Section 26.01(a-1); and

(3) be capable of being electronically incorporated into the property tax database maintained by each appraisal district under Section 26.17 and submitted electronically to the

1 county assessor-collector of each county in which all or part of the
2 territory of the taxing unit is located.

3 (h) For purposes of Subsections (f) and (g), the comptroller
4 shall use the forms published on the comptroller's Internet website
5 as of January 1, 2019, modified as necessary to comply with the
6 requirements of this section. The comptroller shall update the
7 forms as necessary to reflect formatting or other nonsubstantive
8 changes.

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

20 (j) A meeting of the committee held under Subsection (i) is
21 not subject to the requirements of Chapter 551, Government Code.

22 SECTION 11. Section 5.09, Tax Code, is amended by amending
23 Subsection (a) and adding Subsection (a-1) to read as follows:

24 (a) The comptroller shall prepare a biennial report of the
25 total appraised values and taxable values of taxable property by
26 category and the tax rates of each county, municipality, special
27 district, and school district in effect for the two years preceding

the year in which the report is prepared.

(a-1) The comptroller shall:

(1) prescribe the format by which an appraisal district or taxing unit must submit information under this section to the comptroller;

(2) collect and review in detail the information submitted that relates to each county, municipality, and school district; and

(3) collect and review the information submitted that relates to each special district.

SECTION 12. Section 5.091, Tax Code, is amended to read as follows:

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

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

(2) list the tax rates alphabetically according to:

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

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

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

1 ~~[each]~~ year, the comptroller shall publish on the comptroller's
2 Internet website the list required by Subsection (a).

3 SECTION 13. Sections 5.102(a) and (c), Tax Code, are
4 amended to read as follows:

5 (a) At least once every two years, the comptroller shall
6 review the governance of each appraisal district, the taxpayer
7 assistance provided by each appraisal district, and the operating
8 and appraisal standards, procedures, and methodology used by each
9 appraisal district, to determine compliance with generally
10 accepted standards, procedures, and methodology, including
11 compliance with standards, procedures, and methodology prescribed
12 by any appraisal manuals required by law to be prepared and issued
13 by the comptroller. After consultation with the property tax
14 administration advisory board ~~[committee created under Section~~
15 ~~403.302, Government Code]~~, the comptroller by rule may establish
16 procedures and standards for conducting and scoring the review.

17 (c) At the conclusion of the review, the comptroller shall,
18 in writing, notify the appraisal district concerning its
19 performance in the review. If the review results in a finding that
20 an appraisal district is not in compliance with generally accepted
21 standards, procedures, and methodology, including compliance with
22 standards, procedures, and methodology prescribed by any appraisal
23 manuals required by law to be prepared and issued by the
24 comptroller, the comptroller shall deliver a report that details
25 the comptroller's findings and recommendations for improvement to:

26 (1) the appraisal district's chief appraiser and board
27 of directors; and

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

3 SECTION 14. Chapter 5, Tax Code, is amended by adding
4 Section 5.104 to read as follows:

5 Sec. 5.104. APPRAISAL REVIEW BOARD SURVEY; REPORT. (a) The
6 comptroller shall:

7 (1) prepare an appraisal review board survey that
8 allows an individual described by Subsection (b) to submit comments
9 and suggestions to the comptroller regarding an appraisal review
10 board;

11 (2) prepare instructions for completing and
12 submitting the survey; and

13 (3) implement and maintain a method that allows an
14 individual described by Subsection (b) to electronically complete
15 and submit the survey through a uniform resource locator (URL)
16 address.

17 (b) The following individuals who attend a hearing in person
18 or by telephone conference call on a motion filed under Section
19 25.25 to correct the appraisal roll or a protest under Chapter 41
20 may complete and submit a survey under this section:

21 (1) a property owner whose property is the subject of
22 the motion or protest;

23 (2) the designated agent of the owner; or

24 (3) a designated representative of the appraisal
25 district in which the motion or protest is filed.

26 (c) The survey must allow an individual to submit comments
27 and suggestions regarding:

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

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

4 (d) An appraisal district must provide to each property
5 owner or designated agent of the owner who is authorized to submit a
6 survey under this section a notice that states that the owner or
7 agent:

8 (1) is entitled to complete and submit the survey;

9 (2) may submit the survey to the comptroller:

10 (A) in person;

11 (B) by mail;

12 (C) by electronic mail; or

13 (D) through the uniform resource locator (URL)
14 address described by Subsection (a)(3); and

15 (3) may obtain a paper copy of the survey and
16 instructions for completing the survey at the appraisal office.

17 (e) The notice described by Subsection (d) must include the
18 uniform resource locator (URL) address described by Subsection
19 (a)(3).

20 (f) An appraisal district must provide the notice described
21 by Subsection (d) to a property owner or the designated agent of the
22 owner:

23 (1) at or before the first hearing on the motion or
24 protest described by Subsection (b) by the appraisal review board
25 established for the appraisal district or by a panel of the board;
26 and

27 (2) with each order under Section 25.25 or 41.47

1 determining a motion or protest, as applicable, delivered by the
2 board or a panel of the board.

3 (g) At or before the first hearing on the motion or protest
4 described by Subsection (b) by the appraisal review board
5 established for the appraisal district or by a panel of the board,
6 the board or panel must provide verbal notice to the property owner
7 or designated agent of the owner of the owner or agent's right to
8 complete and submit the survey.

9 (h) Notwithstanding Subsections (d), (f), and (g), if an
10 appraisal district provides the notice described by Subsection (d),
11 or an appraisal review board provides the verbal notice required by
12 Subsection (g), to a property owner or the designated agent of the
13 owner at or before a hearing on a motion or protest described by
14 Subsection (b), the appraisal district or board, as applicable, is
15 not required to provide another notice in the same manner to the
16 owner or agent at or before another hearing on a motion or protest
17 held on the same day.

18 (i) An individual who elects to submit the survey must
19 submit the survey to the comptroller as provided by this section. An
20 individual may submit only one survey for each hearing.

21 (j) The comptroller shall allow an individual to submit a
22 survey to the comptroller in the following manner:

- 23 (1) in person;
24 (2) by mail;
25 (3) by electronic mail; or
26 (4) through the uniform resource locator (URL) address
27 described by Subsection (a)(3).

1 (k) An appraisal district may not require a property owner
2 or the designated agent of the owner to complete a survey at the
3 appraisal office.

4 (l) The comptroller shall issue an annual report that
5 summarizes the information included in the surveys submitted during
6 the preceding tax year. The report may not disclose the identity of
7 an individual who submitted a survey.

8 (m) The comptroller may adopt rules necessary to implement
9 this section.

10 SECTION 15. Section 5.13(d), Tax Code, is amended to read as
11 follows:

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

14 (1) the extent to which the district complies with
15 applicable law or generally accepted standards of appraisal or
16 other relevant practice, including appraisal standards and
17 practices prescribed by any appraisal manuals required by law to be
18 prepared and issued by the comptroller;

19 (2) the uniformity and level of appraisal of major
20 kinds of property and the cause of any significant deviations from
21 ideal uniformity and equality of appraisal of major kinds of
22 property;

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

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

26 (5) except as otherwise provided by Subsection (b) [~~of~~
27 ~~this section~~], any other matter included in the request for the

1 audit.

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

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

10 SECTION 17. Subchapter A, Chapter 6, Tax Code, is amended by
11 adding Section 6.054 to read as follows:

12 Sec. 6.054. RESTRICTION ON EMPLOYMENT BY APPRAISAL
13 DISTRICT. An individual may not be employed by an appraisal
14 district if the individual is:

15 (1) an officer of a taxing unit that participates in
16 the appraisal district; or

17 (2) an employee of a taxing unit that participates in
18 the appraisal district.

19 SECTION 18. Section 6.15, Tax Code, is amended by adding
20 Subsection (c-1) to read as follows:

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

26 SECTION 19. Subchapter A, Chapter 6, Tax Code, is amended by
27 adding Section 6.16 to read as follows:

1 Sec. 6.16. RESIDENTIAL PROPERTY OWNER ASSISTANCE. (a) The
2 chief appraiser of an appraisal district may maintain a list of the
3 following individuals who have designated themselves as an
4 individual who will provide free assistance to an owner of
5 residential property that is occupied by the owner as the owner's
6 principal residence:

7 (1) a real estate broker or sales agent licensed under
8 Chapter 1101, Occupations Code;

9 (2) a real estate appraiser licensed or certified
10 under Chapter 1103, Occupations Code; or

11 (3) a property tax consultant registered under Chapter
12 1152, Occupations Code.

13 (b) On the request of an owner described by Subsection (a),
14 a chief appraiser who maintains a list under this section shall
15 provide to the owner a copy of the list.

16 (c) A list must:

17 (1) be organized by county;

18 (2) be available on the appraisal district's Internet
19 website, if the appraisal district maintains a website; and

20 (3) provide the name, contact information, and job
21 title of each individual who will provide free assistance.

22 (d) A person must designate himself or herself as an
23 individual who will provide free assistance by completing a form
24 prescribed by the chief appraiser and submitting the form to the
25 chief appraiser.

26 SECTION 20. Section 6.41, Tax Code, is amended by amending
27 Subsections (b) and (d-9) and adding Subsections (b-1), (b-2), and

1 (d-10) to read as follows:

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

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

8 (b-2) An appraisal district board of directors for a
9 district established in a county with a population of one million or
10 more by resolution of a majority of the board's members shall
11 increase the size of the district's appraisal review board to the
12 number of members the board of directors considers appropriate to
13 manage the duties of the appraisal review board, including the
14 duties of each special panel established under Section 6.425.

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

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

26 SECTION 21. Sections 6.412(a) and (d), Tax Code, are
27 amended to read as follows:

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

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

(2) owns property on which delinquent taxes have been owed to a taxing unit for more than 60 days after the date the individual knew or should have known of the delinquency unless:

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

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

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

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

(B) the appraisal review board.

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

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

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

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

(4) served for all or part of three previous terms as a board member or auxiliary board member on the appraisal review board.

SECTION 22. Section 6.414(d), Tax Code, is amended to read as follows:

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

SECTION 23. Section 6.42, Tax Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

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

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

SECTION 24. Subchapter C, Chapter 6, Tax Code, is amended by adding Section 6.425 to read as follows:

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

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

(1) has an appraised value as determined by the

appraisal district equal to or greater than the minimum eligibility amount determined as provided by Subsection (g); and

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

(A) commercial real and personal property;

(B) real and personal property of utilities;

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

(D) multifamily residential real property.

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

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

(1) hold a juris doctor or equivalent degree;

(2) hold a master of business administration degree;

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

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

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

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

(7) have at least 10 years of experience in property

1 tax appraisal or consulting; or

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

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

8 (1) the number of persons appointed to the board by the
9 local administrative district judge who meet those qualifications
10 is not sufficient to fill the positions on each special panel; and
11 (2) the board member being appointed to the panel
12 holds a bachelor's degree in any field.

13 (f) In addition to conducting protest hearings relating to
14 property described by Subsection (b) of this section, a special
15 panel may conduct protest hearings under Chapter 41 relating to
16 property not described by Subsection (b) of this section as
17 assigned by the chairman of the appraisal review board.

18 (g) By February 1 or as soon thereafter as practicable, the
19 comptroller shall determine the minimum eligibility amount for the
20 current tax year for purposes of Subsection (b)(1) and publish that
21 amount in the Texas Register. The minimum eligibility amount for
22 the 2020 tax year is \$50 million. For each succeeding tax year, the
23 minimum eligibility amount is equal to the minimum eligibility
24 amount for the preceding tax year as adjusted by the comptroller to
25 reflect the inflation rate.

26 (h) In this section:

27 (1) "Consumer price index" means the Consumer Price

1 Index for All Urban Consumers (CPI-U), U.S. City Average, published
2 by the Bureau of Labor Statistics of the United States Department of
3 Labor.

4 (2) "Inflation rate" means the amount, expressed in
5 decimal form rounded to the nearest thousandth, computed by
6 determining the percentage change in the consumer price index for
7 the preceding calendar year as compared to the consumer price index
8 for the calendar year preceding that calendar year.

9 SECTION 25. Section 11.24, Tax Code, is amended to read as
10 follows:

11 Sec. 11.24. HISTORIC SITES. (a) The governing body of a
12 taxing unit by official action of the body adopted in the manner
13 required by law for official actions may exempt from taxation part
14 or all of the assessed value of a structure or archeological site
15 and the land necessary for access to and use of the structure or
16 archeological site, if the structure or archeological site is:

17 (1) designated as a Recorded Texas Historic Landmark
18 under Chapter 442, Government Code, or a state archeological
19 landmark under Chapter 191, Natural Resources Code, by the Texas
20 Historical Commission; or

21 (2) designated as a historically or archeologically
22 significant site in need of tax relief to encourage its
23 preservation pursuant to an ordinance or other law adopted by the
24 governing body of the taxing unit.

25 (b) The governing body of a taxing unit may not repeal or
26 reduce the amount of an exemption granted under Subsection (a) for a
27 property that otherwise qualifies for the exemption unless:

1 (1) the owner of the property consents to the repeal or
2 reduction; or

3 (2) the taxing unit provides written notice of the
4 repeal or reduction to the owner not later than five years before
5 the date the governing body repeals or reduces the exemption.

6 SECTION 26. Section 11.4391(a), Tax Code, is amended to
7 read as follows:

8 (a) The chief appraiser shall accept and approve or deny an
9 application for an exemption for freeport goods under Section
10 11.251 after the deadline for filing it has passed if it is filed on
11 or before the [not] later of:

12 (1) [than] June 15; or

13 (2) if applicable, the 60th day after the date on which
14 the chief appraiser delivers notice to the property owner under
15 Section 22.22.

16 SECTION 27. Section 22.23(d), Tax Code, is amended to read
17 as follows:

18 (d) Notwithstanding any other provision of this section,
19 rendition statements and property reports required to be filed by a
20 property owner [~~for property~~] regulated by the Public Utility
21 Commission of Texas, the Railroad Commission of Texas, the federal
22 Surface Transportation Board, or the Federal Energy Regulatory
23 Commission must be delivered to the chief appraiser not later than
24 April 30, except as provided by Section 22.02. On written request
25 by the property owner, the [The] chief appraiser shall extend the
26 filing deadline to May 15. The chief appraiser may further extend
27 the [filing] deadline an additional 15 days for good cause shown in

1 writing by the property owner.

2 SECTION 28. Section 23.01, Tax Code, is amended by adding
3 Subsection (h) to read as follows:

4 (h) Appraisal methods and techniques included in the most
5 recent versions of the following are considered generally accepted
6 appraisal methods and techniques for the purposes of this title:

7 (1) the Appraisal of Real Estate published by the
8 Appraisal Institute;

9 (2) the Dictionary of Real Estate Appraisal published
10 by the Appraisal Institute;

11 (3) the Uniform Standards of Professional Appraisal
12 Practice published by The Appraisal Foundation; and

13 (4) a publication that includes information related to
14 mass appraisal.

15 SECTION 29. Section 25.19, Tax Code, is amended by amending
16 Subsections (b) and (i) and adding Subsections (b-3) and (b-4) to
17 read as follows:

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

20 (1) a list of the taxing units in which the property is
21 taxable;

22 (2) the appraised value of the property in the
23 preceding year;

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

26 (4) the appraised value of the property for the
27 current year, the kind and amount of each exemption and partial

1 exemption, if any, approved for the property for the current year
 2 and for the preceding year, and, if an exemption or partial
 3 exemption that was approved for the preceding year was canceled or
 4 reduced for the current year, the amount of the exemption or partial
 5 exemption canceled or reduced;

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

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

14 (6) ~~[(7)]~~ a detailed explanation of the time and
 15 procedure for protesting the value;

16 (7) ~~[(8)]~~ the date and place the appraisal review
 17 board will begin hearing protests; and

18 (8) ~~[(9)]~~ a brief explanation that the governing body
 19 of each taxing unit decides whether or not taxes on the property
 20 will increase and the appraisal district only determines the value
 21 of the property.

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

1 (b-4) Subsection (b)(5) applies only to a notice of
2 appraised value required to be delivered by the chief appraiser of
3 an appraisal district established in a county with a population of
4 less than 120,000. This subsection expires January 1, 2022.

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

11 SECTION 30. Chapter 25, Tax Code, is amended by adding
12 Sections 25.192 and 25.193 to read as follows:

13 Sec. 25.192. NOTICE OF RESIDENCE HOMESTEAD EXEMPTION
14 ELIGIBILITY. (a) This section applies only to residential
15 property that has not qualified for a residence homestead exemption
16 in the current tax year.

17 (b) If the records of the appraisal district indicate that
18 the address of the property is also the address of the owner of the
19 property, the chief appraiser must send to the property owner a
20 notice that contains:

21 (1) the following statement in boldfaced 18-point type
22 at the top of the first page of the notice: "NOTICE: A residence
23 homestead exemption from ad valorem taxation is NOT currently being
24 allowed on the property listed below. However, our records show
25 that this property may qualify for a residence homestead exemption,
26 which will reduce your taxes.";

27 (2) following the statement described by Subdivision

1 (1), the following statement in 12-point type: "According to the
 2 records of the appraisal district, the property described in this
 3 notice may be your primary residence and may qualify for a residence
 4 homestead exemption from ad valorem taxation. If the property is
 5 your home and you occupy it as your primary residence, the property
 6 likely qualifies for one or more residence homestead exemptions,
 7 which will reduce the amount of taxes imposed on the property. The
 8 form needed to apply for a residence homestead exemption is
 9 enclosed. Although the form may state that the deadline for filing
 10 an application for a residence homestead exemption is April 30, a
 11 late application for a residence homestead exemption will be
 12 accepted if filed before February 1, (insert year application must
 13 be filed). There is no fee or charge for filing an application or a
 14 late application for a residence homestead exemption."; and

15 (3) following the statement described by Subdivision
 16 (2), the address to which the notice is sent.

17 (c) The notice required by this section must be accompanied
 18 by an application form for a residence homestead exemption.

19 (d) If a property owner has elected to receive notices by
 20 e-mail as provided by Section 1.086, the notice required by this
 21 section must be sent in that manner separately from any other notice
 22 sent to the property owner by the chief appraiser.

23 Sec. 25.193. NOTICE OF CERTAIN CANCELED OR REDUCED
 24 EXEMPTIONS. (a) By April 1 or as soon thereafter as practicable if
 25 the property is a single-family residence that qualifies for an
 26 exemption under Section 11.13, or by May 1 or as soon thereafter as
 27 practicable in connection with residential property that does not

1 qualify for an exemption under Section 11.13, the chief appraiser
2 shall deliver a clear and understandable written notice to a
3 property owner if an exemption or partial exemption that was
4 approved for the preceding year was canceled or reduced for the
5 current year.

6 (b) If a property owner has elected to receive notices by
7 e-mail as provided by Section 1.086, for property described by that
8 section, the notice required by this section must be sent in that
9 manner regardless of whether the information was also included in a
10 notice under Section 25.19 and must be sent separately from any
11 other notice sent to the property owner by the chief appraiser.

12 SECTION 31. Section 26.01, Tax Code, is amended by adding
13 Subsection (a-1) to read as follows:

14 (a-1) If by July 20 the appraisal review board for an
15 appraisal district has not approved the appraisal records for the
16 district as required under Section 41.12, the chief appraiser shall
17 not later than July 25 prepare and certify to the assessor for each
18 taxing unit participating in the district an estimate of the
19 taxable value of property in that taxing unit.

20 SECTION 32. Section 26.012, Tax Code, is amended by adding
21 Subdivisions (8-a) and (19) and amending Subdivisions (10) and (13)
22 to read as follows:

23 (8-a) "De minimis rate" means the rate equal to the sum
24 of:

25 (A) a taxing unit's no-new-revenue maintenance
26 and operations rate;

27 (B) the rate that, when applied to a taxing

1 unit's current total value, will impose an amount of taxes equal to
2 \$500,000; and

3 (C) a taxing unit's current debt rate.

4 (10) "Excess collections" means the amount, if any, by
5 which debt taxes collected in the preceding year exceeded the
6 amount anticipated in the preceding year's calculation of the
7 voter-approval tax [~~rollback~~] rate, as certified by the collector
8 under Section 26.04(b) [~~of this code~~].

9 (13) "Last year's levy" means the total of:

10 (A) the amount of taxes that would be generated
11 by multiplying the total tax rate adopted by the governing body in
12 the preceding year by the total taxable value of property on the
13 appraisal roll for the preceding year, including:

14 (i) taxable value that was reduced in an
15 appeal under Chapter 42; [~~and~~]

16 (ii) all appraisal roll supplements and
17 corrections other than corrections made pursuant to Section
18 25.25(d), as of the date of the calculation, except that last year's
19 taxable value for a school district excludes the total value of
20 homesteads that qualified for a tax limitation as provided by
21 Section 11.26 and last year's taxable value for a county,
22 municipality, or junior college district excludes the total value
23 of homesteads that qualified for a tax limitation as provided by
24 Section 11.261; and

25 (iii) the portion of taxable value of
26 property that is the subject of an appeal under Chapter 42 on July
27 25 that is not in dispute; and

(B) the amount of taxes refunded by the taxing unit in the preceding year for tax years before that year.

(19) "Special taxing unit" means:

(A) a taxing unit, other than a school district, for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value;

(B) a junior college district; or

(C) a hospital district.

SECTION 33. Section 26.012(9), Tax Code, is redesignated as Section 26.012(18), Tax Code, and amended to read as follows:

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

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

SECTION 34. Chapter 26, Tax Code, is amended by adding Section 26.013 to read as follows:

Sec. 26.013. UNUSED INCREMENT RATE. (a) In this section:

(1) "Actual tax rate" means a taxing unit's actual tax rate used to levy taxes in the applicable preceding tax year.

(2) "Voter-approval tax rate" means a taxing unit's voter-approval tax rate in the applicable preceding tax year less the unused increment rate for that preceding tax year.

(3) "Year 1" means the third tax year preceding the current tax year.

(4) "Year 2" means the second tax year preceding the current tax year.

(5) "Year 3" means the tax year preceding the current tax year.

(b) In this chapter, "unused increment rate" means the greater of:

(1) zero; or

(2) the rate expressed in dollars per \$100 of taxable value calculated according to the following formula:

$$\begin{aligned} \text{UNUSED INCREMENT RATE} = & (\text{YEAR 1 VOTER-APPROVAL TAX} \\ & \text{RATE} - \text{YEAR 1 ACTUAL TAX RATE}) + (\text{YEAR 2 VOTER-APPROVAL} \\ & \text{TAX RATE} - \text{YEAR 2 ACTUAL TAX RATE}) + (\text{YEAR 3} \\ & \text{VOTER-APPROVAL TAX RATE} - \text{YEAR 3 ACTUAL TAX RATE}) \end{aligned}$$

(c) Notwithstanding Subsection (b)(2), for each tax year before the 2020 tax year, the difference between the taxing unit's voter-approval tax rate and actual tax rate is considered to be zero. This subsection expires December 31, 2022.

SECTION 35. The heading to Section 26.04, Tax Code, is amended to read as follows:

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

SECTION 36. Section 26.04, Tax Code, is amended by amending Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and adding Subsections (c-1), (c-2), (d-1), (d-2), (d-3), (e-2), (e-3), (e-4), (e-5), (h-1), and (h-2) to read as follows:

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

1 taxing unit showing the total appraised, assessed, and taxable
 2 values of all property and the total taxable value of new property
 3 to the governing body of the taxing unit by August 1 or as soon
 4 thereafter as practicable. By August 1 or as soon thereafter as
 5 practicable, the taxing unit's collector shall certify [~~an estimate~~
 6 ~~of~~] the anticipated collection rate as calculated under Subsections
 7 (h), (h-1), and (h-2) for the current year to the governing body.
 8 If the collector certified an anticipated collection rate in the
 9 preceding year and the actual collection rate in that year exceeded
 10 the anticipated rate, the collector shall also certify the amount
 11 of debt taxes collected in excess of the anticipated amount in the
 12 preceding year.

13 (c) After the assessor for the taxing unit submits the
 14 appraisal roll for the taxing unit to the governing body of the
 15 taxing unit as required by Subsection (b), an [~~An~~] officer or
 16 employee designated by the governing body shall calculate the
 17 no-new-revenue [~~effective~~] tax rate and the voter-approval
 18 [~~rollback~~] tax rate for the taxing unit, where:

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

22 NO-NEW-REVENUE [~~EFFECTIVE~~] TAX RATE = (LAST YEAR'S
 23 LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE -
 24 NEW PROPERTY VALUE)

25 ; and

26 (2) "Voter-approval [~~Rollback~~] tax rate" means a rate
 27 expressed in dollars per \$100 of taxable value calculated according

1 to the following applicable formula:

2 (A) for a special taxing unit:

3 VOTER-APPROVAL [~~ROLLBACK~~] TAX RATE = (NO-NEW-REVENUE
4 [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE x 1.08) +
5 CURRENT DEBT RATE

6 ; or

7 (B) for a taxing unit other than a special taxing
8 unit:

9 VOTER-APPROVAL TAX RATE = (NO-NEW-REVENUE MAINTENANCE
10 AND OPERATIONS RATE x 1.035) + (CURRENT DEBT RATE +
11 UNUSED INCREMENT RATE)

12 (c-1) Notwithstanding any other provision of this section,
13 the governing body of a taxing unit other than a special taxing unit
14 may direct the designated officer or employee to calculate the
15 voter-approval tax rate of the taxing unit in the manner provided
16 for a special taxing unit if any part of the taxing unit is located
17 in an area declared a disaster area during the current tax year by
18 the governor or by the president of the United States. The
19 designated officer or employee shall continue calculating the
20 voter-approval tax rate in the manner provided by this subsection
21 until the earlier of:

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

1 (2) the third tax year after the tax year in which the
2 disaster occurred.

3 (c-2) Notwithstanding any other provision of this section,
4 if the assessor for a taxing unit receives a certified estimate of
5 the taxable value of property in the taxing unit under Section
6 26.01(a-1), the officer or employee designated by the governing
7 body of the taxing unit shall calculate the no-new-revenue tax rate
8 and voter-approval tax rate using the certified estimate of taxable
9 value.

10 (d) The no-new-revenue [effective] tax rate for a county is
11 the sum of the no-new-revenue [effective] tax rates calculated for
12 each type of tax the county levies and the voter-approval
13 [rollback] tax rate for a county is the sum of the voter-approval
14 [rollback] tax rates calculated for each type of tax the county
15 levies.

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

20 (d-2) The designated officer or employee may not submit the
21 no-new-revenue tax rate and the voter-approval tax rate to the
22 governing body of the taxing unit and the taxing unit may not adopt
23 a tax rate until the designated officer or employee certifies on the
24 tax rate calculation forms that the designated officer or employee
25 has accurately calculated the tax rates and has used values that are
26 the same as the values shown in the taxing unit's certified
27 appraisal roll in performing the calculations.

1 (d-3) As soon as practicable after the designated officer or
 2 employee calculates the no-new-revenue tax rate and the
 3 voter-approval tax rate of the taxing unit, the designated officer
 4 or employee shall submit the tax rate calculation forms used in
 5 calculating the rates to the county assessor-collector for each
 6 county in which all or part of the territory of the taxing unit is
 7 located.

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

14 (1) the no-new-revenue ~~[effective]~~ tax rate, the
 15 voter-approval ~~[rollback]~~ tax rate, and an explanation of how they
 16 were calculated;

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

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

24 (A) the amount of principal and interest that
 25 will be paid to service the taxing unit's debts in the next year
 26 from property tax revenue, including payments of lawfully incurred
 27 contractual obligations providing security for the payment of the

1 principal of and interest on bonds and other evidences of
2 indebtedness issued on behalf of the taxing unit by another
3 political subdivision and, if the taxing unit is created under
4 Section 52, Article III, or Section 59, Article XVI, Texas
5 Constitution, payments on debts that the taxing unit anticipates to
6 incur in the next calendar year;

7 (B) the amount by which taxes imposed for debt
8 are to be increased because of the taxing unit's anticipated
9 collection rate; and

10 (C) the total of the amounts listed in Paragraphs
11 (A)-(B), less any amount collected in excess of the previous year's
12 anticipated collections certified as provided in Subsection (b) [+

13 ~~[(4) the amount of additional sales and use tax~~
14 ~~revenue anticipated in calculations under Section 26.041,~~

15 ~~[(5) a statement that the adoption of a tax rate equal~~
16 ~~to the effective tax rate would result in an increase or decrease,~~
17 ~~as applicable, in the amount of taxes imposed by the unit as~~
18 ~~compared to last year's levy, and the amount of the increase or~~
19 ~~decrease,~~

20 ~~[(6) in the year that a taxing unit calculates an~~
21 ~~adjustment under Subsection (i) or (j), a schedule that includes~~
22 ~~the following elements:~~

23 ~~[(A) the name of the unit discontinuing the~~
24 ~~department, function, or activity,~~

25 ~~[(B) the amount of property tax revenue spent by~~
26 ~~the unit listed under Paragraph (A) to operate the discontinued~~
27 ~~department, function, or activity in the 12 months preceding the~~

1 ~~month in which the calculations required by this chapter are made,~~
2 ~~and~~

3 ~~[(C) the name of the unit that operates a~~
4 ~~distinct department, function, or activity in all or a majority of~~
5 ~~the territory of a taxing unit that has discontinued operating the~~
6 ~~distinct department, function, or activity, and~~

7 ~~[(7) in the year following the year in which a taxing~~
8 ~~unit raised its rollback rate as required by Subsection (j), a~~
9 ~~schedule that includes the following elements:~~

10 ~~[(A) the amount of property tax revenue spent by~~
11 ~~the unit to operate the department, function, or activity for which~~
12 ~~the taxing unit raised the rollback rate as required by Subsection~~
13 ~~(j) for the 12 months preceding the month in which the calculations~~
14 ~~required by this chapter are made, and~~

15 ~~[(B) the amount published by the unit in the~~
16 ~~preceding tax year under Subdivision (6)(B)].~~

17 (e-1) The tax rate certification requirements imposed by
18 Subsection (d-2) and the notice requirements imposed by Subsections
19 (e)(1)-(3) [(e)(1)-(6)] do not apply to a school district.

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

27 (1) a statement directing the property owner to an

1 Internet website from which the owner may access information
2 related to the actions taken or proposed to be taken by each taxing
3 unit in which the property is located that may affect the taxes
4 imposed on the owner's property;

5 (2) a statement that the property owner may request
6 from the county assessor-collector for the county in which the
7 property is located or, if the county assessor-collector does not
8 assess taxes for the county, the person who assesses taxes for the
9 county under Section 6.24(b), contact information for the assessor
10 for each taxing unit in which the property is located, who must
11 provide the information described by this subsection to the owner
12 on request; and

13 (3) the name, address, and telephone number of the
14 county assessor-collector for the county in which the property is
15 located or, if the county assessor-collector does not assess taxes
16 for the county, the person who assesses taxes for the county under
17 Section 6.24(b).

18 (e-3) The statement described by Subsection (e-2)(1) must
19 include a heading that is in bold, capital letters in type larger
20 than that used in the other provisions of the notice.

21 (e-4) The comptroller:

22 (1) with the advice of the property tax administration
23 advisory board, shall adopt rules prescribing the form of the
24 notice required by Subsection (e-2); and

25 (2) may adopt rules regarding the format and delivery
26 of the notice.

27 (e-5) The governing body of a taxing unit shall include as

1 an appendix to the taxing unit's budget for a fiscal year the tax
2 rate calculation forms used by the designated officer or employee
3 of the taxing unit to calculate the no-new-revenue tax rate and the
4 voter-approval tax rate of the taxing unit for the tax year in which
5 the fiscal year begins.

6 (f) If as a result of consolidation of taxing units a taxing
7 unit includes territory that was in two or more taxing units in the
8 preceding year, the amount of taxes imposed in each in the preceding
9 year is combined for purposes of calculating the no-new-revenue
10 ~~[effective]~~ and voter-approval ~~[rollback]~~ tax rates under this
11 section.

12 (g) A person who owns taxable property is entitled to an
13 injunction prohibiting the taxing unit in which the property is
14 taxable from adopting a tax rate if the assessor or designated
15 officer or employee of the taxing unit, the chief appraiser of the
16 applicable appraisal district, or the taxing unit, as applicable,
17 has not complied with the computation, ~~[or]~~ publication, or posting
18 requirements of this section or Section 26.16, 26.17, or 26.18 ~~[and~~
19 ~~the failure to comply was not in good faith]~~. It is a defense in an
20 action for an injunction under this subsection that the failure to
21 comply was in good faith.

22 (h-1) Notwithstanding Subsection (h), if the anticipated
23 collection rate of a taxing unit as calculated under that
24 subsection is lower than the lowest actual collection rate of the
25 taxing unit for any of the preceding three years, the anticipated
26 collection rate of the taxing unit for purposes of this section is
27 equal to the lowest actual collection rate of the taxing unit for

1 any of the preceding three years.

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

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

1 no-new-revenue ~~[effective]~~ maintenance and operations rate of the
2 taxing unit by the amount of the revenue spent in the last full
3 fiscal year in which the taxing unit operated the discontinued
4 department, function, or activity.

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

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

9 SECTION 37. Section 26.041, Tax Code, is amended by
 10 amending Subsections (a), (b), (c), (e), (g), and (h) and adding
 11 Subsection (c-1) to read as follows:

12 (a) In the first year in which an additional sales and use
 13 tax is required to be collected, the no-new-revenue [~~effective~~] tax
 14 rate and voter-approval [~~rollback~~] tax rate for the taxing unit are
 15 calculated according to the following 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 GAIN RATE

19 and

20 VOTER-APPROVAL TAX [~~ROLLBACK~~] RATE FOR SPECIAL TAXING
 21 UNIT = (NO-NEW-REVENUE [~~EFFECTIVE~~] MAINTENANCE AND
 22 OPERATIONS RATE x 1.08) + (CURRENT DEBT RATE - SALES
 23 TAX GAIN RATE)

24 or

25 VOTER-APPROVAL TAX RATE FOR TAXING UNIT OTHER THAN
 26 SPECIAL TAXING UNIT = (NO-NEW-REVENUE MAINTENANCE AND
 27 OPERATIONS RATE x 1.035) + (CURRENT DEBT RATE + UNUSED

1 INCREMENT RATE - SALES TAX GAIN RATE)

2 where "sales tax gain rate" means a number expressed in dollars per
3 \$100 of taxable value, calculated by dividing the revenue that will
4 be generated by the additional sales and use tax in the following
5 year as calculated under Subsection (d) [~~of this section~~] by the
6 current total value.

7 (b) Except as provided by Subsections (a) and (c) [~~of this~~
8 ~~section~~], in a year in which a taxing unit imposes an additional
9 sales and use tax, the voter-approval [~~rollback~~] tax rate for the
10 taxing unit is calculated according to the following formula,
11 regardless of whether the taxing unit levied a property tax in the
12 preceding year:

13 VOTER-APPROVAL TAX [~~ROLLBACK~~] RATE FOR SPECIAL TAXING
14 UNIT = [(LAST YEAR'S MAINTENANCE AND OPERATIONS
15 EXPENSE x 1.08) / ([~~TOTAL~~] CURRENT TOTAL VALUE - NEW
16 PROPERTY VALUE)] + (CURRENT DEBT RATE - SALES TAX
17 REVENUE RATE)

18 or

19 VOTER-APPROVAL TAX RATE FOR TAXING UNIT OTHER THAN
20 SPECIAL TAXING UNIT = [(LAST YEAR'S MAINTENANCE AND
21 OPERATIONS EXPENSE x 1.035) / (CURRENT TOTAL VALUE -
22 NEW PROPERTY VALUE)] + (CURRENT DEBT RATE + UNUSED
23 INCREMENT RATE - SALES TAX REVENUE RATE)

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

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

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

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

and

VOTER-APPROVAL [~~ROLLBACK~~] TAX RATE FOR SPECIAL TAXING UNIT = [(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x 1.08) / ([~~TOTAL~~] CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + CURRENT DEBT RATE

or

VOTER-APPROVAL TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT = [(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x 1.035) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT RATE + UNUSED INCREMENT RATE)

where "sales tax loss rate" means a number expressed in dollars per \$100 of taxable value, calculated by dividing the amount of sales and use tax revenue generated in the last four quarters for which the information is available by the current total value and "last

1 year's maintenance and operations expense" means the amount spent
2 for maintenance and operations from property tax and additional
3 sales and use tax revenues in the preceding year.

4 (c-1) Notwithstanding any other provision of this section,
5 the governing body of a taxing unit other than a special taxing unit
6 may direct the designated officer or employee to calculate the
7 voter-approval tax rate of the taxing unit in the manner provided
8 for a special taxing unit if any part of the taxing unit is located
9 in an area declared a disaster area during the current tax year by
10 the governor or by the president of the United States. The
11 designated officer or employee shall continue calculating the
12 voter-approval tax rate in the manner provided by this subsection
13 until the earlier of:

14 (1) the second tax year in which the total taxable
15 value of property taxable by the taxing unit as shown on the
16 appraisal roll for the taxing unit submitted by the assessor for the
17 taxing unit to the governing body exceeds the total taxable value of
18 property taxable by the taxing unit on January 1 of the tax year in
19 which the disaster occurred; or

20 (2) the third tax year after the tax year in which the
21 disaster occurred.

22 (e) If a city that imposes an additional sales and use tax
23 receives payments under the terms of a contract executed before
24 January 1, 1986, in which the city agrees not to annex certain
25 property or a certain area and the owners or lessees of the property
26 or of property in the area agree to pay at least annually to the city
27 an amount determined by reference to all or a percentage of the

1 property tax rate of the city and all or a part of the value of the
2 property subject to the agreement or included in the area subject to
3 the agreement, the governing body, by order adopted by a majority
4 vote of the governing body, may direct the designated officer or
5 employee to add to the no-new-revenue ~~[effective]~~ and
6 voter-approval ~~[rollback]~~ tax rates the amount that, when applied
7 to the total taxable value submitted to the governing body, would
8 produce an amount of taxes equal to the difference between the total
9 amount of payments for the tax year under contracts described by
10 this subsection under the voter-approval ~~[rollback]~~ tax rate
11 calculated under this section and the total amount of payments for
12 the tax year that would have been obligated to the city if the city
13 had not adopted an additional sales and use tax.

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

1 revenue generated as a result of the increase in the additional
2 sales and use tax, as determined under this subsection, and the
3 denominator of which is the current total value minus the new
4 property value.

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

22 SECTION 38. The heading to Section 26.043, Tax Code, is
23 amended to read as follows:

24 Sec. 26.043. VOTER-APPROVAL AND NO-NEW-REVENUE [~~EFFECTIVE~~]
25 TAX RATES [~~RATE~~] IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

26 SECTION 39. Sections 26.043(a) and (b), Tax Code, are
27 amended to read as follows:

1 (a) In the tax year in which a city has set an election on
2 the question of whether to impose a local sales and use tax under
3 Subchapter H, Chapter 453, Transportation Code, the officer or
4 employee designated to make the calculations provided by Section
5 26.04 may not make those calculations until the outcome of the
6 election is determined. If the election is determined in favor of
7 the imposition of the tax, the designated officer or employee
8 ~~[representative]~~ shall subtract from the city's voter-approval
9 ~~[rollback]~~ and no-new-revenue ~~[effective]~~ tax rates the amount
10 that, if applied to the city's current total value, would impose an
11 amount equal to the amount of property taxes budgeted in the current
12 tax year to pay for expenses related to mass transit services.

13 (b) In a tax year to which this section applies, a reference
14 in this chapter to the city's no-new-revenue ~~[effective]~~ or
15 voter-approval ~~[rollback]~~ tax rate refers to that rate as adjusted
16 under this section.

17 SECTION 40. The heading to Section 26.044, Tax Code, is
18 amended to read as follows:

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

21 SECTION 41. Sections 26.044(a), (b), and (c), Tax Code, are
22 amended to read as follows:

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

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

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

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

(c) The county shall include a notice of the increase in the no-new-revenue ~~[effective]~~ maintenance and operation rate provided by this section, including a description and amount of the state criminal justice mandate, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061 ~~[26.06(b) of this code]~~.

SECTION 42. Sections 26.0441(a), (b), and (c), Tax Code, are amended to read as follows:

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

Amount of Increase = Enhanced Indigent Health Care

Expenditures / (Current Total Value - New Property Value)

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

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

(c) The taxing unit shall include a notice of the increase in its no-new-revenue ~~[effective]~~ maintenance and operations rate provided by this section, including a brief description and the amount of the enhanced indigent health care expenditures, in the information published under Section 26.04(e) and, as ~~[if]~~ applicable, in the notice prescribed by Section 26.06 or 26.061 ~~[26.06(b)]~~.

SECTION 43. Chapter 26, Tax Code, is amended by adding Sections 26.0442 and 26.0443 to read as follows:

Sec. 26.0442. TAX RATE ADJUSTMENT FOR COUNTY INDIGENT DEFENSE COMPENSATION EXPENDITURES. (a) In this section, "indigent defense compensation expenditures" for a tax year means the amount paid by a county to provide appointed counsel for indigent individuals in criminal or civil proceedings in accordance with the schedule of fees adopted under Article 26.05, Code of Criminal Procedure, in the period beginning on July 1 of the tax year

1 preceding the tax year for which the tax is adopted and ending on
2 June 30 of the tax year for which the tax is adopted, less the amount
3 of any state grants received by the county during that period for
4 the same purpose.

5 (b) If a county's indigent defense compensation
6 expenditures exceed the amount of those expenditures for the
7 preceding tax year, the no-new-revenue maintenance and operations
8 rate for the county is increased by the lesser of the rates computed
9 according to the following formulas:

10 (Current Tax Year's Indigent Defense Compensation
11 Expenditures - Preceding Tax Year's Indigent Defense
12 Compensation Expenditures) / (Current Total Value -
13 New Property Value)

14 or

15 (Preceding Tax Year's Indigent Defense Compensation
16 Expenditures x 0.05) / (Current Total Value - New
17 Property Value)

18 (c) The county shall include a notice of the increase in the
19 no-new-revenue maintenance and operations rate provided by this
20 section, including a description and the amount of indigent defense
21 compensation expenditures, in the information published under
22 Section 26.04(e) and, as applicable, in the notice prescribed by
23 Section 26.06 or 26.061.

24 Sec. 26.0443. TAX RATE ADJUSTMENT FOR ELIGIBLE COUNTY
25 HOSPITAL EXPENDITURES. (a) In this section:

26 (1) "Eligible county hospital" means a hospital that:

27 (A) is:

(i) owned or leased by a county and operated in accordance with Chapter 263, Health and Safety Code; or
(ii) owned or leased jointly by a municipality and a county and operated in accordance with Chapter 265, Health and Safety Code; and
(B) is located in an area not served by a hospital district created under Sections 4 through 11, Article IX, Texas Constitution.

(2) "Eligible county hospital expenditures" for a tax year means the amount paid by a county or municipality in the period beginning on July 1 of the tax year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted to maintain and operate an eligible county hospital.

(b) If a county's or municipality's eligible county hospital expenditures exceed the amount of those expenditures for the preceding tax year, the no-new-revenue maintenance and operations rate for the county or municipality, as applicable, is increased by the lesser of the rates computed according to the following formulas:

(Current Tax Year's Eligible County Hospital Expenditures - Preceding Tax Year's Eligible County Hospital Expenditures) / (Current Total Value - New Property Value)

or

(Preceding Tax Year's Eligible County Hospital Expenditures x 0.08) / (Current Total Value - New

1 Property Value)

2 (c) The county or municipality shall include a notice of the
3 increase in the no-new-revenue maintenance and operations rate
4 provided by this section, including a description and amount of
5 eligible county hospital expenditures, in the information
6 published under Section 26.04(e) and, as applicable, in the notice
7 prescribed by Section 26.06 or 26.061.

8 SECTION 44. The heading to Section 26.045, Tax Code, is
9 amended to read as follows:

10 Sec. 26.045. VOTER-APPROVAL TAX RATE [~~ROLLBACK~~] RELIEF FOR
11 POLLUTION CONTROL REQUIREMENTS.

12 SECTION 45. Sections 26.045(a), (c), and (i), Tax Code, are
13 amended to read as follows:

14 (a) The voter-approval [~~rollback~~] tax rate for a political
15 subdivision of this state is increased by the rate that, if applied
16 to the [~~total~~] current total value, would impose an amount of taxes
17 equal to the amount the political subdivision will spend out of its
18 maintenance and operation funds under Section 26.012(16) to pay for
19 a facility, device, or method for the control of air, water, or land
20 pollution that is necessary to meet the requirements of a permit
21 issued by the Texas Commission on Environmental Quality.

22 (c) To receive an adjustment to the voter-approval
23 [~~rollback~~] tax rate under this section, a political subdivision
24 shall present information to the executive director of the Texas
25 Commission on Environmental Quality in a permit application or in a
26 request for any exemption from a permit that would otherwise be
27 required detailing:

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

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

6 (3) the purpose of the installation of the facility,
7 device, or method, and the proportion of the installation that is
8 pollution control property.

9 (i) A political subdivision of the state seeking an
10 adjustment in its voter-approval ~~[rollback]~~ tax rate under this
11 section shall provide to its tax assessor a copy of the letter
12 issued by the executive director of the Texas Commission on
13 Environmental Quality under Subsection (d). The tax assessor shall
14 accept the copy of the letter from the executive director as
15 conclusive evidence that the facility, device, or method is used
16 wholly or partly as pollution control property and shall adjust the
17 voter-approval ~~[rollback]~~ tax rate for the political subdivision as
18 provided for by Subsection (a).

19 SECTION 46. Section 26.05, Tax Code, is amended by amending
20 Subsections (a), (b), (c), (d), (e), and (g) and adding Subsections
21 (d-1), (d-2), and (e-1) to read as follows:

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

1 date the certified appraisal roll is received by the taxing unit,
 2 except that the governing body must adopt a tax rate that exceeds
 3 the voter-approval tax rate not later than the 71st day before the
 4 next uniform election date prescribed by Section 41.001, Election
 5 Code, that occurs in November of that year. The tax rate consists
 6 of two components, each of which must be approved separately. The
 7 components are:

8 (1) for a taxing unit other than a school district, the
 9 rate that, if applied to the total taxable value, will impose the
 10 total amount described by [~~published under~~] Section
 11 26.04(e)(3)(C), less any amount of additional sales and use tax
 12 revenue that will be used to pay debt service, or, for a school
 13 district, the rate calculated under Section
 14 44.004(c)(5)(A)(ii)(b), Education Code; and

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

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

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

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

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

25 (B) if the tax rate exceeds the no-new-revenue
 26 [~~effective~~] maintenance and operations rate, the following
 27 statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT

1 PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE
2 [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE
3 TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY
4 APPROXIMATELY \$(Insert amount)."; and

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

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

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

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

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

1 district may not adopt a tax rate that exceeds the lower of the
2 voter-approval [~~rollback~~] tax rate or the no-new-revenue
3 [~~effective~~] tax rate calculated as provided by this chapter until
4 the governing body has held a public hearing [~~two public hearings~~]
5 on the proposed tax rate and has otherwise complied with Section
6 26.06 and Section 26.065. The governing body of a taxing unit shall
7 reduce a tax rate set by law or by vote of the electorate to the
8 lower of the voter-approval [~~rollback~~] tax rate or the
9 no-new-revenue [~~effective~~] tax rate and may not adopt a higher rate
10 unless it first complies with Section 26.06.

11 (d-1) The governing body of a taxing unit other than a
12 school district may not hold a public hearing on a proposed tax rate
13 or a public meeting to adopt a tax rate until the fifth day after the
14 date the chief appraiser of each appraisal district in which the
15 taxing unit participates has:

16 (1) delivered the notice required by Section
17 26.04(e-2); and

18 (2) complied with Section 26.17(f).

19 (d-2) Notwithstanding Subsection (a), the governing body of
20 a taxing unit other than a school district may not adopt a tax rate
21 until the chief appraiser of each appraisal district in which the
22 taxing unit participates has complied with Subsection (d-1).

23 (e) A person who owns taxable property is entitled to an
24 injunction restraining the collection of taxes by a taxing unit in
25 which the property is taxable if the taxing unit has not complied
26 with the requirements of this section or Section 26.04 [~~and the~~
27 ~~failure to comply was not in good faith~~]. It is a defense in an

1 action for an injunction under this subsection that the failure to
2 comply was in good faith. An action to enjoin the collection of
3 taxes must be filed not later than the 15th day after the date the
4 taxing unit adopts a tax rate. A property owner is not required to
5 pay the taxes imposed by a taxing unit on the owner's property while
6 an action filed by the property owner to enjoin the collection of
7 taxes imposed by the taxing unit on the owner's property is pending.
8 If the property owner pays the taxes and subsequently prevails in
9 the action, the property owner is entitled to a refund of the taxes
10 paid, together with reasonable attorney's fees and court costs.
11 The property owner is not required to apply to the collector for the
12 taxing unit to receive the refund [~~prior to the date a taxing unit~~
13 ~~delivers substantially all of its tax bills~~].

14 (e-1) The governing body of a taxing unit that imposes an
15 additional sales and use tax may not adopt the component of the tax
16 rate of the taxing unit described by Subsection (a)(1) of this
17 section until the chief financial officer or the auditor for the
18 taxing unit submits to the governing body of the taxing unit a
19 written certification that the amount of additional sales and use
20 tax revenue that will be used to pay debt service has been deducted
21 from the total amount described by Section 26.04(e)(3)(C) as
22 required by Subsection (a)(1) of this section. The comptroller
23 shall prescribe the form of the certification required by this
24 subsection and the manner in which it is required to be submitted.

25 (g) Notwithstanding Subsection (a), the governing body of a
26 school district that elects to adopt a tax rate before the adoption
27 of a budget for the fiscal year that begins in the current tax year

1 may adopt a tax rate for the current tax year before receipt of the
 2 certified appraisal roll for the school district if the chief
 3 appraiser of the appraisal district in which the school district
 4 participates has certified to the assessor for the school district
 5 an estimate of the taxable value of property in the school district
 6 as provided by Section 26.01(e). If a school district adopts a tax
 7 rate under this subsection, the no-new-revenue ~~[effective]~~ tax rate
 8 and the voter-approval ~~[rollback]~~ tax rate of the district shall be
 9 calculated based on the certified estimate of taxable value.

10 SECTION 47. Section 26.052, Tax Code, is amended by
 11 amending Subsection (e) and adding Subsection (f) to read as
 12 follows:

13 (e) Public notice provided under Subsection (c) must
 14 specify:

15 (1) the tax rate that the governing body proposes to
 16 adopt;

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

20 (3) if the proposed tax rate for the taxing unit
 21 exceeds the taxing unit's no-new-revenue ~~[effective]~~ tax rate
 22 calculated as provided by Section 26.04, a statement substantially
 23 identical to the following: "The proposed tax rate would increase
 24 total taxes in (name of taxing unit) by (percentage by which the
 25 proposed tax rate exceeds the no-new-revenue ~~[effective]~~ tax
 26 rate)."

27 (f) A taxing unit to which this section applies that elects

1 to provide public notice of its proposed tax rate under Subsection
 2 (c)(2) must also provide public notice of its proposed tax rate by
 3 posting notice of the proposed tax rate, including the information
 4 prescribed by Subsection (e), prominently on the home page of the
 5 Internet website of the taxing unit.

6 SECTION 48. Section 26.06, Tax Code, is amended by amending
 7 Subsections (a), (b), (c), (d), and (e) and adding Subsections
 8 (b-1), (b-2), (b-3), and (b-4) to read as follows:

9 (a) A public hearing required by Section 26.05 may not be
 10 held before the fifth ~~[seventh]~~ day after the date the notice of the
 11 public hearing is given. The ~~[second hearing may not be held~~
 12 ~~earlier than the third day after the date of the first hearing.~~
 13 ~~Each]~~ hearing must be on a weekday that is not a public holiday. The
 14 ~~[Each]~~ hearing must be held inside the boundaries of the unit in a
 15 publicly owned building or, if a suitable publicly owned building
 16 is not available, in a suitable building to which the public
 17 normally has access. At the hearing ~~[hearings]~~, the governing body
 18 must afford adequate opportunity for proponents and opponents of
 19 the tax increase to present their views.

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 effective tax rate~~
 2 ~~calculated under this chapter) percent. Your individual taxes may~~
 3 ~~increase at a greater or lesser rate, or even decrease, depending on~~
 4 ~~the change in the taxable value of your property in relation to the~~
 5 ~~change in taxable value of all other property and the tax rate that~~
 6 ~~is adopted.~~

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

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

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

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

25 ~~["The average taxable value of a residence homestead in (name~~
 26 ~~of taxing unit) this year is \$_____ (average taxable value of a~~
 27 ~~residence homestead in the taxing unit for the current tax year,~~

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

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

16 ["Members of the public are encouraged to attend the hearings
 17 and express their views."]

18 (b-1) If the proposed tax rate exceeds the no-new-revenue
 19 tax rate and the voter-approval tax rate of the taxing unit, the
 20 notice must contain a statement in the following form:

21 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

22 "PROPOSED TAX RATE \$_____ per \$100

23 "NO-NEW-REVENUE TAX RATE \$_____ per \$100

24 "VOTER-APPROVAL TAX RATE \$_____ per \$100

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

1 the (preceding tax year) tax year and the (current tax year) tax
2 year.

3 "The voter-approval tax rate is the highest tax rate that
4 (name of taxing unit) may adopt without holding an election to seek
5 voter approval of the rate.

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

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

11 "The proposed tax rate is also greater than the
12 voter-approval tax rate. If (name of taxing unit) adopts the
13 proposed tax rate, (name of taxing unit) is required to hold an
14 election so that the voters may accept or reject the proposed tax
15 rate. If a majority of the voters reject the proposed tax rate, the
16 tax rate of the (name of taxing unit) will be the voter-approval tax
17 rate. The election will be held on (date of election). You may
18 contact the (name of office responsible for administering the
19 election) for information about voting locations. The hours of
20 voting on election day are (voting hours).

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

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

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

1 "The 86th Texas Legislature modified the manner in which the
 2 voter-approval tax rate is calculated to limit the rate of growth of
 3 property taxes in the state."

4 (b-2) If the proposed tax rate exceeds the no-new-revenue
 5 tax rate but does not exceed the voter-approval tax rate of the
 6 taxing unit, the notice must contain a statement in the following
 7 form:

8 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

9	<u>"PROPOSED TAX RATE</u>	<u>\$_____ per \$100</u>
10	<u>"NO-NEW-REVENUE TAX RATE</u>	<u>\$_____ per \$100</u>
11	<u>"VOTER-APPROVAL TAX RATE</u>	<u>\$_____ per \$100</u>

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

17 "The voter-approval tax rate is the highest tax rate that
 18 (name of taxing unit) may adopt without holding an election to seek
 19 voter approval of the rate.

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

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

25 "The proposed tax rate is not greater than the voter-approval
 26 tax rate. As a result, (name of taxing unit) is not required to hold
 27 an election at which voters may accept or reject the proposed tax

1 rate. However, you may express your support for or opposition to
2 the proposed tax rate by contacting the members of the (name of
3 governing body) of (name of taxing unit) at their offices or by
4 attending the public hearing mentioned above.

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

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

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

12 "The 86th Texas Legislature modified the manner in which the
13 voter-approval tax rate is calculated to limit the rate of growth of
14 property taxes in the state."

15 (b-3) If the proposed tax rate does not exceed the
16 no-new-revenue tax rate but exceeds the voter-approval tax rate of
17 the taxing unit, the notice must contain a statement in the
18 following form:

19 "NOTICE OF PUBLIC HEARING ON TAX RATE

20 "PROPOSED TAX RATE \$_____ per \$100

21 "NO-NEW-REVENUE TAX RATE \$_____ per \$100

22 "VOTER-APPROVAL TAX RATE \$_____ per \$100

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

1 "The voter-approval tax rate is the highest tax rate that
2 (name of taxing unit) may adopt without holding an election to seek
3 voter approval of the rate.

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

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

9 "The proposed tax rate is greater than the voter-approval tax
10 rate. If (name of taxing unit) adopts the proposed tax rate, (name
11 of taxing unit) is required to hold an election so that the voters
12 may accept or reject the proposed tax rate. If a majority of the
13 voters reject the proposed tax rate, the tax rate of the (name of
14 taxing unit) will be the voter-approval tax rate. The election will
15 be held on (date of election). You may contact the (name of office
16 responsible for administering the election) for information about
17 voting locations. The hours of voting on election day are (voting
18 hours).

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

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

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

26 "The 86th Texas Legislature modified the manner in which the
27 voter-approval tax rate is calculated to limit the rate of growth of

1 property taxes in the state."

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

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

15 (d) The governing body may vote on the proposed tax rate at
 16 the public hearing. If the governing body does not vote on the
 17 proposed tax rate at the public hearing, ~~[At the public hearings]~~
 18 the governing body shall announce at the public hearing the date,
 19 time, and place of the meeting at which it will vote on the proposed
 20 tax rate. ~~[After each hearing the governing body shall give notice~~
 21 ~~of the meeting at which it will vote on the proposed tax rate and the~~
 22 ~~notice shall be in the same form as prescribed by Subsections (b)~~
 23 ~~and (c), except that it must state the following:~~

24 ["NOTICE OF TAX REVENUE INCREASE

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

1 ~~from properties on the tax roll in the preceding year by (percentage~~
 2 ~~by which proposed tax rate exceeds lower of rollback tax rate or~~
 3 ~~effective tax rate calculated under this chapter) percent.~~

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

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

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

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

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

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

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

10 SECTION 49. Chapter 26, Tax Code, is amended by adding
 11 Sections 26.061, 26.062, and 26.063 to read as follows:

12 Sec. 26.061. NOTICE OF MEETING TO VOTE ON PROPOSED TAX RATE
 13 THAT DOES NOT EXCEED LOWER OF NO-NEW-REVENUE OR VOTER-APPROVAL TAX
 14 RATE. (a) This section applies only to the governing body of a
 15 taxing unit other than a school district that proposes to adopt a
 16 tax rate that does not exceed the lower of the no-new-revenue tax
 17 rate or the voter-approval tax rate calculated as provided by this
 18 chapter.

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

22 "NOTICE OF MEETING TO VOTE ON TAX RATE
 23 "PROPOSED TAX RATE \$_____ per \$100
 24 "NO-NEW-REVENUE TAX RATE \$_____ per \$100
 25 "VOTER-APPROVAL TAX RATE \$_____ per \$100
 26 "The no-new-revenue tax rate is the tax rate for the (current
 27 tax year) tax year that will raise the same amount of property tax

1 revenue for (name of taxing unit) from the same properties in both
2 the (preceding tax year) tax year and the (current tax year) tax
3 year.

4 "The voter-approval tax rate is the highest tax rate that
5 (name of taxing unit) may adopt without holding an election to seek
6 voter approval of the rate.

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

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

12 "The proposed tax rate is also not greater than the
13 voter-approval tax rate. As a result, (name of taxing unit) is not
14 required to hold an election to seek voter approval of the rate.
15 However, you may express your support for or opposition to the
16 proposed tax rate by contacting the members of the (name of
17 governing body) of (name of taxing unit) at their offices or by
18 attending the public meeting mentioned above.

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

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

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

26 "The 86th Texas Legislature modified the manner in which the
27 voter-approval tax rate is calculated to limit the rate of growth of

1 property taxes in the state."

2 (c) In addition to including the information described by
3 Subsection (b), the notice must include the information described
4 by Section 26.062.

5 (d) The notice required under this section must be provided
6 in the manner required under Section 26.06(c).

7 Sec. 26.062. ADDITIONAL INFORMATION TO BE INCLUDED IN TAX
8 RATE NOTICE. (a) In addition to the information described by
9 Section 26.06(b-1), (b-2), or (b-3) or 26.061, as applicable, a
10 notice required by that provision must include at the end of the
11 notice:

12 (1) a statement in the following form:

13 "The following table compares the taxes imposed on the
14 average residence homestead by (name of taxing unit) last year to
15 the taxes proposed to be imposed on the average residence homestead
16 by (name of taxing unit) this year:";

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

19 (3) a statement in the following form following the
20 table:

21 (A) if the tax assessor for the taxing unit
22 maintains an Internet website: "For assistance with tax
23 calculations, please contact the tax assessor for (name of taxing
24 unit) at (telephone number) or (e-mail address), or visit (Internet
25 website address) for more information."; or

26 (B) if the tax assessor for the taxing unit does
27 not maintain an Internet website: "For assistance with tax

1 calculations, please contact the tax assessor for (name of taxing
2 unit) at (telephone number) or (e-mail address)."

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

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

5 (1) the first column of the first row must be left
6 blank;

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

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

11 (4) the fourth column of the first row must be entitled
12 "Change".

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

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

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

18 (3) the third column of the second row must state the
19 proposed tax rate for the current tax year; and

20 (4) the fourth column of the second row must state the
21 nominal and percentage difference between the adopted tax rate for
22 the preceding tax year and the proposed tax rate for the current tax
23 year as follows: "(increase or decrease, as applicable) of
24 (nominal difference between tax rate stated in second column of
25 second row and tax rate stated in third column of second row) per
26 \$100, or (percentage difference between tax rate stated in second
27 column of second row and tax rate stated in third column of second

row)%".

(e) The third row must appear as follows:

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

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

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

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

(f) The fourth row must appear as follows:

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

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

(3) the third column of the fourth row must state the

1 amount of taxes that would be imposed by the taxing unit in the
 2 current tax year on a residence homestead with a taxable value equal
 3 to the average taxable value of a residence homestead in the taxing
 4 unit in the current tax year if the taxing unit adopted the proposed
 5 tax rate; and

6 (4) the fourth column of the fourth row must state the
 7 nominal and percentage difference between the amount of taxes
 8 imposed by the taxing unit in the preceding tax year on a residence
 9 homestead with a taxable value equal to the average taxable value of
 10 a residence homestead in the taxing unit in the preceding tax year
 11 and the amount of taxes that would be imposed by the taxing unit in
 12 the current tax year on a residence homestead with a taxable value
 13 equal to the average taxable value of a residence homestead in the
 14 taxing unit in the current tax year if the taxing unit adopted the
 15 proposed tax rate, as follows: "(increase or decrease, as
 16 applicable) of (nominal difference between amount stated in second
 17 column of fourth row and amount stated in third column of fourth
 18 row), or (percentage difference between amount stated in second
 19 column of fourth row and amount stated in third column of fourth
 20 row)%".

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

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

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

26 (3) the third column of the fifth row must state the
 27 amount computed by multiplying the proposed tax rate by the current

1 total value and dividing the product by 100; and

2 (4) the fourth column of the fifth row must state the
3 nominal and percentage difference between the total amount of taxes
4 imposed by the taxing unit in the preceding tax year and the amount
5 that would be imposed by the taxing unit in the current tax year if
6 the taxing unit adopted the proposed tax rate, as follows:
7 "(increase or decrease, as applicable) of (nominal difference
8 between amount stated in second column of fifth row and amount
9 stated in third column of fifth row), or (percentage difference
10 between amount stated in second column of fifth row and amount
11 stated in third column of fifth row)%".

12 (h) In calculating the average taxable value of a residence
13 homestead in the taxing unit for the preceding tax year and the
14 current tax year for purposes of Subsections (e) and (f), any
15 residence homestead exemption available only to disabled persons,
16 persons 65 years of age or older, or their surviving spouses must be
17 disregarded.

18 Sec. 26.063. ALTERNATE PROVISIONS FOR TAX RATE NOTICE WHEN
19 DE MINIMIS RATE EXCEEDS VOTER-APPROVAL TAX RATE. (a) This section
20 applies only to a taxing unit:

21 (1) that is:

22 (A) a taxing unit other than a special taxing
23 unit; or

24 (B) a municipality with a population of less than
25 30,000, regardless of whether it is a special taxing unit;

26 (2) that is required to provide notice under Section
27 26.06(b-1) or (b-3); and

1 (3) for which the de minimis rate exceeds the
 2 voter-approval tax rate.

3 (b) This subsection applies only to a taxing unit that is
 4 required to hold an election under Section 26.07. In the notice
 5 required to be provided by the taxing unit under Section 26.06(b-1)
 6 or (b-3), as applicable, the taxing unit shall:

7 (1) add the following to the end of the list of rates
 8 included in the notice:

9 "DE MINIMIS RATE \$_____ per \$100";

10 (2) substitute the following for the definition of
 11 "voter-approval tax rate": "The voter-approval tax rate is the
 12 highest tax rate that (name of taxing unit) may adopt without
 13 holding an election to seek voter approval of the rate, unless the
 14 de minimis rate for (name of taxing unit) exceeds the
 15 voter-approval tax rate for (name of taxing unit).";

16 (3) add the following definition of "de minimis rate":
 17 "The de minimis rate is the rate equal to the sum of the
 18 no-new-revenue maintenance and operations rate for (name of taxing
 19 unit), the rate that will raise \$500,000, and the current debt rate
 20 for (name of taxing unit)."; and

21 (4) substitute the following for the provision that
 22 provides notice that an election is required: "The proposed tax
 23 rate is greater than the voter-approval tax rate and the de minimis
 24 rate. If (name of taxing unit) adopts the proposed tax rate, (name
 25 of taxing unit) is required to hold an election so that the voters
 26 may accept or reject the proposed tax rate. If a majority of the
 27 voters reject the proposed tax rate, the tax rate of the (name of

1 taxing unit) will be the voter-approval tax rate of the (name of
2 taxing unit). The election will be held on (date of election). You
3 may contact the (name of office responsible for administering the
4 election) for information about voting locations. The hours of
5 voting on election day are (voting hours).".

6 (c) This subsection applies only to a taxing unit for which
7 the qualified voters of the taxing unit may petition to hold an
8 election under Section 26.075. In the notice required to be
9 provided by the taxing unit under Section 26.06(b-1) or (b-3), as
10 applicable, the taxing unit shall:

11 (1) add the following to the end of the list of rates
12 included in the notice:

13 "DE MINIMIS RATE \$_____ per \$100";

14 (2) substitute the following for the definition of
15 "voter-approval tax rate": "The voter-approval tax rate is the
16 highest tax rate that (name of taxing unit) may adopt without
17 holding an election to seek voter approval of the rate, unless the
18 de minimis rate for (name of taxing unit) exceeds the
19 voter-approval tax rate for (name of taxing unit).";

20 (3) add the following definition of "de minimis rate":
21 "The de minimis rate is the rate equal to the sum of the
22 no-new-revenue maintenance and operations rate for (name of taxing
23 unit), the rate that will raise \$500,000, and the current debt rate
24 for (name of taxing unit)."; and

25 (4) substitute the following for the provision that
26 provides notice that an election is required: "The proposed tax
27 rate is greater than the voter-approval tax rate but not greater

1 than the de minimis rate. However, the proposed tax rate exceeds the
 2 rate that allows voters to petition for an election under Section
 3 26.075, Tax Code. If (name of taxing unit) adopts the proposed tax
 4 rate, the qualified voters of the (name of taxing unit) may petition
 5 the (name of taxing unit) to require an election to be held to
 6 determine whether to reduce the proposed tax rate. If a majority of
 7 the voters reject the proposed tax rate, the tax rate of the (name
 8 of taxing unit) will be the voter-approval tax rate of the (name of
 9 taxing unit).".

10 SECTION 50. Section 26.065(b), Tax Code, is amended to read
 11 as follows:

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

19 SECTION 51. Section 26.07, Tax Code, is amended to read as
 20 follows:

21 Sec. 26.07. AUTOMATIC ELECTION TO APPROVE TAX RATE OF
 22 TAXING UNIT OTHER THAN SCHOOL DISTRICT ~~[REPEAL INCREASE]~~. (a) This
 23 section applies to ~~[If the governing body of]~~ a taxing unit other
 24 than a school district.

25 (b) If the governing body of a special taxing unit or a
 26 municipality with a population of 30,000 or more adopts a tax rate
 27 that exceeds the taxing unit's voter-approval ~~[rollback]~~ tax rate

1 ~~[calculated as provided by this chapter]~~, or the governing body of a
2 taxing unit other than a special taxing unit or a municipality with
3 a population of less than 30,000 regardless of whether it is a
4 special taxing unit adopts a tax rate that exceeds the greater of
5 the taxing unit's voter-approval tax rate or de minimis rate, the
6 registered ~~[qualified]~~ voters of the taxing unit at an election
7 held for that purpose must determine whether to approve the adopted
8 tax rate. When increased expenditure of money by a taxing unit is
9 necessary to respond to a disaster, including a tornado, hurricane,
10 flood, wildfire, or other calamity, but not including a drought,
11 that has impacted the taxing unit and the governor has declared any
12 part of the area in which the taxing unit is located as a disaster
13 area, an election is not required under this section to approve the
14 tax rate adopted by the governing body for the year following the
15 year in which the disaster occurs ~~[by petition may require that an~~
16 ~~election be held to determine whether or not to reduce the tax rate~~
17 ~~adopted for the current year to the rollback tax rate calculated as~~
18 ~~provided by this chapter].~~

19 ~~[(b) A petition is valid only if:~~

20 ~~[(1) it states that it is intended to require an~~
21 ~~election in the taxing unit on the question of reducing the tax rate~~
22 ~~for the current year;~~

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

25 ~~[(A) seven percent of the number of registered~~
26 ~~voters of the taxing unit according to the most recent list of~~
27 ~~registered voters if the tax rate adopted for the current tax year~~

1 ~~would impose taxes for maintenance and operations in an amount of at~~
 2 ~~least \$5 million; or~~

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

8 ~~[(3) it is submitted to the governing body on or before~~
 9 ~~the 90th day after the date on which the governing body adopted the~~
 10 ~~tax rate for the current year.]~~

11 (c) The governing body ~~[Not later than the 20th day after~~
 12 ~~the day a petition is submitted, the governing body shall determine~~
 13 ~~whether or not the petition is valid and pass a resolution stating~~
 14 ~~its finding. If the governing body fails to act within the time~~
 15 ~~allowed, the petition is treated as if it had been found valid.~~

16 ~~[(d) If the governing body finds that the petition is valid~~
 17 ~~(or fails to act within the time allowed), it] shall order that the~~
 18 ~~[an] election be held in the taxing unit on the uniform election~~
 19 ~~date prescribed by Section 41.001, Election Code, that occurs in~~
 20 ~~November of the applicable tax year. The order calling the election~~
 21 ~~may not be issued later than the 71st day before the date of the~~
 22 ~~election [a date not less than 30 or more than 90 days after the last~~
 23 ~~day on which it could have acted to approve or disapprove the~~
 24 ~~petition. A state law requiring local elections to be held on a~~
 25 ~~specified date does not apply to the election unless a specified~~
 26 ~~date falls within the time permitted by this section]. At the~~
 27 ~~election, the ballots shall be prepared to permit voting for or~~

1 against the proposition: "Approving the ad valorem tax rate of
 2 \$_____ per \$100 valuation in (name of taxing unit) for the current
 3 year, a rate that is \$_____ higher per \$100 valuation than the
 4 voter-approval tax rate of (name of taxing unit), for the purpose of
 5 (description of purpose of increase). Last year, the ad valorem tax
 6 rate in (name of taxing unit) was \$_____ per \$100 valuation
 7 ~~["Reducing the tax rate in (name of taxing unit) for the current~~
 8 ~~year from (the rate adopted) to (the rollback tax rate calculated as~~
 9 ~~provided by this chapter)]."~~ The ballot proposition must include
 10 the adopted tax rate, the difference between the adopted tax rate
 11 and the voter-approval tax rate, and the taxing unit's tax rate for
 12 the preceding tax year in the appropriate places.

13 (d) [(+e)] If a majority of the votes cast ~~[qualified voters~~
 14 ~~voting on the question]~~ in the election favor the proposition, the
 15 tax rate for the ~~[taxing unit for the]~~ current year is the ~~[rollback~~
 16 ~~tax]~~ rate that was adopted by the governing body ~~[calculated as~~
 17 ~~provided by this chapter, otherwise, the tax rate for the current~~
 18 ~~year is the one adopted by the governing body].~~

19 (e) If the proposition is not approved as provided by
 20 Subsection (d), the taxing unit's tax rate for the current tax year
 21 is the taxing unit's voter-approval tax rate.

22 (f) If, ~~[the tax rate is reduced by an election called under~~
 23 ~~this section]~~ after tax bills for the taxing unit have been ~~[are]~~
 24 mailed, a proposition to approve the taxing unit's adopted tax rate
 25 is not approved by the voters of the taxing unit at an election held
 26 under this section, the assessor for the taxing unit shall prepare
 27 and mail corrected tax bills. The assessor ~~[He]~~ shall include with

1 the bill a brief explanation of the reason for and effect of the
 2 corrected bill. [~~The date on which the taxes become delinquent for~~
 3 ~~the year is extended by a number of days equal to the number of days~~
 4 ~~between the date the first tax bills were sent and the date the~~
 5 ~~corrected tax bills were sent.~~]

6 (g) If a property owner pays taxes calculated using the
 7 originally adopted [~~higher~~] tax rate of the taxing unit and the
 8 proposition to approve the adopted tax rate is not approved by
 9 voters [~~when the rate is reduced by an election called under this~~
 10 ~~section~~], the taxing unit shall refund the difference between the
 11 amount of taxes paid and the amount due under the voter-approval tax
 12 [~~reduced~~] rate if the difference between the amount of taxes paid
 13 and the amount due under the voter-approval tax [~~reduced~~] rate is \$1
 14 or more. If the difference between the amount of taxes paid and the
 15 amount due under the voter-approval tax [~~reduced~~] rate is less than
 16 \$1, the taxing unit shall refund the difference on request of the
 17 taxpayer. An application for a refund of less than \$1 must be made
 18 within 90 days after the date the refund becomes due or the taxpayer
 19 forfeits the right to the refund.

20 SECTION 52. Chapter 26, Tax Code, is amended by adding
 21 Section 26.075 to read as follows:

22 Sec. 26.075. PETITION ELECTION TO REDUCE TAX RATE OF TAXING
 23 UNIT OTHER THAN SCHOOL DISTRICT. (a) This section applies only to
 24 a taxing unit other than:

- 25 (1) a special taxing unit;
- 26 (2) a school district; or
- 27 (3) a municipality with a population of 30,000 or

1 more.

2 (b) This section applies to a taxing unit only in a tax year
3 in which the taxing unit's:

4 (1) de minimis rate exceeds the taxing unit's
5 voter-approval tax rate; and

6 (2) adopted tax rate is:

7 (A) lower than the taxing unit's de minimis rate;

8 and

9 (B) greater than the greater of the taxing
10 unit's:

11 (i) voter-approval tax rate calculated as
12 if the taxing unit were a special taxing unit; or

13 (ii) voter-approval tax rate.

14 (c) The qualified voters of a taxing unit by petition may
15 require that an election be held to determine whether to reduce the
16 tax rate adopted by the governing body of the taxing unit for the
17 current tax year to the voter-approval tax rate.

18 (d) A petition is valid only if the petition:

19 (1) states that it is intended to require an election
20 in the taxing unit on the question of reducing the taxing unit's
21 adopted tax rate for the current tax year;

22 (2) is signed by a number of registered voters of the
23 taxing unit equal to at least three percent of the registered voters
24 of the taxing unit determined according to the most recent list of
25 those voters; and

26 (3) is submitted to the governing body of the taxing
27 unit not later than the 90th day after the date on which the

1 governing body adopts the tax rate for the current tax year.

2 (e) Not later than the 20th day after the date on which a
3 petition is submitted, the governing body shall determine whether
4 the petition is valid and must by resolution state the governing
5 body's determination. If the governing body fails to make the
6 determination in the time and manner required by this subsection,
7 the petition is considered to be valid for the purposes of this
8 section.

9 (f) If the governing body determines that the petition is
10 valid or fails to make the determination in the time and manner
11 required by Subsection (e), the governing body shall order that an
12 election be held in the taxing unit on the next uniform election
13 date that allows sufficient time to comply with the requirements of
14 other law.

15 (g) At the election, the ballots shall be prepared to permit
16 voting for or against the proposition: "Reducing the tax rate in
17 (name of taxing unit) for the current year from (insert tax rate
18 adopted for current year) to (insert voter-approval tax rate)."

19 (h) If a majority of the votes cast in the election favor the
20 proposition, the tax rate for the current tax year is the
21 voter-approval tax rate.

22 (i) If the proposition is not approved as provided by
23 Subsection (h), the tax rate for the taxing unit for the current tax
24 year is the tax rate adopted by the governing body of the taxing
25 unit for the current tax year.

26 (j) If the tax rate is reduced by an election held under this
27 section after tax bills for the taxing unit have been mailed, the

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

8 (k) If a property owner pays taxes calculated using the
9 higher tax rate when the tax rate is reduced by an election held
10 under this section, the taxing unit shall refund the difference
11 between the amount of taxes paid and the amount due under the
12 reduced tax rate if the difference between the amount of taxes paid
13 and the amount due under the reduced tax rate is \$1 or more. If the
14 difference between the amount of taxes paid and the amount due under
15 the reduced rate is less than \$1, the taxing unit shall refund the
16 difference on request of the taxpayer. An application for a refund
17 of less than \$1 must be made within 90 days after the date the refund
18 becomes due or the taxpayer forfeits the right to the refund.

19 (1) Except as otherwise expressly provided by law, this
20 section does not apply to a tax imposed by a taxing unit if a
21 provision of an uncodified local or special law enacted by the 86th
22 Legislature, Regular Session, 2019, or by an earlier legislature
23 provides that Section 26.07 does not apply to a tax imposed by the
24 taxing unit.

25 SECTION 53. The heading to Section 26.08, Tax Code, is
26 amended to read as follows:

27 Sec. 26.08. AUTOMATIC ELECTION TO APPROVE TAX RATE OF

1 [RATIFY] SCHOOL DISTRICT [TAXES].

2 SECTION 54. Section 26.08(a), Tax Code, is amended to read
3 as follows:

4 (a) If the governing body of a school district adopts a tax
5 rate that exceeds the district's rollback tax rate, the registered
6 voters of the district at an election held for that purpose must
7 determine whether to approve the adopted tax rate. When increased
8 expenditure of money by a school district is necessary to respond to
9 a disaster, including a tornado, hurricane, flood, wildfire, or
10 other calamity, but not including a drought, that has impacted a
11 school district and the governor has requested federal disaster
12 assistance for the area in which the school district is located, an
13 election is not required under this section to approve the tax rate
14 adopted by the governing body for the year following the year in
15 which the disaster occurs.

16 SECTION 55. The heading to Section 26.16, Tax Code, is
17 amended to read as follows:

18 Sec. 26.16. POSTING OF TAX-RELATED INFORMATION [TAX-RATES]
19 ON COUNTY'S INTERNET WEBSITE.

20 SECTION 56. Section 26.16, Tax Code, is amended by amending
21 Subsections (a) and (d) and adding Subsections (a-1), (d-1), and
22 (d-2) to read as follows:

23 (a) Each county shall maintain an Internet website. The
24 county assessor-collector for each county [~~that maintains an~~
25 ~~Internet website~~] shall post on the Internet website maintained by
26 [~~of~~] the county the following information for the most recent five
27 tax years [~~beginning with the 2012 tax year~~] for each taxing unit

1 all or part of the territory of which is located in the county:

2 (1) the adopted tax rate;

3 (2) the maintenance and operations rate;

4 (3) the debt rate;

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

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

8 (6) the voter-approval [~~rollback~~] tax rate.

9 (a-1) For purposes of Subsection (a), a reference to the
10 no-new-revenue tax rate or the no-new-revenue maintenance and
11 operations rate includes the equivalent effective tax rate or
12 effective maintenance and operations rate for a preceding year.
13 This subsection expires January 1, 2026.

14 (d) The county assessor-collector shall post immediately
15 below the table prescribed by Subsection (c) the following
16 statement:

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

22 "The adopted tax rate is the tax rate adopted by the governing
23 body of a taxing unit.

24 "The maintenance and operations rate is the component of the
25 adopted tax rate of a taxing unit that will impose the amount of
26 taxes needed to fund maintenance and operation expenditures of the
27 taxing unit for the following year.

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

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

9 "The no-new-revenue [~~effective~~] maintenance and operations
10 rate is the tax rate that would generate the same amount of revenue
11 for maintenance and operations in the current tax year as was
12 generated by a taxing unit's maintenance and operations rate in the
13 preceding tax year from property that is taxable in both the current
14 tax year and the preceding tax year.

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

24 (d-1) In addition to posting the information described by
25 Subsection (a), the county assessor-collector shall post on the
26 Internet website of the county for each taxing unit all or part of
27 the territory of which is located in the county:

1 (1) the tax rate calculation forms used by the
2 designated officer or employee of each taxing unit to calculate the
3 no-new-revenue and voter-approval tax rates of the taxing unit for
4 the most recent five tax years beginning with the 2020 tax year, as
5 certified by the designated officer or employee under Section
6 26.04(d-2); and

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

9 (d-2) Not later than August 7, the county
10 assessor-collector shall post on the website the tax rate
11 calculation forms described by Subsection (d-1)(1) for the current
12 tax year.

13 SECTION 57. Chapter 26, Tax Code, is amended by adding
14 Sections 26.17 and 26.18 to read as follows:

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

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

18 (1) is identified by the name of the county in which
19 the appraisal district is established instead of the name of the
20 appraisal district;

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

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

1 (4) is accessible to the public;

2 (5) is searchable by property address and owner,
3 except to the extent that access to the information in the database
4 is restricted by Section 25.025 or 25.026; and

5 (6) includes the following statement: "The 86th Texas
6 Legislature modified the manner in which the voter-approval tax
7 rate is calculated to limit the rate of growth of property taxes in
8 the state."

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

11 (1) the property's identification number;

12 (2) the property's market value;

13 (3) the property's taxable value;

14 (4) the name of each taxing unit in which the property
15 is located;

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

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

19 (B) the voter-approval tax rate;

20 (6) for each school district in which the property is
21 located:

22 (A) the tax rate that would maintain the same
23 amount of state and local revenue per weighted student that the
24 district received in the school year beginning in the preceding tax
25 year; and

26 (B) the voter-approval tax rate;

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

1 taxing unit in which the property is located;

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

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

6 (B) the proposed tax rate;

7 (9) for each school district in which the property is
8 located, the taxes that would be imposed on the property if the
9 district adopted a tax rate equal to:

10 (A) the tax rate that would maintain the same
11 amount of state and local revenue per weighted student that the
12 district received in the school year beginning in the preceding tax
13 year; and

14 (B) the proposed tax rate;

15 (10) for each taxing unit other than a school district
16 in which the property is located, the difference between the amount
17 calculated under Subdivision (8)(A) and the amount calculated under
18 Subdivision (8)(B);

19 (11) for each school district in which the property is
20 located, the difference between the amount calculated under
21 Subdivision (9)(A) and the amount calculated under Subdivision
22 (9)(B);

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

26 (13) the date, time, and location of the public
27 meeting, if applicable, at which the tax rate will be adopted to be

1 held by the governing body of each taxing unit in which the property
2 is located; and

3 (14) for each taxing unit in which the property is
4 located, an e-mail address at which the taxing unit is capable of
5 receiving written comments regarding the proposed tax rate of the
6 taxing unit.

7 (c) The database must provide a link to the Internet website
8 used by each taxing unit in which the property is located to post
9 the information described by Section 26.18.

10 (d) The database must allow the property owner to
11 electronically complete and submit to a taxing unit in which the
12 owner's property is located a form on which the owner may provide
13 the owner's opinion as to whether the tax rate proposed by the
14 governing body of the taxing unit should be adopted. The form must
15 require the owner to provide the owner's name and contact
16 information and the physical address of the owner's property
17 located in the taxing unit. The database must allow a property
18 owner to complete and submit the form at any time during the period
19 beginning on the date the governing body of the taxing unit proposes
20 the tax rate for that tax year and ending on the date the governing
21 body adopts a tax rate for that tax year.

22 (e) The officer or employee designated by the governing body
23 of each taxing unit in which the property is located to calculate
24 the no-new-revenue tax rate and the voter-approval tax rate for the
25 taxing unit must electronically incorporate into the database:

26 (1) the information described by Subsections (b)(5),
27 (6), (7), (12), and (13), as applicable, as the information becomes

1 available; and

2 (2) the tax rate calculation forms prepared under
3 Section 26.04(d-1) at the same time the designated officer or
4 employee submits the tax rates to the governing body of the taxing
5 unit under Section 26.04(e).

6 (f) The chief appraiser shall make the information
7 described by Subsection (e)(1) and the tax rate calculation forms
8 described by Subsection (e)(2) available to the public not later
9 than the third business day after the date the information and forms
10 are incorporated into the database.

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

17 (1) the name of each member of the governing body of
18 the taxing unit;

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

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

24 (4) the taxing unit's budget for the preceding two
25 years;

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

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

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

7 (A) the preceding two years; and

8 (B) the current year;

9 (8) in the case of a taxing unit other than a school
10 district, the amount of property tax revenue budgeted for debt
11 service for:

12 (A) the preceding two years; and

13 (B) the current year;

14 (9) the tax rate for maintenance and operations
15 adopted by the taxing unit for the preceding two years;

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

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

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

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

27 (14) in the case of a school district, the interest and

1 sinking fund tax rate proposed by the district for the current year;
2 and
3 (15) the most recent financial audit of the taxing
4 unit.

5 SECTION 58. Sections 31.12(a) and (b), Tax Code, are
6 amended to read as follows:

7 (a) If a refund of a tax provided by Section 11.431(b),
8 26.07(g), 26.075(k), 26.15(f), 31.11, 31.111, or 31.112 is paid on
9 or before the 60th day after the date the liability for the refund
10 arises, no interest is due on the amount refunded. If not paid on
11 or before that 60th day, the amount of the tax to be refunded
12 accrues interest at a rate of one percent for each month or part of a
13 month that the refund is unpaid, beginning with the date on which
14 the liability for the refund arises.

15 (b) For purposes of this section, liability for a refund
16 arises:

17 (1) if the refund is required by Section 11.431(b), on
18 the date the chief appraiser notifies the collector for the taxing
19 unit of the approval of the late homestead exemption;

20 (2) if the refund is required by Section 26.07(g) or
21 26.075(k), on the date the results of the election to approve or
22 reduce the tax rate, as applicable, are certified;

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

24 (A) for a correction to the tax roll made under
25 Section 26.15(b), on the date the change in the tax roll is
26 certified to the assessor for the taxing unit under Section 25.25;
27 or

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

4 (4) if the refund is required by Section 31.11, on the
5 date the auditor for the taxing unit determines that the payment was
6 erroneous or excessive or, if the amount of the refund exceeds the
7 applicable amount specified by Section 31.11(a), on the date the
8 governing body of the taxing unit approves the refund;

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

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

14 SECTION 59. Section 33.08(b), Tax Code, is amended to read
15 as follows:

16 (b) The governing body of the taxing unit or appraisal
17 district, in the manner required by law for official action, may
18 provide that taxes that become delinquent on or after June 1 under
19 Section 26.075(j) [~~26.07(f)~~], 26.15(e), 31.03, 31.031, 31.032,
20 31.04, or 42.42 incur an additional penalty to defray costs of
21 collection. The amount of the penalty may not exceed the amount of
22 the compensation specified in the applicable contract with an
23 attorney under Section 6.30 to be paid in connection with the
24 collection of the delinquent taxes.

25 SECTION 60. Section 41.03(a), Tax Code, is amended to read
26 as follows:

27 (a) A taxing unit is entitled to challenge before the

1 appraisal review board:

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

5 ~~[(2)]~~ an exclusion of property from the appraisal
6 records;

7 (2) ~~[(3)]~~ a grant in whole or in part of a partial
8 exemption;

9 (3) ~~[(4)]~~ a determination that land qualifies for
10 appraisal as provided by Subchapter C, D, E, or H, Chapter 23; or

11 (4) ~~[(5)]~~ failure to identify the taxing unit as one
12 in which a particular property is taxable.

13 SECTION 61. Section 41.44(d), Tax Code, is amended to read
14 as follows:

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

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

6 SECTION 62. Section 41.45, Tax Code, is amended by amending
7 Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to
8 read as follows:

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

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

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

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

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

SECTION 63. Section 41.46(a), Tax Code, is amended to read as follows:

(a) The appraisal review board before which a protest hearing is scheduled shall deliver written notice to the property owner initiating a protest not later than the 15th day before the date of the hearing. The notice must include:

(1) [of] the date, time, and place of [fixed for] the hearing;

(2) a description of the subject matter of the hearing that is sufficient to identify the specific action being protested, such as:

(A) the determination of the appraised value of the property owner's property;

(B) the denial to the property owner in whole or

1 in part of a partial exemption; or

2 (C) the determination that the property owner's
 3 land does not qualify for appraisal as provided by Subchapter C, D,
 4 E, or H, Chapter 23; and

5 (3) a statement that ~~[on the protest and of]~~ the
 6 property owner is entitled ~~[owner's entitlement]~~ to a postponement
 7 of the hearing as provided by Section 41.45 unless the property
 8 owner waives in writing notice of the hearing. ~~[The board shall~~
 9 ~~deliver the notice not later than the 15th day before the date of~~
 10 ~~the hearing.]~~

11 SECTION 64. Section 41.461, Tax Code, is amended to read as
 12 follows:

13 Sec. 41.461. NOTICE OF CERTAIN MATTERS BEFORE HEARING;
 14 DELIVERY OF REQUESTED INFORMATION. (a) At least 14 days before a
 15 hearing on a protest, the chief appraiser shall:

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

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

25 (3) deliver a copy of the hearing procedures
 26 established by the appraisal review board under Section 41.66 to
 27 the property owner.

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

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

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

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

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

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

(3) subject to Subsection (d), by referring the property owner or the agent of the owner to a secure Internet website with user registration and authentication or to the exact Internet location or uniform resource locator (URL) address on an Internet website maintained by the appraisal district on which the

1 requested information is identifiable and readily available.

2 (d) If a chief appraiser provides a property owner or the
3 designated agent of the owner information under Subsection (c)(3),
4 the notice must contain a statement in a conspicuous font that
5 clearly indicates that the property owner or the agent of the owner
6 may on request receive the information by regular first-class mail
7 or in person at the appraisal office. On request by a property
8 owner or the agent of the owner, the chief appraiser must provide
9 the information by regular first-class mail or in person at the
10 appraisal office.

11 SECTION 65. Section 41.47, Tax Code, is amended by adding
12 Subsections (c-2), (f), and (g) and amending Subsections (d) and
13 (e) to read as follows:

14 (c-2) The board may not determine the appraised value of the
15 property that is the subject of a protest to be an amount greater
16 than the appraised value of the property as shown in the appraisal
17 records submitted to the board by the chief appraiser under Section
18 25.22 or 25.23, except as requested and agreed to by the property
19 owner. This subsection does not apply if the action being protested
20 is the cancellation, modification, or denial of an exemption or the
21 determination that the property does not qualify for appraisal as
22 provided by Subchapter C, D, E, or H, Chapter 23.

23 (d) The board shall deliver by certified mail:

24 (1) a notice of issuance of the order and a copy of the
25 order to the property owner and the chief appraiser; and

26 (2) a copy of the appraisal review board survey
27 prepared under Section 5.104 and instructions for completing and

1 submitting the survey to the property owner.

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

11 (f) The appraisal review board shall take the actions
12 required by Subsections (a) and (d) not later than:

13 (1) the 30th day after the date the hearing on the
14 protest is concluded, if the board is established for an appraisal
15 district located in a county with a population of less than four
16 million; or

17 (2) the 45th day after the date the hearing on the
18 protest is concluded, if the board is established for an appraisal
19 district located in a county with a population of four million or
20 more.

21 (g) The chief appraiser and the property owner or the
22 designated agent of the owner may file a joint motion with the
23 appraisal review board notifying the board that the chief appraiser
24 and the property owner or the designated agent of the owner have
25 agreed to a disposition of the protest and requesting the board to
26 issue an agreed order. The joint motion must contain the terms of
27 the disposition of the protest. The board shall issue the agreed

1 order not later than the fifth day after the date on which the joint
2 motion is filed with the board. The chief appraiser and the
3 property owner or the designated agent of the owner may provide in
4 the joint motion that the agreed order is appealable in the same
5 manner as any other order issued by the board under this section.

6 SECTION 66. Section 41.66, Tax Code, is amended by amending
7 Subsections (h), (i), (j), and (k) and adding Subsections (j-1),
8 (j-2), (k-1), and (p) to read as follows:

9 (h) The appraisal review board shall postpone a hearing on a
10 protest if the property owner or the designated agent of the owner
11 requests additional time to prepare for the hearing and establishes
12 to the board that the chief appraiser failed to comply with Section
13 41.461. The board is not required to postpone a hearing more than
14 one time under this subsection.

15 (i) A hearing on a protest filed by a property owner or the
16 designated agent of the owner [~~who is not represented by an agent~~
17 ~~designated under Section 1.111~~] shall be set for a time and date
18 certain. If the hearing is not commenced within two hours of the
19 time set for the hearing, the appraisal review board shall postpone
20 the hearing on the request of the property owner or the designated
21 agent of the owner.

22 (j) On the request of a property owner or the [~~a~~] designated
23 agent of the owner, an appraisal review board shall schedule
24 hearings on protests concerning up to 20 designated properties to
25 be held consecutively on the same day. The designated properties
26 must be identified in the same notice of protest, and the notice
27 must contain in boldfaced type the statement "request for same-day

1 protest hearings." A property owner or the designated agent of the
2 owner may [~~not~~] file more than one request under this subsection
3 with the appraisal review board in the same tax year. The appraisal
4 review board may schedule hearings on protests concerning more than
5 20 properties filed by the same property owner or the designated
6 agent of the owner and may use different panels to conduct the
7 hearings based on the board's customary scheduling. The appraisal
8 review board may follow the practices customarily used by the board
9 in the scheduling of hearings under this subsection.

10 (j-1) An appraisal review board may schedule the hearings on
11 all protests filed by a property owner or the designated agent of
12 the owner to be held consecutively. The notice of the hearings must
13 state the date and time that the first hearing will begin, state the
14 date the last hearing will end, and list the order in which the
15 hearings will be held. The order of the hearings listed in the
16 notice may not be changed without the agreement of the property
17 owner or the designated agent of the owner, the chief appraiser, and
18 the appraisal review board. The board may not reschedule a hearing
19 for which notice is given under this subsection to a date earlier
20 than the seventh day after the date the last hearing was scheduled
21 to end unless agreed to by the property owner or the designated
22 agent of the owner, the chief appraiser, and the appraisal review
23 board. Unless agreed to by the parties, the board must provide
24 written notice of the date and time of the rescheduled hearing to
25 the property owner or the designated agent of the owner not later
26 than the seventh day before the date of the hearing.

27 (j-2) An appraisal review board must schedule a hearing on a

1 protest filed by a property owner who is 65 years of age or older,
2 disabled, a military service member, a military veteran, or the
3 spouse of a military service member or military veteran before
4 scheduling a hearing on a protest filed by a designated agent of a
5 property owner.

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

25 (k-1) On the request of a property owner or the designated
26 agent of the owner, an appraisal review board to which Section 6.425
27 applies shall assign a protest relating to property described by

1 Section 6.425(b) to a special panel. In addition, the chairman of
2 the appraisal review board may assign a protest relating to
3 property not described by Section 6.425(b) to a special panel as
4 authorized by Section 6.425(f), but only if the assignment is
5 requested or consented to by the property owner or the designated
6 agent of the owner. Protests assigned to special panels shall be
7 randomly assigned to those panels. If a protest is scheduled to be
8 heard by a particular special panel, the protest may not be
9 reassigned to another special panel without the consent of the
10 property owner or the designated agent of the owner. If the board
11 has cause to reassign a protest to another special panel, a property
12 owner or the designated agent of the owner may agree to reassignment
13 of the protest or may request that the hearing on the protest be
14 postponed. The board shall postpone the hearing on that request. A
15 change of members of a special panel because of a conflict of
16 interest, illness, or inability to continue participating in
17 hearings for the remainder of the day does not constitute
18 reassignment of a protest to another special panel.

19 (p) At the end of a hearing on a protest, the appraisal
20 review board shall provide the property owner or the designated
21 agent of the owner one or more documents indicating that the members
22 of the board hearing the protest signed the affidavit required by
23 Subsection (g).

24 SECTION 67. Section 41.67(d), Tax Code, is amended to read
25 as follows:

26 (d) Information that was previously requested under Section
27 41.461 by the protesting party that was not delivered ~~made~~

1 ~~available]~~ to the protesting party at least 14 days before the
2 scheduled or postponed hearing may not be used or offered in any
3 form as evidence in the hearing, including as a document or through
4 argument or testimony. This subsection does not apply to
5 information offered to rebut evidence or argument presented at the
6 hearing by the protesting party or that party's designated agent.

7 SECTION 68. Section 41.71, Tax Code, is amended to read as
8 follows:

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

13 (b) The board may not schedule:

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

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

17 SECTION 69. Section 41A.03(a-1), Tax Code, is amended to
18 read as follows:

19 (a-1) If a property owner requests binding arbitration
20 under this chapter to appeal appraisal review board orders
21 involving two or more contiguous tracts of land that are owned by
22 the property owner [~~contiguous to one another~~], a single
23 arbitration deposit in the amount provided by Subsection (a)(2) is
24 sufficient to satisfy the requirement of Subsection (a)(2). For
25 purposes of this subsection, "contiguous tracts of land" means
26 improved or unimproved tracts of land that are touching or that
27 share a common boundary, as determined using appraisal district

1 records or legal descriptions of the tracts.

2 SECTION 70. Section 41A.06(b), Tax Code, is amended to read
3 as follows:

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

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

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

8 (B) have:

9 (i) completed at least 30 hours of training
10 in arbitration and alternative dispute resolution procedures from a
11 university, college, or legal or real estate trade association; and
12 (ii) been licensed or certified
13 continuously during the five years preceding the date the person
14 agrees to serve as an arbitrator as:

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

17 (b) a real estate appraiser under
18 Chapter 1103, Occupations Code; or

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

21 (2) complete the courses for training and education of
22 appraisal review board members established under Sections 5.041(a)
23 and (e-1) and be issued a certificate for each course indicating
24 course completion;

25 (3) complete the training program on property tax law
26 for the training and education of arbitrators established under
27 Section 5.043; and

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

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

7 (B) \$450, if the property qualifies as the
8 owner's residence homestead under Section 11.13 and the appraised
9 or market value, as applicable, of the property is more than
10 \$500,000, as determined by the order;

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

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

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

24 (F) \$1,500, if the property does not qualify as
25 the owner's residence homestead under Section 11.13 and the
26 appraised or market value, as applicable, of the property is more
27 than \$3 million but not more than \$5 million, as determined by the

1 order.

2 SECTION 71. Sections 41A.061(b) and (c), Tax Code, are
3 amended to read as follows:

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

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

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

10 (3) during the preceding two years have completed at
11 least eight hours of continuing education in arbitration and
12 alternative dispute resolution procedures offered by a university,
13 college, real estate trade association, or legal association; and

14 (4) complete a revised training program on property
15 tax law for the training and education of arbitrators established
16 under Section 5.043 not later than the 120th day after the date the
17 program is available to be taken if the comptroller:

18 (A) revises the program after the person is
19 included in the registry; and

20 (B) determines that the program is substantially
21 revised.

22 (c) The comptroller shall remove a person from the registry
23 if:

24 (1) the person fails or declines to renew the person's
25 agreement to serve as an arbitrator in the manner required by this
26 section; ~~[or]~~

27 (2) the comptroller determines by clear and convincing

1 evidence that there is good cause to remove the person from the
2 registry, including evidence of repeated bias or misconduct by the
3 person while acting as an arbitrator; or

4 (3) the person fails to complete a revised training
5 program on property tax law for the training and education of
6 arbitrators established under Section 5.043 not later than the
7 120th day after the date the program is available to be taken if the
8 comptroller:

9 (A) revises the program after the person is
10 included in the registry; and

11 (B) determines that the program is substantially
12 revised.

13 SECTION 72. Section 41A.07, Tax Code, is amended by
14 amending Subsections (e), (f), and (g) and adding Subsection (h) to
15 read as follows:

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

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

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

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

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

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

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

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

10 (h) A property owner may request that, in appointing an
11 initial arbitrator under this section, the comptroller appoint an
12 arbitrator who resides in the county in which the property that is
13 the subject of the appeal is located or an arbitrator who resides
14 outside that county. In appointing an initial arbitrator under
15 Subsection (a), the comptroller shall comply with the request of
16 the property owner unless the property owner requests that the
17 comptroller appoint an arbitrator who resides in the county in
18 which the property that is the subject of the appeal is located and
19 there is not an available arbitrator who resides in that county. In
20 appointing a substitute arbitrator under Subsection (d), the
21 comptroller shall consider but is not required to comply with the
22 request of the property owner. This subsection does not authorize a
23 property owner to request the appointment of a specific individual
24 as an arbitrator.

25 SECTION 73. Section 41A.09(b), Tax Code, is amended to read
26 as follows:

27 (b) An award under this section:

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

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

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

(4) is final and may not be appealed except as permitted under Section 171.088, Civil Practice and Remedies Code, for an award subject to that section; and

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

SECTION 74. Subchapter A, Chapter 42, Tax Code, is amended by adding Section 42.081 to read as follows:

Sec. 42.081. DEFERRAL OF DELINQUENT TAX SUIT DURING APPEAL.
A taxing unit that imposes taxes on property that is the subject of an appeal under this chapter may not file a suit to collect a delinquent tax on the property during the pendency of the appeal unless it is determined by the court that the property owner failed to comply with Section 42.08.

SECTION 75. Section 403.302, Government Code, is amended by adding Subsections (k) and (k-1) and amending Subsection (o) to read as follows:

(k) If the comptroller determines in the final certification of the study that the school district's local value as determined by the appraisal district that appraises property for

1 the school district is not valid, the comptroller shall provide
2 notice of the comptroller's determination to the board of directors
3 of the appraisal district. The board of directors of the appraisal
4 district shall hold a public meeting to discuss the receipt of
5 notice under this subsection.

6 (k-1) If the comptroller determines in the final
7 certification of the study that the school district's local value
8 as determined by the appraisal district that appraises property for
9 the school district is not valid for three consecutive years, the
10 comptroller shall conduct an additional review of the appraisal
11 district under Section 5.102, Tax Code, and provide recommendations
12 to the appraisal district regarding appraisal standards,
13 procedures, and methodologies. The comptroller may contract with a
14 third party to assist the comptroller in conducting the additional
15 review and providing the recommendations required under this
16 subsection. If the appraisal district fails to comply with the
17 recommendations provided under this subsection and the comptroller
18 finds that the board of directors of the appraisal district failed
19 to take remedial action reasonably designed to ensure substantial
20 compliance with each recommendation before the first anniversary of
21 the date the recommendations were made, the comptroller shall
22 notify the Texas Department of Licensing and Regulation, or a
23 successor to the department, which shall take action necessary to
24 ensure that the recommendations are implemented as soon as
25 practicable. Before February 1 of the year following the year in
26 which the Texas Department of Licensing and Regulation, or a
27 successor to the department, takes action under this subsection,

1 the department, with the assistance of the comptroller, shall
2 determine whether the recommendations have been substantially
3 implemented and notify the chief appraiser and the board of
4 directors of the appraisal district of the determination. If the
5 department determines that the recommendations have not been
6 substantially implemented, the board of directors of the appraisal
7 district must, within three months of the determination, consider
8 whether the failure to implement the recommendations was under the
9 current chief appraiser's control and whether the chief appraiser
10 is able to adequately perform the chief appraiser's duties.

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

15 SECTION 76. Section 281.107(j), Health and Safety Code, is
16 amended to read as follows:

17 (j) The portion of the rate of ad valorem tax that is to be
18 levied and assessed each year by or for the district that is
19 allocated by the district to the payment of the principal of and the
20 interest on bonds and other obligations or the maintenance of
21 reserves therefor in accordance with this section shall be applied
22 as a payment on current debt in calculating the current debt rate
23 under the applicable voter-approval tax rate [~~rollback~~] provisions
24 of Chapter 26, Tax Code.

25 SECTION 77. The heading to Section 281.124, Health and
26 Safety Code, is amended to read as follows:

27 Sec. 281.124. ELECTION TO APPROVE TAX RATE IN EXCESS OF

1 VOTER-APPROVAL [~~ROLLBACK~~] TAX RATE.

2 SECTION 78. Sections 281.124(b), (c), (d), and (e), Health
3 and Safety Code, are amended to read as follows:

4 (b) The board may hold an election at which the registered
5 voters of the district may approve a tax rate for the current tax
6 year that exceeds the district's voter-approval [~~rollback~~] tax rate
7 for the year computed under Chapter 26, Tax Code, by a specific rate
8 stated in dollars and cents per \$100 of taxable value.

9 (c) An election under this section must be held at least 180
10 days before the date on which the district's tax rate is adopted by
11 the board. At the election, the ballot shall be prepared to permit
12 voting for or against the proposition: "Approving the ad valorem
13 tax rate of \$ (insert total proposed tax rate) per \$100 valuation in
14 (insert district name) for the (insert current tax year) tax year, a
15 rate that exceeds the district's voter-approval [~~rollback~~] tax
16 rate. The proposed ad valorem tax rate exceeds the ad valorem tax
17 rate most recently adopted by the district by \$ (insert difference
18 between proposed and preceding year's tax rates) per \$100
19 valuation."

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

25 (e) If the proposition is not approved as provided by
26 Subsection (d) [~~(e)~~], the board may not adopt a tax rate for the
27 district for the specified tax year that exceeds the rate that was

1 not approved, and Section 26.07, Tax Code, applies to the adopted
2 rate if that rate exceeds the district's voter-approval [~~rollback~~]
3 tax rate.

4 SECTION 79. Section 102.007(d), Local Government Code, is
5 amended to read as follows:

6 (d) 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 tax
26 revenue to be raised from new property added to the tax roll this
27 year is (insert amount computed by multiplying the proposed tax

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

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

4 (3) the municipal property tax rates for the preceding
5 fiscal year, and each municipal property tax rate that has been
6 adopted 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 voter-approval [~~rollback~~] tax rate; and

12 (E) the debt rate; and

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

14 SECTION 80. Section 111.008(d), Local Government Code, is
15 amended to read as follows:

16 (d) An adopted budget must contain a cover page that
17 includes:

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

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

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

1 property taxes than last year's budget by an amount of (insert total
2 dollar amount of decrease), which is a (insert percentage decrease)
3 percent decrease 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)."; or

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

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

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

17 (A) the property tax rate;

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

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

21 (D) the voter-approval [~~rollback~~] tax rate; and

22 (E) the debt rate; and

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

24 SECTION 81. Section 111.039(d), Local Government Code, is
25 amended to read as follows:

26 (d) An adopted budget must contain a cover page that
27 includes:

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

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

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

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

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

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

(A) the property tax rate;

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

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

(D) the voter-approval [~~rollback~~] tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION 82. Section 111.068(c), Local Government Code, is amended to read as follows:

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

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

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

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

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

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

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

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

10 (A) the property tax rate;

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

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

14 (D) the voter-approval ~~[rollback]~~ tax rate; and

15 (E) the debt rate; and

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

17 SECTION 83. Section 1101.254(f), Special District Local
18 Laws Code, is amended to read as follows:

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

25 SECTION 84. Sections 1122.2522, 3828.157, and 8876.152,
26 Special District Local Laws Code, are amended to read as follows:

27 Sec. 1122.2522. VOTER-APPROVAL ~~[ROLLBACK]~~ TAX RATE

1 PROVISIONS APPLICABLE. ~~[(a)]~~ If in any year the board adopts a tax
 2 rate that exceeds the voter-approval ~~[rollback]~~ tax rate calculated
 3 as provided by Chapter 26, Tax Code, ~~[the qualified voters of the~~
 4 ~~district by petition may require that]~~ an election under Section
 5 26.07 of that code must be held to determine whether or not to
 6 approve ~~[reduce]~~ the tax rate adopted by the board for that year ~~[to~~
 7 ~~the rollback tax rate]~~.

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

11 Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE
 12 PROVISIONS. Sections 26.04, 26.05, ~~[and]~~ 26.07, and 26.075, Tax
 13 Code, do not apply to a tax imposed under Section 3828.153 or
 14 3828.156.

15 Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS.
 16 (a) Sections 26.04, 26.05, 26.06, 26.061, ~~[and]~~ 26.07, and 26.075,
 17 Tax Code, do not apply to a tax imposed by the district.

18 (b) Sections 49.236(a)(1) and (2) and (b) ~~[Section 49.236]~~,
 19 Water Code, apply ~~[as added by Chapter 248 (H.B. 1541), Acts of the~~
 20 ~~78th Legislature, Regular Session, 2003, applies]~~ to the district.

21 SECTION 85. Section 49.057, Water Code, is amended by
 22 amending Subsection (b) and adding Subsection (b-1) to read as
 23 follows:

24 (b) The board shall adopt an annual budget. The board of a
 25 developed district, as defined by Section 49.23602, shall include
 26 as an appendix to the budget the district's:

27 (1) audited financial statements;

1 (2) bond transcripts; and

2 (3) engineer's reports required by Section 49.106.

3 (b-1) All district employees are employed at the will of the
4 district unless the district and employee execute a written
5 employment contract.

6 SECTION 86. Section 49.107(g), Water Code, is amended to
7 read as follows:

8 (g) Sections 26.04, 26.05, 26.061, [~~and~~] 26.07, and 26.075,
9 Tax Code, do not apply to a tax levied and collected under this
10 section or an ad valorem tax levied and collected for the payment of
11 the interest on and principal of bonds issued by a district.

12 SECTION 87. Section 49.108(f), Water Code, is amended to
13 read as follows:

14 (f) Sections 26.04, 26.05, 26.061, [~~and~~] 26.07, and 26.075,
15 Tax Code, do not apply to a tax levied and collected for payments
16 made under a contract approved in accordance with this section.

17 SECTION 88. Section 49.236(a), Water Code, as added by
18 Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular
19 Session, 2003, is amended to read as follows:

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

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

27 "NOTICE OF PUBLIC HEARING ON TAX RATE

1 "The (name of the district) will hold a public hearing on a
 2 proposed tax rate for the tax year (year of tax levy) on (date and
 3 time) at (meeting place). Your individual taxes may increase at a
 4 greater or lesser rate, or even decrease, depending on the tax rate
 5 that is adopted and on the change in the taxable value of your
 6 property in relation to the change in taxable value of all other
 7 property [and the tax rate that is adopted]. The change in the
 8 taxable value of your property in relation to the change in the
 9 taxable value of all other property determines the distribution of
 10 the tax burden among all property owners.

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

14 (2) contain the following information:

15 (A) the district's total adopted tax rate for the
 16 preceding year and the proposed tax rate, expressed as an amount per
 17 \$100;

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

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

1 district in each of those years, disregarding any homestead
2 exemption available only to disabled persons or persons 65 years of
3 age or older;

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

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

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

22 (G) if the proposed combined debt service,
23 operation and maintenance, and contract tax rate requires or
24 authorizes an election to approve or reduce the tax rate, as
25 applicable, a description of the purpose of the proposed tax
26 increase;

27 (3) contain a statement in substantially the following

1 form, as applicable:

2 (A) if the district is a district described by
3 Section 49.23601:

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

5 "If operation and maintenance taxes on the average residence
6 homestead increase by more than eight percent, [~~the qualified~~
7 ~~voters of the district by petition may require that~~] an election
8 must be held to determine whether to approve [~~reduce~~] the operation
9 and maintenance tax rate [~~to the rollback tax rate~~] under Section
10 49.23601 [~~49.236(d)~~], Water Code.";

11 (B) if the district is a district described by
12 Section 49.23602:

13 "NOTICE OF VOTE ON TAX RATE

14 "If operation and maintenance taxes on the average residence
15 homestead increase by more than 3.5 percent, an election must be
16 held to determine whether to approve the operation and maintenance
17 tax rate under Section 49.23602, Water Code."; or

18 (C) if the district is a district described by
19 Section 49.23603:

20 "NOTICE OF TAXPAYERS' RIGHT TO ELECTION TO REDUCE TAX RATE

21 "If operation and maintenance taxes on the average residence
22 homestead increase by more than eight percent, the qualified voters
23 of the district by petition may require that an election be held to
24 determine whether to reduce the operation and maintenance tax rate
25 to the voter-approval tax rate under Section 49.23603, Water
26 Code."; and

27 (4) include the following statement: "The 86th Texas

Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."

SECTION 89. Subchapter H, Chapter 49, Water Code, is amended by adding Sections 49.23601, 49.23602, and 49.23603 to read as follows:

Sec. 49.23601. AUTOMATIC ELECTION TO APPROVE TAX RATE FOR LOW TAX RATE DISTRICTS. (a) In this section, "voter-approval tax rate" means the rate equal to the sum of the following tax rates for the district:

(1) the current year's debt service tax rate;
(2) the current year's contract tax rate; and
(3) the operation and maintenance tax rate that would impose 1.08 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older.

(b) This section applies only to a district the board of which has adopted an operation and maintenance tax rate for the current tax year that is 2.5 cents or less per \$100 of taxable value.

(c) If the board of a district adopts a combined debt service, contract, and operation and maintenance tax rate that exceeds the district's voter-approval tax rate, an election must be held in accordance with the procedures provided by Sections

1 26.07(c)-(g), Tax Code, to determine whether to approve the adopted
2 tax rate.

3 Sec. 49.23602. AUTOMATIC ELECTION TO APPROVE TAX RATE FOR
4 CERTAIN DEVELOPED DISTRICTS. (a) In this section:

5 (1) "Developed district" means a district that has
6 financed, completed, and issued bonds to pay for all land, works,
7 improvements, facilities, plants, equipment, and appliances
8 necessary to serve at least 95 percent of the projected build-out of
9 the district in accordance with the purposes for its creation or the
10 purposes authorized by the constitution, this code, or any other
11 law.

12 (2) "Unused increment rate" has the meaning assigned
13 by Section 26.013, Tax Code.

14 (3) "Voter-approval tax rate" means the rate equal to
15 the sum of the following tax rates for the district:

16 (A) the current year's debt service tax rate;

17 (B) the current year's contract tax rate;

18 (C) the operation and maintenance tax rate that
19 would impose 1.035 times the amount of the operation and
20 maintenance tax imposed by the district in the preceding year on a
21 residence homestead appraised at the average appraised value of a
22 residence homestead in the district in that year, disregarding any
23 homestead exemption available only to disabled persons or persons
24 65 years of age or older; and

25 (D) the unused increment rate.

26 (b) This section applies only to a developed district that
27 is not a district described by Section 49.23601.

(c) If the board of a district adopts a combined debt service, contract, and operation and maintenance tax rate that exceeds the district's voter-approval tax rate, an election must be held in accordance with the procedures provided by Sections 26.07(c)-(g), Tax Code, to determine whether to approve the adopted tax rate.

(d) Notwithstanding any other provision of this section, the board of a district may give notice under Section 49.236(a)(3)(A) and calculate the voter-approval tax rate of the district in the manner provided for a district under Section 49.23601 if any part of the district is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The board may continue doing so until the earlier of:

(1) the second tax year in which the total taxable value of property taxable by the district as shown on the appraisal roll for the district submitted by the assessor for the district to the board exceeds the total taxable value of property taxable by the district on January 1 of the tax year in which the disaster occurred; or

(2) the third tax year after the tax year in which the disaster occurred.

Sec. 49.23603. PETITION ELECTION TO REDUCE TAX RATE FOR CERTAIN DISTRICTS. (a) In this section, "voter-approval tax rate" means the rate equal to the sum of the following tax rates for the district:

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

1 (2) the current year's contract tax rate; and

2 (3) the operation and maintenance tax rate that would
3 impose 1.08 times the amount of the operation and maintenance tax
4 imposed by the district in the preceding year on a residence
5 homestead appraised at the average appraised value of a residence
6 homestead in the district in that year, disregarding any homestead
7 exemption available only to disabled persons or persons 65 years of
8 age or older.

9 (b) This section applies only to a district that is not
10 described by Section 49.23601 or 49.23602.

11 (c) If the board of a district adopts a combined debt
12 service, contract, and operation and maintenance tax rate that
13 exceeds the district's voter-approval tax rate, the qualified
14 voters of the district by petition may require that an election be
15 held to determine whether to reduce the tax rate adopted for the
16 current year to the voter-approval tax rate in accordance with the
17 procedures provided by Sections 26.075 and 26.081, Tax Code.

18 SECTION 90. Section 6B(f), Chapter 1472, Acts of the 77th
19 Legislature, Regular Session, 2001, is amended to read as follows:

20 (f) The district may provide that payments required by any
21 of the district's contracts, agreements, or leases may be payable
22 from the sale of notes, taxes, or bonds, or any combination of
23 notes, taxes, or bonds, or may be secured by a lien on or a pledge of
24 any available funds, including proceeds of the district's
25 maintenance tax, and may be payable subject to annual appropriation
26 by the district. The district may pledge to impose and may impose a
27 maintenance tax in an amount sufficient to comply with the

1 district's obligations under the district's contracts, leases, and
2 agreements at a maximum aggregate rate not to exceed 10 cents for
3 each \$100 valuation of taxable property in the district. Sections
4 26.012, 26.04, 26.05, 26.07, and 26.075 [~~26.012~~], Tax Code, do not
5 apply to maintenance taxes levied and collected for payments under
6 a contract, agreement, lease, time warrant, or maintenance note
7 issued or executed under this section.

8 SECTION 91. The following provisions are repealed:

- 9 (1) Sections 403.302(m-1) and (n), Government Code;
10 (2) Section 140.010, Local Government Code;
11 (3) Section 1063.255, Special District Local Laws
12 Code;
13 (4) Sections 5.103(e) and (f), 6.412(e), 22.23(c),
14 25.19(b-2), and 41A.06(c), Tax Code;
15 (5) Section 49.236, Water Code, as added by Chapter
16 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,
17 2003;
18 (6) Section 49.236(d), Water Code, as added by Chapter
19 335 (S.B. 392), Acts of the 78th Legislature, Regular Session,
20 2003; and
21 (7) Section 49.2361, Water Code.

22 SECTION 92. (a) Section 9, Chapter 481 (S.B. 1760), Acts of
23 the 84th Legislature, Regular Session, 2015, which added Section
24 42.23(i), Tax Code, effective January 1, 2020, is repealed.

25 (b) This section takes effect September 1, 2019.

26 SECTION 93. Section 5.041, Tax Code, as amended by this Act,
27 applies only to an appraisal review board member appointed to serve

1 a term of office that begins on or after January 1, 2020.

2 SECTION 94. The comptroller of public accounts shall
3 implement Section 5.043, Tax Code, as added by this Act, as soon as
4 practicable after January 1, 2020.

5 SECTION 95. Sections 5.05, 5.102, 5.13, and 23.01, Tax
6 Code, as amended by this Act, apply only to the appraisal of
7 property for ad valorem tax purposes for a tax year beginning on or
8 after January 1, 2020.

9 SECTION 96. (a) The comptroller of public accounts shall
10 comply with Sections 5.07(f), (g), (h), and (i), Tax Code, as added
11 by this Act, as soon as practicable after January 1, 2020.

12 (b) The comptroller of public accounts shall comply with
13 Section 5.091, Tax Code, as amended by this Act, not later than:

14 (1) January 1, 2022, with regard to tax rate
15 information related to a taxing unit located wholly or partly in a
16 county with a population of 120,000 or more; and

17 (2) January 1, 2023, with regard to tax rate
18 information related to a taxing unit located wholly in a county with
19 a population of less than 120,000.

20 SECTION 97. Section 5.09, Tax Code, as amended by this Act,
21 applies only to information submitted to the comptroller of public
22 accounts that relates to a tax year beginning on or after January 1,
23 2020.

24 SECTION 98. The comptroller of public accounts shall
25 prepare and make available the survey and instructions for
26 completing and submitting the survey required by Section 5.104, Tax
27 Code, as added by this Act, as soon as practicable after January 1,

1 2020. An appraisal district is not required to provide the survey
2 or instructions under a requirement of that section until the
3 survey and instructions are prepared and made available by the
4 comptroller of public accounts.

5 SECTION 99. Section 6.41(d-9), Tax Code, as amended by this
6 Act, applies only to the appointment of appraisal review board
7 members to terms beginning on or after January 1, 2021.

8 SECTION 100. Section 6.412, Tax Code, as amended by this
9 Act, does not affect the eligibility of a person serving on an
10 appraisal review board immediately before January 1, 2020, to
11 continue to serve on the board for the term to which the member was
12 appointed.

13 SECTION 101. Section 6.42(d), Tax Code, as added by this
14 Act, applies only to a recommendation, determination, decision, or
15 other action by an appraisal review board or a panel of such a board
16 on or after January 1, 2020. A recommendation, determination,
17 decision, or other action by an appraisal review board or a panel of
18 such a board before January 1, 2020, is governed by the law as it
19 existed immediately before that date, and that law is continued in
20 effect for that purpose.

21 SECTION 102. Section 11.24, Tax Code, as amended by this
22 Act, applies only to an exemption authorized by that section that is
23 repealed or reduced on or after January 1, 2020.

24 SECTION 103. Sections 11.4391(a) and 22.23(d), Tax Code, as
25 amended by this Act, apply only to ad valorem taxes imposed for a
26 tax year beginning on or after January 1, 2020.

27 SECTION 104. Sections 25.192 and 25.193, Tax Code, as added

1 by this Act, apply only to a notice for a tax year beginning on or
2 after January 1, 2020.

3 SECTION 105. (a) An appraisal district established in a
4 county with a population of 200,000 or more and each taxing unit
5 located wholly or primarily in such an appraisal district shall
6 comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and
7 26.18, Tax Code, as added by this Act, beginning with the 2020 tax
8 year.

9 (b) An appraisal district established in a county with a
10 population of less than 200,000 and each taxing unit located wholly
11 or primarily in such an appraisal district shall comply with
12 Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax
13 Code, as added by this Act, beginning with the 2021 tax year.

14 SECTION 106. (a) Not later than the 30th day after the date
15 this section takes effect:

16 (1) the designated officer or employee of each taxing
17 unit shall submit to the county assessor-collector for each county
18 in which all or part of the territory of the taxing unit is located
19 the worksheets used by the designated officer or employee to
20 calculate the effective and rollback tax rates of the taxing unit
21 for the 2015-2019 tax years; and

22 (2) the county assessor-collector for each county
23 shall post the worksheets submitted to the county
24 assessor-collector under Subdivision (1) of this subsection on the
25 Internet website of the county.

26 (b) This section takes effect immediately if this Act
27 receives a vote of two-thirds of all the members elected to each

1 house, as provided by Section 39, Article III, Texas Constitution.
2 If this Act does not receive the vote necessary for immediate
3 effect, this section takes effect on the 91st day after the last day
4 of the legislative session.

5 SECTION 107. A taxing unit that does not own, operate, or
6 control an Internet website is not required to comply with Sections
7 26.05(b)(2) and 26.065(b), Tax Code, as amended by this Act, until
8 the first tax year in which the taxing unit is required by law to
9 maintain or have access to an Internet website.

10 SECTION 108. Section 33.08(b), Tax Code, as amended by this
11 Act, applies only to taxes that become delinquent on or after
12 January 1, 2020. Taxes that become delinquent before that date are
13 governed by the law as it existed immediately before that date, and
14 that law is continued in effect for that purpose.

15 SECTION 109. Section 41.03(a), Tax Code, as amended by this
16 Act, applies only to a challenge under Chapter 41, Tax Code, for
17 which a challenge petition is filed on or after January 1, 2020. A
18 challenge under Chapter 41, Tax Code, for which a challenge
19 petition was filed before January 1, 2020, is governed by the law in
20 effect on the date the challenge petition was filed, and the former
21 law is continued in effect for that purpose.

22 SECTION 110. Sections 41.45 and 41.66(k), Tax Code, as
23 amended by this Act, and Section 41.66(k-1), Tax Code, as added by
24 this Act, apply only to a protest filed under Chapter 41, Tax Code,
25 on or after January 1, 2021. A protest filed under that chapter
26 before January 1, 2021, is governed by the law in effect on the date
27 the protest was filed, and the former law is continued in effect for

1 that purpose.

2 SECTION 111. Sections 41.46, 41.461, 41.47, 41.66(h), (i),
3 and (j), and 41.67, Tax Code, as amended by this Act, and Sections
4 41.66(j-1), (j-2), and (p), Tax Code, as added by this Act, apply
5 only to a protest for which the notice of protest was filed by a
6 property owner or the designated agent of the owner with the
7 appraisal review board established for an appraisal district on or
8 after January 1, 2020.

9 SECTION 112. Section 41.71, Tax Code, as amended by this
10 Act, applies only to a hearing on a protest under Chapter 41, Tax
11 Code, that is scheduled on or after January 1, 2020. A hearing on a
12 protest under Chapter 41, Tax Code, that is scheduled before
13 January 1, 2020, is governed by the law in effect on the date the
14 hearing was scheduled, and that law is continued in effect for that
15 purpose.

16 SECTION 113. Sections 41A.03 and 41A.07, Tax Code, as
17 amended by this Act, apply only to a request for binding arbitration
18 received by the comptroller of public accounts from an appraisal
19 district on or after January 1, 2020.

20 SECTION 114. (a) A person who immediately before January 1,
21 2020, serves as an arbitrator in binding arbitrations of appeals of
22 appraisal review board orders must meet the requirements of Section
23 41A.06(b)(3), Tax Code, as added by this Act, not later than the
24 120th day after the date the comptroller of public accounts begins
25 to provide the training required under Section 5.043, Tax Code, as
26 added by this Act.

27 (b) This Act does not prohibit a person who is serving as an

1 arbitrator on January 1, 2020, from renewing the person's agreement
2 with the comptroller of public accounts to serve as an arbitrator if
3 the person has the qualifications required for an arbitrator under
4 the Tax Code as amended by this Act.

5 SECTION 115. Section 42.081, Tax Code, as added by this Act,
6 applies only to an appeal under Chapter 42, Tax Code, that is filed
7 on or after January 1, 2020.

8 SECTION 116. The first tax year that may be considered for
9 purposes of the condition to the applicability of Section
10 403.302(k-1), Government Code, as added by this Act, that the
11 comptroller of public accounts has determined in a study under
12 Section 403.302 of that code that a school district's local value as
13 determined by the appraisal district that appraises property for
14 the school district is not valid for three consecutive years is the
15 2020 tax year.

16 SECTION 117. Section 49.057, Water Code, as amended by this
17 Act, applies only to a budget adopted on or after January 1, 2020.

18 SECTION 118. (a) Not later than the 30th day after the date
19 this section takes effect, the comptroller of public accounts shall
20 provide a written notice to each appraisal district of:

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

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

27 (b) As soon as practicable after receipt of the notice

1 provided by the comptroller of public accounts under Subsection (a)
2 of this section, the chief appraiser of an appraisal district shall
3 forward the notice to each assessor for a taxing unit located in the
4 appraisal district.

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

11 SECTION 119. (a) In this section:

12 (1) "Compensation" includes a salary, wage, insurance
13 benefit, retirement benefit, or similar benefit an employee
14 receives as a condition of employment.

15 (2) "First responder" has the meaning assigned by
16 Section 504.019, Labor Code.

17 (3) "Taxing unit" has the meaning assigned by Section
18 1.04, Tax Code.

19 (b) This section applies only to the fiscal year of a taxing
20 unit that begins in 2020.

21 (c) The governing body of a taxing unit may not adopt a
22 budget for a fiscal year or take any other action that has the
23 effect of decreasing the total compensation to which a first
24 responder employed by the taxing unit was entitled in the preceding
25 fiscal year of the taxing unit.

26 SECTION 120. This Act takes effect only if H.B. 3, 86th
27 Legislature, Regular Session, 2019, becomes law. If H.B. 3, 86th

1 Legislature, Regular Session, 2019, does not become law, this Act
2 has no effect.

3 SECTION 121. (a) Except as otherwise provided by this Act,
4 this Act takes effect January 1, 2020.

5 (b) The following provisions take effect September 1, 2020:

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

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

10 (3) Section 6.414(d), Tax Code, as amended by this
11 Act;

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

13 (5) Section 41.44(d), Tax Code, as amended by this
14 Act;

15 (6) Section 41.45(d), Tax Code, as amended by this
16 Act;

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

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

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

23 (c) The following provisions take effect January 1, 2021:

24 (1) Sections 25.19(b-3) and (b-4), Tax Code, as added
25 by this Act;

26 (2) Sections 26.04(d-1), (d-2), (d-3), and (e-5), Tax
27 Code, as added by this Act;

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1 (3) Sections 26.04(e-1) and (g), Tax Code, as amended
2 by this Act; and

3 (4) Section 26.05(e), Tax Code, as amended by this
4 Act.

5 (d) Sections 25.19(b) and (i), Tax Code, as amended by this
6 Act, take effect January 1, 2022.

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SECTION 1. This Act may be cited as the Texas *Property Tax Reform and Relief* Act of 2019.

No equivalent provision.

No equivalent provision. (But see SECTION 109 below.)

HOUSE VERSION (IE)

SECTION 1. This Act may be cited as the Texas *Taxpayer Transparency* Act of 2019.

SECTION __. Section 1.02, Tax Code, is amended to read as follows:

Sec. 1.02. APPLICABILITY OF TITLE. This title applies to a taxing unit that is created by or pursuant to any general, special, or local law enacted before or after the enactment of this title unless a law enacted after enactment of this title by or pursuant to which the taxing unit is created expressly provides that this title does not apply. This title supersedes any provision of a municipal charter or ordinance relating to property taxation, including a provision setting or requiring a vote~~[Nothing in this title invalidates or restricts the right of voters to utilize municipal level initiative and referendum]~~ to set a tax rate, level of spending, or limitation on tax increase for that municipality. [FA13]

No equivalent provision.

CONFERENCE

SECTION 1. This Act may be cited as the Texas *Property Tax Reform and Transparency* Act of 2019.

Same as Senate version.

SECTION 2. Chapter 1, Tax Code, is amended by adding Section 1.045 to read as follows:

Sec. 1.045. REFERENCE TO CERTAIN TERMS IN LAW. Unless the context indicates otherwise:

(1) a reference in law to a taxing unit's effective maintenance and operations rate is a reference to the taxing unit's no-new-revenue maintenance and operations rate, as defined by Chapter 26;

(2) a reference in law to a taxing unit's effective tax rate is a reference to the taxing unit's no-new-revenue tax rate, as defined by Chapter 26; and

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No equivalent provision.

SECTION 2. Section 1.085(a), Tax Code, is amended.

No equivalent provision.

SECTION __. Section 1.07(a), Tax Code, is amended to read as follows:

(a) An official or agency required by this title to deliver a notice to a property owner may deliver the notice by regular first-class mail, with postage prepaid, unless this section or another provision of this title requires or authorizes a different method of delivery or the parties agree that the notice must be delivered as provided by Section 1.085 or 1.086. [FA2(2)]

SECTION 2. Same as Senate version.

SECTION __. Chapter 1, Tax Code, is amended by adding Section 1.086 to read as follows:

Sec. 1.086. DELIVERY OF CERTAIN NOTICES BY E-MAIL. (a) On the written request of the owner of a residential property that is occupied by the owner as the owner's principal residence, the chief appraiser of the appraisal district in which the property is located shall send each notice required by this title related to the following to the e-mail address of the owner:

- (1) a change in value of the property;
- (2) the eligibility of the property for an exemption; or

(3) a reference in law to a taxing unit's rollback tax rate is a reference to the taxing unit's voter-approval tax rate, as defined by Chapter 26.

SECTION 3. Same as House version.

SECTION 4. Same as Senate version.

SECTION 5. Same as House version.

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(3) the grant, denial, cancellation, or other change in the status of an exemption or exemption application applicable to the property.

(b) A property owner must provide the e-mail address to which the chief appraiser must send the notices described by Subsection (a) in a request made under that subsection.

(c) A chief appraiser who delivers a notice electronically under this section is not required to mail the same notice to the property owner.

(d) A request made under this section remains in effect until revoked by the property owner in a written revocation filed with the chief appraiser.

(e) After a property owner makes a request under this section and before a chief appraiser may deliver a notice electronically under this section, the chief appraiser must send an e-mail to the address provided by the property owner confirming the owner's request to receive notices electronically.

(f) The chief appraiser of an appraisal district that maintains an Internet website shall provide a form on the website that a property owner may use to electronically make a request under this section. [FA2(2)]

No equivalent provision.

SECTION __.Section 1.111, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-2) to read as follows:

(a) Except as provided by Subsection (a-2), a [A] property owner may designate a lessee or other person to act as the agent of the owner for any purpose under this title in connection with the property or the property owner.

Same as Senate version.

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(a-2) Notwithstanding any other law, a person who enters into a contingency fee agreement to act as the agent of a property owner for any purpose under this title must be an attorney licensed in this state. [FA1]

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

Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD. (a) The comptroller shall appoint the property tax administration advisory board to advise the comptroller with respect to the division or divisions within the office of the comptroller with primary responsibility for state administration of property taxation and state oversight of appraisal districts *and local tax offices*. The advisory board may make recommendations to the comptroller regarding improving the effectiveness and efficiency of the property tax system, best practices, and complaint resolution procedures.

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

- (1) representatives of property tax payers, *tax assessor-collectors*, school districts, and appraisal districts; and
- (2) a person who has knowledge or experience in conducting ratio studies.

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

Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD. (a) The comptroller shall appoint the property tax administration advisory board to advise the comptroller with respect to the division or divisions within the office of the comptroller with primary responsibility for state administration of property taxation and state oversight of appraisal districts. The advisory board may make recommendations to the comptroller regarding improving the effectiveness and efficiency of the property tax system, *ways to better ensure the equal and uniform appraisal of property, in accordance with Section 1, Article VIII of the Texas Constitution*, best practices, and complaint resolution procedures. [FA3]

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

- (1) representatives of property tax payers, appraisal districts, *assessors*, and school districts; and
- (2) a person who has knowledge or experience in conducting ratio studies.

() *In making appointments under Subsection (b), the comptroller shall ensure that the members of the advisory board reflect, to the extent possible, the ethnic and geographic diversity of this state.* [FA14]

SECTION 6. Chapter 5, Tax Code, is amended by adding Section 5.01 to read as follows:

Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD. (a) The comptroller shall appoint the property tax administration advisory board to advise the comptroller with respect to the division or divisions within the office of the comptroller with primary responsibility for state administration of property taxation and state oversight of appraisal districts. The advisory board may make recommendations to the comptroller regarding improving the effectiveness and efficiency of the property tax system, best practices, and complaint resolution procedures.

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

- (1) representatives of property tax payers, appraisal districts, *assessors*, and school districts; and
- (2) a person who has knowledge or experience in conducting ratio studies.

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

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

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

(b) A member of the appraisal review board established for an appraisal district must complete the course established under Subsection (a). The course must provide at least 16 hours of classroom training and education or, for a member appointed by the chairman of the appraisal review board to serve on a special panel under Section 6.425, 24 hours of classroom training and education. A member of the appraisal review board may not participate in a hearing conducted by the board unless the person has completed the course established under Subsection (a) and received a certificate of course completion.

(c) The comptroller may contract with service providers to assist with the duties imposed under Subsection (a), but the course required may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training course, but the fee may not exceed \$50 *per* person trained. If the training is provided

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

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

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

SECTION 4. Sections 5.041(b), (c), (e-1), and (e-3), Tax Code, are amended to read as follows:

(b) A member of the appraisal review board established for an appraisal district must complete the course established under Subsection (a). The course must provide at least eight hours of classroom training and education. A member of the appraisal review board may not participate in a hearing conducted by the board unless the person has completed the course established under Subsection (a) and received a certificate of course completion.

(c) The comptroller may contract with service providers to assist with the duties imposed under Subsection (a), but the course required may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training course, but the fee may not exceed \$50 for each [per] person trained. If the training

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

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

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

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to an individual other than a member of an appraisal review board, the comptroller may assess a fee not to exceed \$50 per person trained.

(e-1) In addition to the course established under Subsection (a), the comptroller shall approve curricula and provide materials for use in a continuing education course for members of an appraisal review board. The course must provide at least *eight* hours of classroom training and education *or, for a member appointed by the chairman of the appraisal review board to serve on a special panel under Section 6.425, 16 hours of classroom training and education.* The curricula and materials must include information regarding:

- (1) the cost, income, and market data comparison methods of appraising property;
- (2) the appraisal of business personal property;
- (3) the determination of capitalization rates for property appraisal purposes;
- (4) the duties of an appraisal review board;
- (5) the requirements regarding the independence of an appraisal review board from the board of directors and the chief appraiser and other employees of the appraisal district;
- (6) the prohibitions against ex parte communications applicable to appraisal review board members;
- (7) the Uniform Standards of Professional Appraisal Practice;
- (8) the duty of the appraisal district to substantiate the district's determination of the value of property;
- (9) the requirements regarding the equal and uniform appraisal of property;
- (10) the right of a property owner to protest the appraisal of the property as provided by Chapter 41; and

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is provided to an individual other than a member of an appraisal review board, the comptroller may assess a fee not to exceed \$50 for each person trained.

(e-1) In addition to the course established under Subsection (a), the comptroller shall approve curricula and provide materials for use in a continuing education course for members of an appraisal review board. The course must provide at least *four* hours of classroom training and education.

The curricula and materials must include information regarding:

- (1) the cost, income, and market data comparison methods of appraising property;
- (2) the appraisal of business personal property;
- (3) the determination of capitalization rates for property appraisal purposes;
- (4) the duties of an appraisal review board;
- (5) the requirements regarding the independence of an appraisal review board from the board of directors and the chief appraiser and other employees of the appraisal district;
- (6) the prohibitions against ex parte communications applicable to appraisal review board members;
- (7) the Uniform Standards of Professional Appraisal Practice;
- (8) the duty of the appraisal district to substantiate the district's determination of the value of property;
- (9) the requirements regarding the equal and uniform appraisal of property;
- (10) the right of a property owner to protest the appraisal of the property as provided by Chapter 41; and

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

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

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

(b) The comptroller shall:

- (1) approve curricula and provide an arbitration manual and other materials for use in training and educating arbitrators;
- (2) make all materials for use in training and educating arbitrators freely available online; and
- (3) establish and supervise a training program on property tax law for the training and education of arbitrators.

(c) The training program must:

HOUSE VERSION (IE)

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

(e-3) The comptroller may contract with service providers to assist with the duties imposed under Subsection (e-1), but the course required by that subsection may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the continuing education course, but the fee may not exceed \$50 for each person trained. If the training is provided to an individual other than a member of an appraisal review board, the comptroller may assess a fee not to exceed \$50 for each person trained.

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

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

(b) The comptroller shall:

- (1) approve curricula and provide an arbitration manual and other materials for use in training and educating arbitrators;
- (2) make all materials for use in training and educating arbitrators freely available online; and
- (3) establish and supervise a training program on property tax law for the training and education of arbitrators.

(c) The training program must:

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SECTION 8. Same as House version.

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

(2) be at least four hours in length.

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

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

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

HOUSE VERSION (IE)

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

(2) be at least four hours in length.

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

(e) The comptroller may contract with service providers to assist with the duties imposed under Subsection (b), but the training program may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training program, but the fee may not exceed \$50 for each person trained. ***If the training is provided to a person other than a person who has agreed to serve as an arbitrator under Chapter 41A, the comptroller may assess a fee not to exceed \$50 for each person trained.***

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

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

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

(c-2) Appraisal manuals issued *under this section* for the purpose of determining the market value of property shall be prepared based on generally accepted appraisal methods and techniques.

(c-3) Appraisal methods and techniques included in the most recent versions of the following are considered *a basis for generally accepted appraisal methods and techniques* for the purposes of this title:

(1) the Appraisal of Real Estate published by the Appraisal Institute;

(2) the Dictionary of Real Estate Appraisal published by the Appraisal Institute; and

(3) the Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation.

SECTION 7. 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 *voter-approved* tax rate for the taxing unit as required by Chapter 26; and

(2) school district to

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

(c-1) An appraisal district shall appraise property in accordance with any appraisal manuals *required by law to be prepared* and issued by the comptroller.

(See SECTION 21 below.)

SECTION 7. Section 5.07, Tax Code, is amended by adding Subsections (f), (g), (h), (i), and (j) 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 taxing unit as required by Chapter 26; and

(2) school district to:

CONFERENCE

SECTION 9. Section 5.05, Tax Code, is amended by adding Subsections (c-1) and (c-2) to read as follows:

(c-1) An appraisal district shall appraise property in accordance with any appraisal manuals *required by law to be prepared* and issued by the comptroller

(c-2) Appraisal manuals *required by law to be prepared and issued by the comptroller* for the purpose of determining the market value of property shall be prepared based on generally accepted appraisal methods and techniques.

(See SECTION 28 below.)

SECTION 10. Same as House version, except refers to "voter-approval tax rate" instead of "rollback tax rate."

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calculate and submit the no-new-revenue tax rate, the **voter-approved** 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

(3) be capable of being electronically incorporated into the property tax database maintained by each appraisal district under Section 26.17 and submitted electronically to the county assessor-collector of each county in which all or part of the territory of the taxing unit is located.

(h) For purposes of Subsections (f) and (g), the comptroller shall use the forms published on the comptroller's Internet website as of January 1, 2019, modified as necessary to comply with the requirements of **those subsections**. The comptroller shall update the forms as necessary to reflect **any change in the values used to calculate a tax rate resulting from a statutory change in a value used to calculate a tax rate**. The comptroller may also update the forms to reflect formatting or other nonsubstantive changes.

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(A) calculate and submit the no-new-revenue tax rate **and** the **rollback** tax rate **for the district as required by Chapter 26**; and

(B) **submit** 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, as applicable:**

(A) the taxing unit's certified appraisal roll; or

(B) **the certified estimate of taxable value of property in the taxing unit prepared under Section 26.01(a-1)**; and

(3) be capable of being electronically incorporated into the property tax database maintained by each appraisal district under Section 26.17 and submitted electronically to the county assessor-collector of each county in which all or part of the territory of the taxing unit is located.

(h) For purposes of Subsections (f) and (g), the comptroller shall use the forms published on the comptroller's Internet website as of January 1, 2019, modified as necessary to comply with the requirements of **this section**. The comptroller shall update the forms as necessary to reflect formatting or other nonsubstantive changes.

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

SECTION 8. Section 5.09(a), Tax Code, is amended to read as follows:

(a) The comptroller shall prepare a biennial report of the total appraised values and taxable values of taxable property by category and the tax rates of each county, municipality, special district, and school district in effect for the two years preceding the year in which the report is prepared.
The comptroller shall review and verify the values and tax rates reported to the comptroller for the purpose of preparing the report and prepare the report so that the information provided to the comptroller is presented in a consistent manner.

HOUSE VERSION (IE)

(i) The comptroller may revise the forms to reflect **substantive** changes other than those described by Subsection (h) or on receipt of a request in writing. A revision under this subsection must be approved by the agreement of a majority of the members of a committee selected by the comptroller who are present at a committee meeting at which a quorum is present. The members of the committee must represent, equally, taxpayers, taxing units or persons designated by taxing units, **and assessors**. In the case of a revision for which the comptroller receives a request in writing, the person requesting the revision shall pay the costs of mediation if the comptroller determines that mediation is required.
(j) A meeting of the committee held under Subsection (i) is not subject to the requirements of Chapter 551, Government Code.

SECTION 8. Section 5.09, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The comptroller shall prepare a biennial report of the total appraised values and taxable values of taxable property by category and the tax rates of each county, municipality, special district, and school district in effect for the two years preceding the year in which the report is prepared.
(a-1) The comptroller shall:
(1) prescribe the format by which an appraisal district or taxing unit must submit information under this section to the comptroller;

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SECTION 11. Same as House version.

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(2) collect and review in detail the information submitted that relates to each county, municipality, and school district; and
(3) collect and review the information submitted that relates to each special district.

SECTION 9. Section 5.091, Tax Code, is amended to read as follows:
Sec. 5.091. STATEWIDE LIST OF TAX RATES. (a) Each year the comptroller shall prepare a list that includes the total tax rate imposed by each taxing unit in this state, as [other than a school district, if the tax rate is] reported to the comptroller by each appraisal district, for the year [preceeding the year] in which the list is prepared. The comptroller shall:
(1) prescribe the manner in which and deadline by which appraisal districts are required to submit the tax rates to the comptroller; and
(2) list the tax rates alphabetically according to:
(A) the county or counties in which each taxing unit is located; and
(B) the name of each taxing unit [in descending order].
(b) Not later than January 1 [December 31] of the following [each] year, the comptroller shall publish on the comptroller's Internet website the list required by Subsection (a).

SECTION 9. Same as Senate version.

SECTION 12. Same as Senate version.

SECTION 10. Sections 5.102(a) and (c), Tax Code, are amended to read as follows:
(a) At least once every two years, the comptroller shall review the governance of each appraisal district, the taxpayer

SECTION 10. Sections 5.102(a) and (c), Tax Code, are amended to read as follows:
(a) At least once every two years, the comptroller shall review the governance of each appraisal district, the taxpayer

SECTION 13. Same as House version.

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

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

- (1) the appraisal district's chief appraiser and board of directors; and
- (2) the superintendent and board of trustees of each school district participating in the appraisal district.

SECTION 11. Chapter 5, Tax Code, is amended by adding Section 5.104 to read as follows:

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

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assistance provided by each appraisal district, and the operating and appraisal standards, procedures, and methodology used by each appraisal district, to determine compliance with generally accepted standards, procedures, and methodology, including compliance with standards, procedures, and methodology prescribed by *any* appraisal manuals *required by law to be* prepared and issued by the comptroller. After consultation with the property tax administration advisory board [~~committee created under Section 403.302, Government Code~~], the comptroller by rule may establish procedures and standards for conducting and scoring the review.

(c) At the conclusion of the review, the comptroller shall, in writing, notify the appraisal district concerning its performance in the review. If the review results in a finding that an appraisal district is not in compliance with generally accepted standards, procedures, and methodology, including compliance with standards, procedures, and methodology prescribed by *any* appraisal manuals *required by law to be* prepared and issued by the comptroller, the comptroller shall deliver a report that details the comptroller's findings and recommendations for improvement to:

- (1) the appraisal district's chief appraiser and board of directors; and
- (2) the superintendent and board of trustees of each school district participating in the appraisal district.

SECTION 11. Chapter 5, Tax Code, is amended by adding Section 5.104 to read as follows:

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

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SECTION 14. Same as House version.

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- (1) an appraisal review board survey **form** that allows an individual described by Subsection (b) to submit comments and suggestions to the comptroller regarding an appraisal review board; and
- (2) instructions for completing and submitting the **form**.

(b) The following individuals

may complete and submit a survey **form** under this section:

- (1) a property owner **who files a motion under Section 25.25 to correct the appraisal roll or a protest under Chapter 41;**
- (2) the designated agent of the **property** owner; or
- (3) a designated representative of the appraisal district in which the motion or protest is filed **who attends the hearing on the motion or protest.**
- (c) The survey **form** must allow an individual to submit comments and suggestions regarding:
 - (1) the matters listed in Section 5.103(b); and
 - (2) any other matter related to the fairness and efficiency of the appraisal review board.
- (d) An appraisal district must provide **the survey form and the instructions for completing and submitting the form** to each property owner or designated agent of the owner **at or before each hearing conducted under Section 25.25 or**

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- (1) prepare an appraisal review board survey that allows an individual described by Subsection (b) to submit comments and suggestions to the comptroller regarding an appraisal review board;
- (2) prepare instructions for completing and submitting the **survey**; and
- (3) **implement and maintain a method that allows an individual described by Subsection (b) to electronically complete and submit the survey through a uniform resource locator (URL) address.**
- (b) The following individuals **who attend a hearing in person or by telephone conference call on a motion filed under Section 25.25 to correct the appraisal roll or a protest under Chapter 41** may complete and submit a survey under this section:
 - (1) a property owner **whose property is the subject of the motion or protest;**
 - (2) the designated agent of the owner; or
 - (3) a designated representative of the appraisal district in which the motion or protest is filed.
- (c) The survey must allow an individual to submit comments and suggestions regarding:
 - (1) the matters listed in Section 5.103(b); and
 - (2) any other matter related to the fairness and efficiency of the appraisal review board.
- (d) An appraisal district must provide to each property owner or designated agent of the owner **who is authorized to submit a survey under this section a notice that states that the owner or agent:**
 - (1) is entitled to complete and submit the survey;**

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Chapter 41 by the appraisal review board established for the appraisal district or by a panel of the board.

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(2) may submit the survey to the comptroller:
(A) in person;
(B) by mail;
(C) by electronic mail; or
(D) through the uniform resource locator (URL) address described by Subsection (a)(3); and
(3) may obtain a paper copy of the survey and instructions for completing the survey at the appraisal office.
(e) The notice described by Subsection (d) must include the uniform resource locator (URL) address described by Subsection (a)(3).
(f) An appraisal district must provide the notice described by Subsection (d) to a property owner or the designated agent of the owner:
(1) at or before the first hearing on the motion or protest described by Subsection (b) by the appraisal review board established for the appraisal district or by a panel of the board; and
(2) with each order under Section 25.25 or 41.47 determining a motion or protest, as applicable, delivered by the board or a panel of the board.
(g) At or before the first hearing on the motion or protest described by Subsection (b) by the appraisal review board established for the appraisal district or by a panel of the board, the board or panel must provide verbal notice to the property owner or designated agent of the owner of the owner or agent's right to complete and submit the survey.
(h) Notwithstanding Subsections (d), (f), and (g), if an appraisal district provides the notice described by Subsection (d), or an appraisal review board provides the verbal notice required by Subsection (g), to a property owner or the designated agent of the owner at or before a

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

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

(1) in person;

(2) by mail;

(3) by electronic mail; or

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

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

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

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

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hearing on a motion or protest described by Subsection (b), the appraisal district or board, as applicable, is not required to provide another notice in the same manner to the owner or agent at or before another hearing on a motion or protest held on the same day.

(i) An individual who elects to submit the survey must submit the *survey* to the comptroller as provided by this section. An individual may submit only one survey for each hearing.

(j) The comptroller shall allow an individual to submit a survey to the comptroller in the following manner:

(1) in person;

(2) by mail;

(3) by electronic mail; or

(4) through the uniform resource locator (URL) address described by Subsection (a)(3).

(k) An appraisal district may not require a property owner or the designated agent of the owner to complete a survey at the appraisal office.

(l) The comptroller shall issue an annual report that summarizes the information included in the *surveys* submitted during the preceding *tax* year. The report may not disclose the identity of an individual who submitted a survey.

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

SECTION 12. Section 5.13(d), Tax Code, is amended to read as follows:

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

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

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

(3) duplication of effort and efficiency of operation;

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

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

No equivalent provision.

HOUSE VERSION (IE)

(m) The comptroller may adopt rules necessary to implement this section.

SECTION 12. Section 5.13(d), Tax Code, is amended to read as follows:

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

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

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

(3) duplication of effort and efficiency of operation;

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

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

SECTION __. Section 6.03, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows: [FA11,FA12(1)]

(a) The appraisal district is governed by a board of directors. Five directors are appointed by the taxing units that participate in the district as provided by this section. If the county assessor-collector is not appointed to the board, the

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SECTION 15. Same as House version.

Same as Senate version.

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county assessor-collector serves as a nonvoting director. The county assessor-collector is ineligible to serve if the board enters into a contract under Section 6.05(b) or if the commissioners court of the county enters into a contract under Section 6.24(b). To be eligible to serve on the board of directors, an individual other than a county assessor-collector serving as a nonvoting director must be a resident of the district and must have resided in the district for at least two years immediately preceding the date the individual takes office. Except as provided by this subsection and Subsection (a-1), an [An] individual [who] is ineligible [otherwise eligible] to serve on the board if the individual is an officer or employee [is not ineligible because of membership on the governing body of a taxing unit. An employee] of a taxing unit that participates in the district [is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district]. [FA11,FA12(2)] (a-1) This subsection applies only to a county with a population of 25,000 or less. An individual who is otherwise eligible to serve on the board is not ineligible because of membership on the governing body of a taxing unit. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district. [FA11,FA12(3)]

No equivalent provision.

SECTION __. Section 6.03(a), Tax Code, as amended by this Act, does not affect the right of a person serving on the board of directors of an appraisal district on January 1, 2020, to complete the person's term on the board. [FA11]

Same as Senate version.

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SECTION 13. Section 6.035(a-1), Tax Code, is amended.

SECTION 13. Same as Senate version.

SECTION 16. Same as Senate version.

No equivalent provision.

SECTION __. Subchapter A, Chapter 6, Tax Code, is amended by adding Section 6.054 to read as follows:
Sec. 6.054. RESTRICTION ON EMPLOYMENT BY APPRAISAL DISTRICT. An individual may not be employed by an appraisal district if the individual is:
(1) an officer of a taxing unit that participates in the appraisal district; or
(2) an employee of a taxing unit that participates in the appraisal district. [FA2(2)]

SECTION 17. Same as House version.

SECTION 14. Section 6.15, Tax Code, is amended.

SECTION 14. Same as Senate version.

SECTION 18. Same as Senate version.

No equivalent provision.

SECTION __. Subchapter A, Chapter 6, Tax Code, is amended by adding Section 6.16 to read as follows:
Sec. 6.16. RESIDENTIAL PROPERTY OWNER ASSISTANCE. (a) The chief appraiser of each appraisal district shall maintain a list of the following individuals who have designated themselves as an individual who will provide free assistance to an owner of residential property that is occupied by the owner as the owner's principal residence:
(1) a real estate broker or sales agent licensed under Chapter 1101, Occupations Code;

SECTION 19. Same as House version.

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(2) a real estate appraiser licensed or certified under Chapter 1103, Occupations Code; or
(3) a property tax consultant registered under Chapter 1152, Occupations Code.
(b) On the request of an owner described by Subsection (a), the chief appraiser shall provide to the owner a copy of the list maintained under this section.
(c) The list must:
(1) be organized by county;
(2) be available on the appraisal district's Internet website, if the appraisal district maintains a website; and
(3) provide the name, contact information, and job title of each individual who will provide free assistance.
(d) A person must designate himself or herself as an individual who will provide free assistance by completing a form prescribed by the chief appraiser and submitting the form to the chief appraiser. [FA2(2)]

SECTION 15. Section 6.41, Tax Code, is amended.

SECTION 15. Same as Senate version.

SECTION 20. Same as Senate version.

SECTION 16. Sections 6.412(a) and (d), Tax Code, are amended.

SECTION 16. Same as Senate version.

SECTION 21. Same as Senate version.

SECTION 17. Section 6.414(d), Tax Code, is amended.

SECTION 17. Same as Senate version.

SECTION 22. Same as Senate version.

SECTION 18. Section 6.42, Tax Code, is amended.

SECTION 18. Same as Senate version.

SECTION 23. Same as Senate version.

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SECTION 19. Subchapter C, Chapter 6, Tax Code, is amended by adding Section 6.425 to read as follows:

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

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

(1) has an appraised value of \$75 million or more as determined by the appraisal district; and

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

(A) commercial real and personal property;

(B) real and personal property of utilities;

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

(D) multifamily residential real property.

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

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

(1) hold a juris doctor or equivalent degree;

(2) hold a master of business administration degree;

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

HOUSE VERSION (IE)

SECTION 19. Subchapter C, Chapter 6, Tax Code, is amended by adding Section 6.425 to read as follows:

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

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

(1) has an appraised value as determined by the appraisal district *equal to or greater than the minimum eligibility amount determined as provided by Subsection (g)*; and [FA6(1)]

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

(A) commercial real and personal property;

(B) real and personal property of utilities;

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

(D) multifamily residential real property.

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

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

(1) hold a juris doctor or equivalent degree;

(2) hold a master of business administration degree;

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

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SECTION 24. Same as House version except the deadline for the comptroller to determine and publish the minimum eligibility amount under Subsec. (g) is February 1 or as soon thereafter as practicable and Subsec. (h) includes definitions of "consumer price index" and "inflation rate."

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(4) be accredited by the American Society of Appraisers as an accredited senior appraiser;
(5) possess an MAI professional designation from the Appraisal Institute;
(6) possess a Certified Assessment Evaluator (CAE) professional designation from the International Association of Assessing Officers;
(7) have at least 10 years of experience in property tax appraisal or consulting; or
(8) be licensed as a real estate broker or sales agent under Chapter 1101, Occupations Code.
(e) Notwithstanding Subsection (d), the chairman of the appraisal review board may appoint to a special panel described by this section a member of the appraisal review board who does not meet the qualifications prescribed by that subsection if:
(1) the number of persons appointed to the board by the local administrative district judge who meet those qualifications is not sufficient to fill the positions on each special panel; and
(2) the board member being appointed to the panel holds a bachelor's degree in any field.
(f) In addition to conducting protest hearings relating to property described by Subsection (b) of this section, a special panel may conduct protest hearings under Chapter 41 relating to property not described by Subsection (b) of this section as assigned by the chairman of the appraisal review board.

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(4) be accredited by the American Society of Appraisers as an accredited senior appraiser;
(5) possess an MAI professional designation from the Appraisal Institute;
(6) possess a Certified Assessment Evaluator (CAE) professional designation from the International Association of Assessing Officers;
(7) have at least 10 years of experience in property tax appraisal or consulting; or
(8) be licensed as a real estate broker or sales agent under Chapter 1101, Occupations Code.
(e) Notwithstanding Subsection (d), the chairman of the appraisal review board may appoint to a special panel described by this section a member of the appraisal review board who does not meet the qualifications prescribed by that subsection if:
(1) the number of persons appointed to the board by the local administrative district judge who meet those qualifications is not sufficient to fill the positions on each special panel; and
(2) the board member being appointed to the panel holds a bachelor's degree in any field.
(f) In addition to conducting protest hearings relating to property described by Subsection (b) of this section, a special panel may conduct protest hearings under Chapter 41 relating to property not described by Subsection (b) of this section as assigned by the chairman of the appraisal review board.
(g) By January 1 or as soon thereafter as practicable, the comptroller shall determine the minimum eligibility amount for the current tax year for purposes of Subsection (b)(1) and publish that amount in the Texas Register. The minimum eligibility amount for the 2020 tax year is \$50

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million. For each succeeding tax year, the minimum eligibility amount is equal to the minimum eligibility amount for the preceding tax year as adjusted by the comptroller to reflect the inflation rate. [FA6(2)]

SECTION __. Section 11.24, Tax Code, is amended by adding subsection (b) to read as follows:

(b) A taxing unit may not reduce the amount of or repeal an exemption adopted under Subsection (a) for a property otherwise qualified unless

the taxing unit has delivered to the property owner written notice of its intent to reduce the amount of or repeal the exemption at least five years before doing so. [FA8(1)]

SECTION 25. Section 11.24, Tax Code, is amended to read as follows:

Sec. 11.24. HISTORIC SITES. (a) The governing body of a taxing unit by official action of the body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or archeological site, if the structure or archeological site is:

- (1) designated as a Recorded Texas Historic Landmark under Chapter 442, Government Code, or a state archeological landmark under Chapter 191, Natural Resources Code, by the Texas Historical Commission; or
- (2) designated as a historically or archeologically significant site in need of tax relief to encourage its preservation pursuant to an ordinance or other law adopted by the governing body of the taxing unit.

(b) The governing body of a taxing unit may not repeal or reduce the amount of an exemption granted under Subsection (a) for a property that otherwise qualifies for the exemption unless:

- (1) the owner of the property consents to the repeal or reduction; or
- (2) the taxing unit provides written notice of the repeal or reduction to the owner not later than five years before the date the governing body repeals or reduces the exemption.

No equivalent provision.

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SECTION 20. Section 11.4391(a), Tax Code, is amended to read as follows:

(a) The chief appraiser shall accept and approve or deny an application for an exemption for freeport goods under Section 11.251 after the deadline for filing it has passed if it is filed on or before the [not] later of:

(1) ~~[than]~~ June 15; or

(2) if applicable, the 60th day after the date on which the chief appraiser delivers notice to the property owner under Section 22.22.

SECTION 21. Section 22.23(d), Tax Code, is amended to read as follows:

(d) Notwithstanding any other provision of this section, rendition statements and property reports required to be filed by a property owner [for property] regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission must be delivered to the chief appraiser not later than April 30, except as provided by Section 22.02. On written request by the property owner, the [The] chief appraiser shall extend the filing deadline to May 15. The chief appraiser may further extend the [filing] deadline an additional 15 days for good cause shown in writing by the property owner.

No equivalent provision. (But see SECTION 6, Sec. 5.05(c-3), Tax Code, above.)

No equivalent provision.

SECTION 20. Section 22.23(d), Tax Code, is amended to read as follows:

(d) Notwithstanding any other provision of this section, rendition statements and property reports required to be filed by a property owner [for property] regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission must be delivered to the chief appraiser not later than April 30, except as provided by Section 22.02. The chief appraiser ~~shall [may]~~ extend the filing deadline in the manner prescribed by Subsection (b) [15 days for good cause shown in writing by the property owner].

SECTION 21. Section 23.01, Tax Code, is amended by amending Subsection (b) and adding Subsection (h) to read as follows:

SECTION 26. Same as Senate version.

SECTION 27. Same as Senate version.

SECTION 28. Similar to House version, except does not amend Subsection (b) and amends Subsec. (h) as follows:

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

(h) Appraisal methods and techniques included in the most recent versions of the following are considered generally accepted appraisal methods and techniques for the purposes of this title:

(1) the Appraisal of Real Estate published by the Appraisal Institute;

(2) the Dictionary of Real Estate Appraisal published by the Appraisal Institute;

(3) the Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation;

(4) a publication of the International Association of Assessing Officers that includes information related to mass appraisal; and

(5) any other verifiable authority if none of the publications described by Subdivisions (1)-(4) includes a generally accepted appraisal methodology or technique

(h) Appraisal methods and techniques included in the most recent versions of the following are considered generally accepted appraisal methods and techniques for the purposes of this title:

(1) the Appraisal of Real Estate published by the Appraisal Institute;

(2) the Dictionary of Real Estate Appraisal published by the Appraisal Institute;

(3) the Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation; and

(4) a publication that includes information related to mass appraisal.

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applicable to the appraisal of one or more classes of property.

SECTION 22. Section 25.19, Tax Code, is amended.

SECTION 22. Same as Senate version.

SECTION 29. Same as Senate version.

No equivalent provision.

SECTION __. Chapter 25, Tax Code, is amended by adding Sections 25.192 and 25.193 to read as follows:

Sec. 25.192. NOTICE OF RESIDENCE HOMESTEAD EXEMPTION ELIGIBILITY. (a) This section applies only to residential property that has not qualified for a residence homestead exemption in the current tax year.

(b) If the records of the appraisal district indicate that the address of the property is also the address of the owner of the property, the chief appraiser must send to the property owner a notice that contains:

(1) the following statement in boldfaced 18-point type at the top of the first page of the notice: "NOTICE: A residence homestead exemption from ad valorem taxation is NOT currently being allowed on the property listed below. However, our records show that this property may qualify for a residence homestead exemption, which will reduce your taxes.";

(2) following the statement described by Subdivision (1), the following statement in 12-point type: "According to the records of the appraisal district, the property described in this notice may be your primary residence and may qualify for a residence homestead exemption from ad valorem taxation. If the property is your home and you occupy it as your primary residence, the property likely qualifies for one or

SECTION 30. Same as House version.

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more residence homestead exemptions, which will reduce the amount of taxes imposed on the property. The form needed to apply for a residence homestead exemption is enclosed. Although the form may state that the deadline for filing an application for a residence homestead exemption is April 30, a late application for a residence homestead exemption will be accepted if filed before February 1, (insert year application must be filed). There is no fee or charge for filing an application or a late application for a residence homestead exemption."; and

(3) following the statement described by Subdivision (2), the address to which the notice is sent.

(c) The notice required by this section must be accompanied by an application form for a residence homestead exemption.

(d) If a property owner has elected to receive notices by e-mail as provided by Section 1.086, the notice required by this section must be sent in that manner separately from any other notice sent to the property owner by the chief appraiser.

Sec. 25.193. NOTICE OF CERTAIN CANCELED OR REDUCED EXEMPTIONS. (a) By April 1 or as soon thereafter as practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with residential property that does not qualify for an exemption under Section 11.13, the chief appraiser shall deliver a clear and understandable written notice to a property owner if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year.

(b) If a property owner has elected to receive notices by e-mail as provided by Section 1.086, for property described by that section, the notice required by this section must be sent

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in that manner regardless of whether the information was also included in a notice under Section 25.19 and must be sent separately from any other notice sent to the property owner by the chief appraiser. [FA2(2)]

SECTION 23. Section 26.01, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) If by **July 25** the appraisal review board for an appraisal district has not approved the appraisal records for the district as required under Section 41.12, the chief appraiser shall prepare and certify to the assessor for each taxing unit participating in the district an estimate of the taxable value of property in that taxing unit.

SECTION 24. Section 26.012(9), Tax Code, is redesignated as Section 26.012(18), Tax Code, and amended.

SECTION 25. Section 26.012, Tax Code, is amended by amending Subdivision (10) and adding Subdivision (19) to read as follows:

SECTION 23. Section 26.01, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) If by **July 20** the appraisal review board for an appraisal district has not approved the appraisal records for the district as required under Section 41.12, the chief appraiser shall **not later than July 25** prepare and certify to the assessor for each taxing unit participating in the district an estimate of the taxable value of property in that taxing unit.

SECTION 25. Same as Senate version.

SECTION 24. Section 26.012, Tax Code, is amended by adding Subdivisions (8-a), (8-b), (10-a) (13), and (19) and amending Subdivision (10) to read as follows: [FA19(1)]

(8-a) "De minimis amount" means the amount for the current tax year published by the comptroller under Section 26.04(b-1).

(8-b) "De minimis rate" means the rate equal to the sum of:

(A) a taxing unit's no-new-revenue maintenance and operations rate;

SECTION 31. Same as House version.

SECTION 33. Same as Senate version.

SECTION 32. Section 26.012, Tax Code, is amended by adding Subdivisions (8-a) and (19) and amending Subdivisions (10) and (13) to read as follows:

(8-a) "De minimis rate" means the rate equal to the sum of:

(A) a taxing unit's no-new-revenue maintenance and operations rate;

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

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(B) the rate that, when applied to a taxing unit's current total value, will impose an amount of taxes equal to the de minimis amount; and

(C) a taxing unit's current debt rate.

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

(10-a) "Inflation rate" means the amount, expressed in decimal form rounded to the nearest thousandth, computed by determining the percentage change in the consumer price index for the preceding calendar year as compared to the consumer price index for the calendar year preceding that calendar year. For purposes of this subdivision, "consumer price index" means the consumer price index for all urban consumers (all items, Dallas-Fort Worth-Arlington, Texas, core-based statistical area), as published by the Bureau of Labor Statistics, United States Department of Labor, or its successor in function.
[FA6(3),FA7]

(13) "Last year's levy" means the total of:

(A) the amount of taxes that would be generated by multiplying the total tax rate adopted by the governing body in the preceding year by the total taxable value of property on the appraisal roll for the preceding year, including:

(i) taxable value that was reduced in an appeal under Chapter 42; and

(ii) all appraisal roll supplements and corrections other than corrections made pursuant to Section 25.25(d), as of the date of the calculation, except that last year's taxable value for a school district excludes the total value of

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(B) the rate that, when applied to a taxing unit's current total value, will impose an amount of taxes equal to \$500,000; and

(C) a taxing unit's current debt rate.

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

(13) "Last year's levy" means the total of:

(A) the amount of taxes that would be generated by multiplying the total tax rate adopted by the governing body in the preceding year by the total taxable value of property on the appraisal roll for the preceding year, including:

(i) taxable value that was reduced in an appeal under Chapter 42; ~~and~~

(ii) all appraisal roll supplements and corrections other than corrections made pursuant to Section 25.25(d), as of the date of the calculation, except that last year's taxable value for a school district excludes the total value of

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(19) "Small taxing unit" means a taxing unit, other than a school district, for which the sum of the following amounts is \$15 million or less:

(A) the total amount of property taxes that would be imposed by the taxing unit for the current tax year if the tax rate proposed for that tax year were applied to the current total value for the taxing unit; and

(B) the total amount of sales and use tax revenue received by the taxing unit, if any, for the last preceding four quarters for which that information is available.

No equivalent provision.

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homesteads that qualified for a tax limitation as provided by Section 11.26 and last year's taxable value for a county, municipality, or junior college district excludes the total value of homesteads that qualified for a tax limitation as provided by Section 11.261; ~~and~~

(iii) the taxable value that has been appealed under Chapter 42 and is actively under review as of July 25; and

(B) the amount of taxes refunded by the taxing unit in the preceding year for tax years before that year. [FA19(2)]

(19) "Special taxing unit" means:

(A) a taxing unit, other than a school district, for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value;

(B) a junior college district; or

(C) a hospital district.

SECTION 26. Chapter 26, Tax Code, is amended by adding Section 26.013 to read as follows:

Sec. 26.013. UNUSED INCREMENT RATE. (a) In this section:

(1) "Actual tax rate" means a taxing unit's maintenance and operations tax rate used to levy taxes for maintenance and operations in the applicable preceding tax year. [FA21]

(2) "Rollback tax rate" means a taxing unit's rollback tax rate in the applicable preceding tax year less the unused increment rate for that preceding tax year.

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homesteads that qualified for a tax limitation as provided by Section 11.26 and last year's taxable value for a county, municipality, or junior college district excludes the total value of homesteads that qualified for a tax limitation as provided by Section 11.261; and

(iii) the portion of taxable value of property that is the subject of an appeal under Chapter 42 on July 25 that is not in dispute; and

(B) the amount of taxes refunded by the taxing unit in the preceding year for tax years before that year.

(19) "Special taxing unit" means:

(A) a taxing unit, other than a school district, for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value;

(B) a junior college district; or

(C) a hospital district.

SECTION 34. Chapter 26, Tax Code, is amended by adding Section 26.013 to read as follows:

Sec. 26.013. UNUSED INCREMENT RATE. (a) In this section:

(1) "Actual tax rate" means a taxing unit's actual tax rate used to levy taxes in the applicable preceding tax year.

(2) "Voter-approval tax rate" means a taxing unit's voter-approval tax rate in the applicable preceding tax year less the unused increment rate for that preceding tax year.

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(3) "Year 1" means the *fifth* tax year preceding the current tax year.

(4) "Year 2" means the *fourth* tax year preceding the current tax year.

(5) "Year 3" means the *third* tax year preceding the current tax year.

(6) "*Year 4*" means the *second* tax year preceding the current tax year.

(7) "*Year 5*" means the tax year preceding the current tax year.

(b) In this chapter, "unused increment rate" means the greater of:

(1) zero; or

(2) the rate expressed in dollars per \$100 of taxable value calculated according to the following formula:

UNUSED INCREMENT RATE = (YEAR 1 *ROLLBACK* TAX RATE - YEAR 1 ACTUAL TAX RATE) + (YEAR 2 *ROLLBACK* TAX RATE - YEAR 2 ACTUAL TAX RATE) + (YEAR 3 *ROLLBACK* TAX RATE - YEAR 3 ACTUAL TAX RATE) + (YEAR 4 *ROLLBACK* TAX RATE - YEAR 4 ACTUAL TAX RATE) + (YEAR 5 *ROLLBACK* TAX RATE - YEAR 5 ACTUAL TAX RATE)

(c) Notwithstanding Subsection (b)(2), for each tax year before the 2020 tax year, the difference between the taxing unit's *rollback* tax rate and actual tax rate is considered to be zero. This subsection expires December 31, *2024*.

SECTION 26. The heading to Section 26.04, Tax Code, is amended to read as follows:

SECTION 27. The heading to Section 26.04, Tax Code, is amended to read as follows:

(3) "Year 1" means the *third* tax year preceding the current tax year.

(4) "Year 2" means the *second* tax year preceding the current tax year.

(5) "Year 3" means the tax year preceding the current tax year.

(b) In this chapter, "unused increment rate" means the greater of:

(1) zero; or

(2) the rate expressed in dollars per \$100 of taxable value calculated according to the following formula:

UNUSED INCREMENT RATE = (YEAR 1 *VOTER-APPROVAL* TAX RATE - YEAR 1 ACTUAL TAX RATE) + (YEAR 2 *VOTER-APPROVAL* TAX RATE - YEAR 2 ACTUAL TAX RATE) + (YEAR 3 *VOTER-APPROVAL* TAX RATE - YEAR 3 ACTUAL TAX RATE)

(c) Notwithstanding Subsection (b)(2), for each tax year before the 2020 tax year, the difference between the taxing unit's *voter-approval* tax rate and actual tax rate is considered to be zero. This subsection expires December 31, *2022*.

SECTION 35. The heading to Section 26.04, Tax Code, is amended to read as follows:

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

SECTION 27. Section 26.04, Tax Code, is amended by amending Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and adding Subsections (c-1), (c-2), (d-1), (d-2), (d-3), (e-2), (e-3), (e-4), (e-5), (h-1), and (h-2) to read as follows:

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

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

SECTION 28. Section 26.04, Tax Code, is amended by amending Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and adding Subsections (b-1), (c-1), (c-2), (d-1), (d-2), (d-3), (e-2), (e-3), (e-4), (e-5), (h-1), and (h-2) to read as follows:

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

(b-1) By August 1 or as soon thereafter as practicable, the comptroller shall determine the de minimis amount for the current tax year and publish that amount in the Texas Register. The de minimis amount for the 2020 tax year is \$500,000. For each succeeding tax year, the de minimis amount is equal to the de minimis amount for the preceding tax year as adjusted by the comptroller to reflect the inflation rate.

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

SECTION 36. Section 26.04, Tax Code, is amended by amending Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and adding Subsections (c-1), (c-2), (d-1), (d-2), (d-3), (e-2), (e-3), (e-4), (e-5), (h-1), and (h-2) to read as follows:

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

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(c) After the assessor for the taxing unit submits the appraisal roll for the taxing unit to the governing body of the taxing unit as required by Subsection (b), an [An] officer or employee designated by the governing body shall calculate the no-new-revenue [effective] tax rate and the voter-approved [rollback] tax rate for the taxing unit, where:

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

NO-NEW-REVENUE [EFFECTIVE] TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE); and

(2) "Voter-approved [Rollback] tax rate" means a rate expressed in dollars per \$100 of taxable value calculated according to the following applicable formula:

(A) for a small taxing unit:

VOTER-APPROVED [ROLLBACK] TAX RATE = (NO-NEW-REVENUE [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE;

or

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

VOTER-APPROVED TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.035) + CURRENT DEBT RATE

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a small taxing unit may direct the designated officer or employee to calculate the voter-approved tax rate of the taxing unit in the

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(c) After the assessor for the taxing unit submits the appraisal roll for the taxing unit to the governing body of the taxing unit as required by Subsection (b) and the comptroller publishes the de minimis amount for the current tax year as required by Subsection (b-1), an [An] officer or employee designated by the governing body shall calculate the no-new-revenue [effective] tax rate and the rollback tax rate for the taxing unit, where:

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

NO-NEW-REVENUE [EFFECTIVE] TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE); and

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

(A) for a special taxing unit:

ROLLBACK TAX RATE = (NO-NEW-REVENUE [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE; or

(B) for a taxing unit other than a special taxing unit:

ROLLBACK TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.035) + (CURRENT DEBT RATE + UNUSED INCREMENT RATE)

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a special taxing unit may direct the designated officer or employee to calculate the rollback tax rate of the taxing unit in the manner

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(c) After the assessor for the taxing unit submits the appraisal roll for the taxing unit to the governing body of the taxing unit as required by Subsection (b), an [An] officer or employee designated by the governing body shall calculate the no-new-revenue [effective] tax rate and the voter-approval [rollback] tax rate for the taxing unit, where:

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

NO-NEW-REVENUE [EFFECTIVE] TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE); and

(2) "Voter-approval [Rollback] tax rate" means a rate expressed in dollars per \$100 of taxable value calculated according to the following applicable formula:

(A) for a special taxing unit:

VOTER-APPROVAL [ROLLBACK] TAX RATE = (NO-NEW-REVENUE [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE; or

(B) for a taxing unit other than a special taxing unit:

VOTER-APPROVAL TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.035) + (CURRENT DEBT RATE + UNUSED INCREMENT RATE)

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a special taxing unit may direct the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the

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manner provided for a *small* taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the *voter-approved* tax rate in the manner provided by this subsection until the earlier of:

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

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

(c-2) Notwithstanding any other provision of this section, if the assessor for a taxing unit receives a certified estimate of the taxable value of property in the taxing unit under Section 26.01(a-1), the officer or employee designated by the governing body of the taxing unit shall calculate the no-new-revenue tax rate and *voter-approved* tax rate using the certified estimate of taxable value.

(d) The no-new-revenue ~~[effective]~~ tax rate for a county is the sum of the no-new-revenue ~~[effective]~~ tax rates calculated for each type of tax the county levies and the *voter-approved* ~~[rollback]~~ tax rate for a county is the sum of the *voter-approved* ~~[rollback]~~ tax rates calculated for each type of tax the county levies.

(d-1) The designated officer or employee shall use the tax rate calculation forms prescribed by the comptroller under Section 5.07 in calculating the no-new-revenue tax rate and the *voter-approved* tax rate.

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provided for a *special* taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the *rollback* tax rate in the manner provided by this subsection until the earlier of:

(1) the *second* tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or [FA25(1)]

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

(c-2) Notwithstanding any other provision of this section, if the assessor for a taxing unit receives a certified estimate of the taxable value of property in the taxing unit under Section 26.01(a-1), the officer or employee designated by the governing body of the taxing unit shall calculate the no-new-revenue tax rate and *rollback* tax rate using the certified estimate of taxable value.

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

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

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manner provided for a *special* taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the *voter-approval* tax rate in the manner provided by this subsection until the earlier of:

(1) the *second* tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or

(2) the *third* tax year after the tax year in which the disaster occurred.

(c-2) Notwithstanding any other provision of this section, if the assessor for a taxing unit receives a certified estimate of the taxable value of property in the taxing unit under Section 26.01(a-1), the officer or employee designated by the governing body of the taxing unit shall calculate the no-new-revenue tax rate and *voter-approval* tax rate using the certified estimate of taxable value.

(d) The no-new-revenue ~~[effective]~~ tax rate for a county is the sum of the no-new-revenue ~~[effective]~~ tax rates calculated for each type of tax the county levies and the *voter-approval* ~~[rollback]~~ tax rate for a county is the sum of the *voter-approval* ~~[rollback]~~ tax rates calculated for each type of tax the county levies.

(d-1) The designated officer or employee shall use the tax rate calculation forms prescribed by the comptroller under Section 5.07 in calculating the no-new-revenue tax rate and the *voter-approval* tax rate.

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(d-2) The designated officer or employee may not submit the no-new-revenue tax rate and the **voter-approved** tax rate to the governing body of the taxing unit and the taxing unit may not adopt a tax rate until the designated officer or employee certifies on the tax rate calculation forms that the designated officer or employee has accurately calculated the tax rates and has used values that are the same as the values shown in the taxing unit's certified appraisal roll in performing the calculations.

(d-3) As soon as practicable after the designated officer or employee calculates the no-new-revenue tax rate and the **voter-approved** tax rate of the taxing unit, the designated officer or employee shall submit the tax rate calculation forms used in calculating the rates to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located.

(e) By August 7 or as soon thereafter as practicable, the designated officer or employee shall submit the rates to the governing body.

~~The designated officer or employee [He] shall [deliver by mail to each property owner in the unit or]~~ publish in a newspaper and post **prominently** on the **home page of the taxing unit's Internet website in the form prescribed by the comptroller:**

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

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(d-2) The designated officer or employee may not submit the no-new-revenue tax rate and the **rollback** tax rate to the governing body of the taxing unit and the taxing unit may not adopt a tax rate until the designated officer or employee certifies on the tax rate calculation forms that the designated officer or employee has accurately calculated the tax rates and has used values that are the same as the values shown in the taxing unit's certified appraisal roll in performing the calculations.

(d-3) As soon as practicable after the designated officer or employee calculates the no-new-revenue tax rate and the **rollback** tax rate of the taxing unit, the designated officer or employee shall submit the tax rate calculation forms used in calculating the rates to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located.

(e) By August 7 or as soon thereafter as practicable, the designated officer or employee shall:

(1) submit the rates to the governing body;

(2) [- He shall deliver by mail to each property owner in the unit or] publish **the rates** in a newspaper **having general circulation in the county in which the taxing unit is located or primarily located;**

(3) post **the rates** in a **prominent location** on the taxing unit's Internet website; and

(4) **prepare and submit to the governing body [in the form prescribed by the comptroller:**

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

~~[(2) the **estimated amount of interest and sinking fund balances and the estimated amount of maintenance and**~~

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(d-2) The designated officer or employee may not submit the no-new-revenue tax rate and the **voter-approval** tax rate to the governing body of the taxing unit and the taxing unit may not adopt a tax rate until the designated officer or employee certifies on the tax rate calculation forms that the designated officer or employee has accurately calculated the tax rates and has used values that are the same as the values shown in the taxing unit's certified appraisal roll in performing the calculations.

(d-3) As soon as practicable after the designated officer or employee calculates the no-new-revenue tax rate and the **voter-approval** tax rate of the taxing unit, the designated officer or employee shall submit the tax rate calculation forms used in calculating the rates to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located.

(e) By August 7 or as soon thereafter as practicable, the designated officer or employee shall submit the rates to the governing body.

~~The designated officer or employee [He] shall~~

post **prominently** on the **home page of the taxing unit's Internet website [deliver by mail to each property owner in the unit or publish in a newspaper]** in the form prescribed by the comptroller:

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

(2) the **estimated amount of interest and sinking fund balances and the estimated amount of maintenance and**

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

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

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

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

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

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

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

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~~operation or general fund balances remaining at the end of the current fiscal year that are not encumbered with or by corresponding existing debt obligation;~~

~~[(3)]~~ a schedule of the taxing unit's debt obligations showing:

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

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

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

~~[(4)] the amount of additional sales and use tax revenue anticipated in calculations under Section 26.041;~~

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

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

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operation or general fund balances remaining at the end of the current fiscal year that are not encumbered with or by corresponding existing debt obligation; and

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

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

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

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

~~[(4)] the amount of additional sales and use tax revenue anticipated in calculations under Section 26.041;~~

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

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

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

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

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

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

(7) in the year following the year in which a taxing unit raised its voter-approved tax [rollback] rate as required by Subsection (j), a schedule that includes the following elements:

(A) the amount of property tax revenue spent by the taxing unit to operate the department, function, or activity for which the taxing unit raised the voter-approved tax [rollback] rate as required by Subsection (j) for the 12 months preceding the

month in which the calculations required by this chapter are made; and

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

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

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~~[(A) the name of the unit discontinuing the department, function, or activity;~~

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

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

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

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

~~[(B) the amount published by the unit in the preceding tax year under Subdivision (6)(B)].~~

(e-1) The tax rate certification requirements imposed by Subsection (d-2) and the notice requirements imposed by Subsections (e)(2)-(4) [(e)(1)-(6)] do not apply to a school district.

(e-2) By August 7 or as soon thereafter as practicable, the chief appraiser of each appraisal district shall deliver by regular mail or e-mail to each owner of property located in the appraisal district a notice that the estimated amount of

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~~[(A) the name of the unit discontinuing the department, function, or activity;~~

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

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

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

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

~~[(B) the amount published by the unit in the preceding tax year under Subdivision (6)(B)].~~

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

(e-2) By August 7 or as soon thereafter as practicable, the chief appraiser of each appraisal district shall deliver by regular mail or e-mail to each owner of property located in the appraisal district a notice that the estimated amount of

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

(1) a statement directing the property owner to an Internet website from which the owner may access information related to the actions taken or proposed to be taken by each taxing unit in which the property is located that may affect the taxes imposed on the owner's property;

(2) a statement that the property owner may request from the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Section 6.24(b), contact information for the assessor for each taxing unit in which the property is located, who must provide the information described by this subsection to the owner on request; and

(3) the name, address, and telephone number of the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Section 6.24(b).

(e-3) The statement described by Subsection (e-2)(1) must include a heading that is in bold, capital letters in type larger than that used in the other provisions of the notice.

(e-4) The comptroller:

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taxes to be imposed on the owner's property by each taxing unit in which the property is located may be found in the property tax database maintained by the appraisal district under Section 26.17. The notice must include:

(1) a statement directing the property owner to an Internet website from which the owner may access information related to the actions taken or proposed to be taken by each taxing unit in which the property is located that may affect the taxes imposed on the owner's property;

(2) a statement that the property owner may request from the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Section 6.24(b), contact information for the assessor for each taxing unit in which the property is located, who must provide the information described by this subsection to the owner on request; and

(3) the name, address, and telephone number of the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Section 6.24(b).

(e-3) The statement described by Subsection (e-2)(1) must include a heading that is in bold, capital letters in type larger than that used in the other provisions of the notice.

(e-4) The comptroller:

(1) with the advice of the property tax administration advisory board, shall adopt rules prescribing the form of the notice required by Subsection (e-2); and

(2) may adopt rules regarding the format and delivery of the notice.

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taxes to be imposed on the owner's property by each taxing unit in which the property is located may be found in the property tax database maintained by the appraisal district under Section 26.17. The notice must include:

(1) a statement directing the property owner to an Internet website from which the owner may access information related to the actions taken or proposed to be taken by each taxing unit in which the property is located that may affect the taxes imposed on the owner's property;

(2) a statement that the property owner may request from the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Section 6.24(b), contact information for the assessor for each taxing unit in which the property is located, who must provide the information described by this subsection to the owner on request; and

(3) the name, address, and telephone number of the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Section 6.24(b).

(e-3) The statement described by Subsection (e-2)(1) must include a heading that is in bold, capital letters in type larger than that used in the other provisions of the notice.

(e-4) The comptroller:

(1) with the advice of the property tax administration advisory board, shall adopt rules prescribing the form of the notice required by Subsection (e-2); and

(2) may adopt rules regarding the format and delivery of the notice.

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(1) with the advice of the property tax administration advisory board, shall adopt rules prescribing the form of the notice required by Subsection (e-2); and

(2) may adopt rules regarding the format and delivery of the notice.

(e-5) The governing body of a taxing unit shall include as an appendix to the taxing unit's budget for a fiscal year the tax rate calculation forms used by the designated officer or employee of the taxing unit to calculate the no-new-revenue tax rate and the **voter-approved** tax rate of the taxing unit for the tax year in which the fiscal year begins.

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

(g) A person who owns taxable property is entitled to an injunction prohibiting the taxing unit in which the property is taxable from adopting a tax rate if the assessor or designated officer or employee of the taxing unit, the chief appraiser of the applicable appraisal district, or the taxing unit, as applicable, has not complied with the computation, [or] publication, or posting requirements of this section or Section 26.17 or 26.18 [and the failure to comply was not in good faith]. It is a defense in an action for an injunction under this subsection that the failure to comply was in good faith.

(h-1) Notwithstanding Subsection (h), if the anticipated collection rate of a taxing unit as calculated under that subsection is lower than the lowest actual collection rate of the taxing unit for any of the preceding three years, the

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(e-5) The governing body of a taxing unit shall include as an appendix to the taxing unit's budget for a fiscal year the tax rate calculation forms used by the designated officer or employee of the taxing unit to calculate the no-new-revenue tax rate and the **rollback** tax rate of the taxing unit for the tax year in which the fiscal year begins.

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

(g) A person who owns taxable property is entitled to an injunction prohibiting the taxing unit in which the property is taxable from adopting a tax rate if the assessor or designated officer or employee of the taxing unit, the chief appraiser of the applicable appraisal district, or the taxing unit, as applicable, has not complied with the computation, [or] publication, or posting requirements of this section or Section 26.16, 26.17, or 26.18 [and the failure to comply was not in good faith]. It is a defense in an action for an injunction under this subsection that the failure to comply was in good faith.

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

(h-2) The anticipated collection rate of a taxing unit for purposes of this section is the rate calculated under

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(e-5) The governing body of a taxing unit shall include as an appendix to the taxing unit's budget for a fiscal year the tax rate calculation forms used by the designated officer or employee of the taxing unit to calculate the no-new-revenue tax rate and the **voter-approved** tax rate of the taxing unit for the tax year in which the fiscal year begins.

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

(g) A person who owns taxable property is entitled to an injunction prohibiting the taxing unit in which the property is taxable from adopting a tax rate if the assessor or designated officer or employee of the taxing unit, the chief appraiser of the applicable appraisal district, or the taxing unit, as applicable, has not complied with the computation, [or] publication, or posting requirements of this section or Section 26.16, 26.17, or 26.18 [and the failure to comply was not in good faith]. It is a defense in an action for an injunction under this subsection that the failure to comply was in good faith.

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

(h-2) The anticipated collection rate of a taxing unit for purposes of this section is the rate calculated under

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anticipated collection rate of the taxing unit for purposes of this section is equal to the lowest actual collection rate of the taxing unit for any of the preceding three years.

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

(i) This subsection applies to a taxing unit that has agreed by written contract to transfer a distinct department, function, or activity to another taxing unit and discontinues operating that distinct department, function, or activity if the operation of that department, function, or activity in all or a majority of the territory of the taxing unit is continued by another existing taxing unit or by a new taxing unit. The voter-approved ~~[rollback]~~ tax rate of a taxing unit to which this subsection applies in the first tax year in which a budget is adopted that does not allocate revenue to the discontinued department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the no-new-revenue ~~[effective]~~ maintenance and operations rate of the taxing unit is reduced by the amount of maintenance and operations tax revenue spent by the taxing unit to operate the department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the taxing unit operated the discontinued department, function, or activity. If the taxing unit did not operate that department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the taxing unit shall reduce last year's levy used for calculating the no-new-revenue ~~[effective]~~ maintenance and

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Subsection (h) as modified by Subsection (h-1), if applicable, regardless of whether that rate exceeds 100 percent.

(i) This subsection applies to a taxing unit that has agreed by written contract to transfer a distinct department, function, or activity to another taxing unit and discontinues operating that distinct department, function, or activity if the operation of that department, function, or activity in all or a majority of the territory of the taxing unit is continued by another existing taxing unit or by a new taxing unit. The **rollback** tax rate of a taxing unit to which this subsection applies in the first tax year in which a budget is adopted that does not allocate revenue to the discontinued department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the no-new-revenue ~~[effective]~~ maintenance and operations rate of the taxing unit is reduced by the amount of maintenance and operations tax revenue spent by the taxing unit to operate the department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the taxing unit operated the discontinued department, function, or activity. If the taxing unit did not operate that department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the taxing unit shall reduce last year's levy used for calculating the no-new-revenue ~~[effective]~~ maintenance and operations rate of the taxing unit by the amount of the revenue spent in the last full fiscal year in which the taxing unit operated the discontinued department, function, or activity.

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Subsection (h) as modified by Subsection (h-1), if applicable, regardless of whether that rate exceeds 100 percent.

(i) This subsection applies to a taxing unit that has agreed by written contract to transfer a distinct department, function, or activity to another taxing unit and discontinues operating that distinct department, function, or activity if the operation of that department, function, or activity in all or a majority of the territory of the taxing unit is continued by another existing taxing unit or by a new taxing unit. The voter-approval ~~[rollback]~~ tax rate of a taxing unit to which this subsection applies in the first tax year in which a budget is adopted that does not allocate revenue to the discontinued department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the no-new-revenue ~~[effective]~~ maintenance and operations rate of the taxing unit is reduced by the amount of maintenance and operations tax revenue spent by the taxing unit to operate the department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the taxing unit operated the discontinued department, function, or activity. If the taxing unit did not operate that department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the taxing unit shall reduce last year's levy used for calculating the no-new-revenue ~~[effective]~~ maintenance and operations rate of the taxing unit by the amount of the revenue spent in the last full fiscal year in which the taxing unit operated the discontinued department, function, or activity.

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operations rate of the taxing unit by the amount of the revenue spent in the last full fiscal year in which the taxing unit operated the discontinued department, function, or activity.

(j) This subsection applies to a taxing unit that had agreed by written contract to accept the transfer of a distinct department, function, or activity from another taxing unit and operates a distinct department, function, or activity if the operation of a substantially similar department, function, or activity in all or a majority of the territory of the taxing unit has been discontinued by another taxing unit, including a dissolved taxing unit. The voter-approved rollback tax rate of a taxing unit to which this subsection applies in the first tax year after the other taxing unit discontinued the substantially similar department, function, or activity in which a budget is adopted that allocates revenue to the department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the no-new-revenue [effective] maintenance and operations rate of the taxing unit is increased by the amount of maintenance and operations tax revenue spent by the taxing unit that discontinued operating the substantially similar department, function, or activity to operate that department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the taxing unit operated the discontinued department, function, or activity. If the taxing unit did not operate the discontinued department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the taxing unit may increase last year's levy used to calculate the no-new-revenue [effective] maintenance and operations rate

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(j) This subsection applies to a taxing unit that had agreed by written contract to accept the transfer of a distinct department, function, or activity from another taxing unit and operates a distinct department, function, or activity if the operation of a substantially similar department, function, or activity in all or a majority of the territory of the taxing unit has been discontinued by another taxing unit, including a dissolved taxing unit. The rollback tax rate of a taxing unit to which this subsection applies in the first tax year after the other taxing unit discontinued the substantially similar department, function, or activity in which a budget is adopted that allocates revenue to the department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the no-new-revenue [effective] maintenance and operations rate of the taxing unit is increased by the amount of maintenance and operations tax revenue spent by the taxing unit that discontinued operating the substantially similar department, function, or activity to operate that department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the taxing unit operated the discontinued department, function, or activity. If the taxing unit did not operate the discontinued department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the taxing unit may increase last year's levy used to calculate the no-new-revenue [effective] maintenance and operations rate by an amount not to exceed the amount of property tax revenue spent by the discontinuing taxing unit to operate the discontinued department, function, or activity in the last full fiscal year in

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(j) This subsection applies to a taxing unit that had agreed by written contract to accept the transfer of a distinct department, function, or activity from another taxing unit and operates a distinct department, function, or activity if the operation of a substantially similar department, function, or activity in all or a majority of the territory of the taxing unit has been discontinued by another taxing unit, including a dissolved taxing unit. The voter-approved rollback tax rate of a taxing unit to which this subsection applies in the first tax year after the other taxing unit discontinued the substantially similar department, function, or activity in which a budget is adopted that allocates revenue to the department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the no-new-revenue [effective] maintenance and operations rate of the taxing unit is increased by the amount of maintenance and operations tax revenue spent by the taxing unit that discontinued operating the substantially similar department, function, or activity to operate that department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the taxing unit operated the discontinued department, function, or activity. If the taxing unit did not operate the discontinued department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the taxing unit may increase last year's levy used to calculate the no-new-revenue [effective] maintenance and operations rate by an amount not to exceed the amount of property tax revenue spent by the discontinuing taxing unit to operate the discontinued department, function, or activity in the last full

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by an amount not to exceed the amount of property tax revenue spent by the discontinuing taxing unit to operate the discontinued department, function, or activity in the last full fiscal year in which the discontinuing taxing unit operated the department, function, or activity.

SECTION 28. Section 26.041, Tax Code, is amended by amending Subsections (a), (b), (c), (e), (g), and (h) and adding Subsection (c-1) to read as follows:

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

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

and

VOTER-APPROVED TAX ~~[ROLLBACK]~~ RATE FOR SMALL TAXING UNIT = (NO-NEW-REVENUE ~~[EFFECTIVE]~~ MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE - SALES TAX GAIN RATE

or

VOTER-APPROVED TAX RATE FOR TAXING UNIT OTHER THAN SMALL TAXING UNIT = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.035) + CURRENT DEBT RATE - SALES TAX GAIN RATE

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

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which the discontinuing taxing unit operated the department, function, or activity.

SECTION 29. Section 26.041, Tax Code, is amended by amending Subsections (a), (b), (c), (e), (g), and (h) and adding Subsection (c-1) to read as follows:

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

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

and

ROLLBACK TAX RATE FOR SPECIAL TAXING UNIT = (NO-NEW-REVENUE ~~[EFFECTIVE]~~ MAINTENANCE AND OPERATIONS RATE x 1.08) + (CURRENT DEBT RATE - SALES TAX GAIN RATE)

or

ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.035) + (CURRENT DEBT RATE + UNUSED INCREMENT RATE - SALES TAX GAIN RATE)

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

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fiscal year in which the discontinuing taxing unit operated the department, function, or activity.

SECTION 37. Section 26.041, Tax Code, is amended by amending Subsections (a), (b), (c), (e), (g), and (h) and adding Subsection (c-1) to read as follows:

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

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

and

VOTER-APPROVAL TAX ~~[ROLLBACK]~~ RATE FOR SPECIAL TAXING UNIT = (NO-NEW-REVENUE ~~[EFFECTIVE]~~ MAINTENANCE AND OPERATIONS RATE x 1.08) + (CURRENT DEBT RATE - SALES TAX GAIN RATE)

or

VOTER-APPROVAL TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.035) + (CURRENT DEBT RATE + UNUSED INCREMENT RATE - SALES TAX GAIN RATE)

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

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

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

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

Or

VOTER-APPROVED TAX RATE FOR TAXING UNIT OTHER THAN **SMALL** TAXING UNIT = [(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x 1.035) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT RATE - SALES TAX REVENUE RATE)

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

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

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

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

or

ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN **SPECIAL** TAXING UNIT = [(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x 1.035) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT RATE + UNUSED INCREMENT RATE - SALES TAX REVENUE RATE)

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

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

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

VOTER-APPROVAL TAX ~~[ROLLBACK]~~ RATE FOR **SPECIAL** TAXING UNIT = [(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x 1.08) / (~~[TOTAL]~~ CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT RATE - SALES TAX REVENUE RATE)

or

VOTER-APPROVAL TAX RATE FOR TAXING UNIT OTHER THAN **SPECIAL** TAXING UNIT = [(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x 1.035) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT RATE + UNUSED INCREMENT RATE - SALES TAX REVENUE RATE)

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

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

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

~~[and]~~

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

~~and~~

VOTER-APPROVED TAX RATE FOR TAXING UNIT
OTHER THAN SMALL TAXING UNIT = [(LAST
YEAR'S MAINTENANCE AND OPERATIONS
EXPENSE x 1.035) / (CURRENT TOTAL VALUE - NEW
PROPERTY VALUE)] + CURRENT DEBT RATE

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

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a *small* taxing

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

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

and

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

or

ROLLBACK TAX RATE FOR TAXING UNIT OTHER
THAN SPECIAL TAXING UNIT = [(LAST YEAR'S
MAINTENANCE AND OPERATIONS EXPENSE x
1.035) / (CURRENT TOTAL VALUE - NEW PROPERTY
VALUE)] + (CURRENT DEBT RATE + UNUSED
INCREMENT RATE)

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

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a *special*

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

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

and

VOTER-APPROVAL ~~[ROLLBACK]~~ TAX RATE FOR
SPECIAL TAXING UNIT = [(LAST YEAR'S
MAINTENANCE AND OPERATIONS EXPENSE x 1.08)
/ (~~[TOTAL]~~ CURRENT TOTAL VALUE - NEW
PROPERTY VALUE)] + CURRENT DEBT RATE

or

VOTER-APPROVAL TAX RATE FOR TAXING UNIT
OTHER THAN SPECIAL TAXING UNIT = [(LAST
YEAR'S MAINTENANCE AND OPERATIONS
EXPENSE x 1.035) / (CURRENT TOTAL VALUE - NEW
PROPERTY VALUE)] + (CURRENT DEBT RATE +
UNUSED INCREMENT RATE)

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

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a *special*

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unit may direct the designated officer or employee to calculate the *voter-approved* tax rate of the taxing unit in the manner provided for a *small* taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the *voter-approved* tax rate in the manner provided by this subsection until the earlier of:

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

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

(e) If a city that imposes an additional sales and use tax receives payments under the terms of a contract executed before January 1, 1986, in which the city agrees not to annex certain property or a certain area and the owners or lessees of the property or of property in the area agree to pay at least annually to the city an amount determined by reference to all or a percentage of the property tax rate of the city and all or a part of the value of the property subject to the agreement or included in the area subject to the agreement, the governing body, by order adopted by a majority vote of the governing body, may direct the designated officer or employee to add to the no-new-revenue [effective] and *voter-approved* [~~*rollback*~~] tax rates the amount that, when applied to the total taxable value submitted to the governing body, would produce an amount of taxes equal to the

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taxing unit may direct the designated officer or employee to calculate the *rollback* tax rate of the taxing unit in the manner provided for a *special* taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the *rollback* tax rate in the manner provided by this subsection until the earlier of:

(1) the *second* tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or [FA25(2)]

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

(e) If a city that imposes an additional sales and use tax receives payments under the terms of a contract executed before January 1, 1986, in which the city agrees not to annex certain property or a certain area and the owners or lessees of the property or of property in the area agree to pay at least annually to the city an amount determined by reference to all or a percentage of the property tax rate of the city and all or a part of the value of the property subject to the agreement or included in the area subject to the agreement, the governing body, by order adopted by a majority vote of the governing body, may direct the designated officer or employee to add to the no-new-revenue [effective] and *rollback* tax rates the amount that, when applied to the total taxable value submitted to the governing body, would produce an amount of taxes equal to the difference between

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taxing unit may direct the designated officer or employee to calculate the *voter-approval* [~~*rollback*~~] tax rate of the taxing unit in the manner provided for a *special* taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the *voter-approval* [~~*rollback*~~] tax rate in the manner provided by this subsection until the earlier of:

(1) the *second* tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or [FA25(2)]

(2) the *third* tax year after the tax year in which the disaster occurred.

(e) If a city that imposes an additional sales and use tax receives payments under the terms of a contract executed before January 1, 1986, in which the city agrees not to annex certain property or a certain area and the owners or lessees of the property or of property in the area agree to pay at least annually to the city an amount determined by reference to all or a percentage of the property tax rate of the city and all or a part of the value of the property subject to the agreement or included in the area subject to the agreement, the governing body, by order adopted by a majority vote of the governing body, may direct the designated officer or employee to add to the no-new-revenue [effective] and *voter-approval* [~~*rollback*~~] tax rates the amount that, when applied to the total taxable value submitted to the governing body, would produce an amount of taxes equal to the

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difference between the total amount of payments for the tax year under contracts described by this subsection under the voter-approved ~~[rollback]~~ tax rate calculated under this section and the total amount of payments for the tax year that would have been obligated to the city if the city had not adopted an additional sales and use tax.

(g) If the rate of the additional sales and use tax is increased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) ~~[of this section]~~, of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the increase and the second projection must not take into account the increase. The designated officer or employee shall then subtract the amount of the result of the second projection from the amount of the result of the first projection to determine the revenue generated as a result of the increase in the additional sales and use tax. In the first year in which an additional sales and use tax is increased, the no-new-revenue ~~[effective]~~ tax rate for the taxing unit is the no-new-revenue ~~[effective]~~ tax rate before the increase minus a number the numerator of which is the revenue generated as a result of the increase in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

(h) If the rate of the additional sales and use tax is decreased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) ~~[of this section]~~, of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the decrease and the second projection must not take into account the decrease. The designated

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the total amount of payments for the tax year under contracts described by this subsection under the rollback tax rate calculated under this section and the total amount of payments for the tax year that would have been obligated to the city if the city had not adopted an additional sales and use tax.

(g) If the rate of the additional sales and use tax is increased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) ~~[of this section]~~, of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the increase and the second projection must not take into account the increase. The designated officer or employee shall then subtract the amount of the result of the second projection from the amount of the result of the first projection to determine the revenue generated as a result of the increase in the additional sales and use tax. In the first year in which an additional sales and use tax is increased, the no-new-revenue ~~[effective]~~ tax rate for the taxing unit is the no-new-revenue ~~[effective]~~ tax rate before the increase minus a number the numerator of which is the revenue generated as a result of the increase in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

(h) If the rate of the additional sales and use tax is decreased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) ~~[of this section]~~, of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the decrease and the second projection must not take into account the decrease. The designated

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difference between the total amount of payments for the tax year under contracts described by this subsection under the voter-approval ~~[rollback]~~ tax rate calculated under this section and the total amount of payments for the tax year that would have been obligated to the city if the city had not adopted an additional sales and use tax.

(g) If the rate of the additional sales and use tax is increased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) ~~[of this section]~~, of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the increase and the second projection must not take into account the increase. The designated officer or employee shall then subtract the amount of the result of the second projection from the amount of the result of the first projection to determine the revenue generated as a result of the increase in the additional sales and use tax. In the first year in which an additional sales and use tax is increased, the no-new-revenue ~~[effective]~~ tax rate for the taxing unit is the no-new-revenue ~~[effective]~~ tax rate before the increase minus a number the numerator of which is the revenue generated as a result of the increase in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

(h) If the rate of the additional sales and use tax is decreased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) ~~[of this section]~~, of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the decrease and the second projection must not take into account the decrease. The designated

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officer or employee shall then subtract the amount of the result of the first projection from the amount of the result of the second projection to determine the revenue lost as a result of the decrease in the additional sales and use tax. In the first year in which an additional sales and use tax is decreased, the no-new-revenue ~~[effective]~~ tax rate for the taxing unit is the no-new-revenue ~~[effective]~~ tax rate before the decrease plus a number the numerator of which is the revenue lost as a result of the decrease in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

SECTION 29. The heading to Section 26.043, Tax Code, is amended to read as follows:

Sec. 26.043. **VOTER-APPROVED AND NO-NEW-REVENUE** ~~[EFFECTIVE]~~ TAX **RATES** ~~[RATE]~~ IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

SECTION 30. Sections 26.043(a) and (b), Tax Code, are amended to read as follows:

(a) In the tax year in which a city has set an election on the question of whether to impose a local sales and use tax under Subchapter H, Chapter 453, Transportation Code, the officer or employee designated to make the calculations provided by Section 26.04 may not make those calculations until the outcome of the election is determined. If the election is determined in favor of the imposition of the tax, the designated officer or employee ~~[representative]~~ shall subtract from the city's **voter-approved** ~~[rollback]~~ and **no-**

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officer or employee shall then subtract the amount of the result of the first projection from the amount of the result of the second projection to determine the revenue lost as a result of the decrease in the additional sales and use tax. In the first year in which an additional sales and use tax is decreased, the no-new-revenue ~~[effective]~~ tax rate for the taxing unit is the no-new-revenue ~~[effective]~~ tax rate before the decrease plus a number the numerator of which is the revenue lost as a result of the decrease in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

SECTION 30. The heading to Section 26.043, Tax Code, is amended to read as follows:

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

SECTION 31. Sections 26.043(a) and (b), Tax Code, are amended to read as follows:

(a) In the tax year in which a city has set an election on the question of whether to impose a local sales and use tax under Subchapter H, Chapter 453, Transportation Code, the officer or employee designated to make the calculations provided by Section 26.04 may not make those calculations until the outcome of the election is determined. If the election is determined in favor of the imposition of the tax, the designated officer or employee ~~[representative]~~ shall subtract from the city's **rollback** and **no-new-revenue**

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officer or employee shall then subtract the amount of the result of the first projection from the amount of the result of the second projection to determine the revenue lost as a result of the decrease in the additional sales and use tax. In the first year in which an additional sales and use tax is decreased, the no-new-revenue ~~[effective]~~ tax rate for the taxing unit is the no-new-revenue ~~[effective]~~ tax rate before the decrease plus a number the numerator of which is the revenue lost as a result of the decrease in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

SECTION 38. The heading to Section 26.043, Tax Code, is amended to read as follows:

Sec. 26.043. **VOTER-APPROVAL AND NO-NEW-REVENUE** ~~[EFFECTIVE]~~ TAX **RATES** ~~[RATE]~~ IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

SECTION 39. Sections 26.043(a) and (b), Tax Code, are amended to read as follows:

(a) In the tax year in which a city has set an election on the question of whether to impose a local sales and use tax under Subchapter H, Chapter 453, Transportation Code, the officer or employee designated to make the calculations provided by Section 26.04 may not make those calculations until the outcome of the election is determined. If the election is determined in favor of the imposition of the tax, the designated officer or employee ~~[representative]~~ shall subtract from the city's **voter-approval** ~~[rollback]~~ and **no-**

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~~new-revenue~~ ~~[effective]~~ tax rates the amount that, if applied to the city's current total value, would impose an amount equal to the amount of property taxes budgeted in the current tax year to pay for expenses related to mass transit services.
(b) In a tax year to which this section applies, a reference in this chapter to the city's ~~no-new-revenue~~ ~~[effective]~~ or ~~voter-approved~~ ~~[rollback]~~ tax rate refers to that rate as adjusted under this section.

SECTION 31. The heading to Section 26.044, Tax Code, is amended.

SECTION 32. Sections 26.044(a), (b), and (c), Tax Code, are amended to read as follows:

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

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

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

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~~[effective]~~ tax rates the amount that, if applied to the city's current total value, would impose an amount equal to the amount of property taxes budgeted in the current tax year to pay for expenses related to mass transit services.
(b) In a tax year to which this section applies, a reference in this chapter to the city's ~~no-new-revenue~~ ~~[effective]~~ or ~~rollback~~ tax rate refers to that rate as adjusted under this section.

SECTION 32. Same as Senate version.

SECTION 33. Sections 26.044(a), (b), and (c), Tax Code, are amended to read as follows:

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

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

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

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~~new-revenue~~ ~~[effective]~~ tax rates the amount that, if applied to the city's current total value, would impose an amount equal to the amount of property taxes budgeted in the current tax year to pay for expenses related to mass transit services.
(b) In a tax year to which this section applies, a reference in this chapter to the city's ~~no-new-revenue~~ ~~[effective]~~ or ~~voter-approval~~ ~~[rollback]~~ tax rate refers to that rate as adjusted under this section.

SECTION 40. Same as Senate version.

SECTION 41. Same as House version.

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

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

SECTION 33. Sections 26.0441(a), (b), and (c), Tax Code, are amended to read as follows:

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

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

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

Amount of Increase = (Current Tax Year's Enhanced Indigent Health Care Expenditures - Preceding Tax Year's

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

(c) The county shall include a notice of the increase in the no-new-revenue ~~[effective]~~ maintenance and operation rate provided by this section, including a description and amount of the state criminal justice mandate, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061 ~~[26.06(b)]~~ of this code].

SECTION 34. Sections 26.0441(a), (b), (c), and (d), Tax Code, are amended to read as follows: [FA30(1)]

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

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

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

Amount of Increase = (Current Tax Year's Enhanced Indigent Health Care Expenditures - Preceding Tax Year's

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SECTION 42. Same as House version, except does not amend Subsection (d).

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Indigent Health Care Expenditures) / (Current Total Value - New Property Value)

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

SECTION 34. Chapter 26, Tax Code, is amended by adding Section 26.0442 to read as follows:

Sec. 26.0442. TAX RATE ADJUSTMENT FOR INDIGENT **CRIMINAL** DEFENSE. (a) In this section, "indigent **criminal** defense expenditures" for a tax year means the amount *spent* by *the* county for *the maintenance and operations costs of providing* indigent **criminal defense** *required under Chapter 26*, Code of Criminal Procedure, in the period beginning on July 1 of the year preceding the tax

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Indigent Health Care Expenditures) / (Current Total Value - New Property Value)

(c) The taxing unit shall include a notice of the increase in its no-new-revenue ~~[effective]~~ maintenance and operations rate provided by this section, including a brief description and the amount of the enhanced indigent health care expenditures, in the information published under Section 26.04(e) and, as [if] applicable, in the notice prescribed by Section 26.06 or 26.061 ~~[26.06(b)]~~.

(d) *In this section, "enhanced indigent health care expenditures" for a tax year means the amount spent by the taxing unit for the maintenance and operation costs of providing indigent health care under Chapter 61, [at the increased minimum eligibility standards established under Section 61.006,] Health and Safety Code, [effective on or after January 1, 2000,] in the period beginning on July 1 of the year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted, less the amount of state assistance received by the taxing unit in accordance with Chapter 61, Health and Safety Code, that is attributable to those costs.* [FA30(2)]

No equivalent provision.

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SECTION 43. Chapter 26, Tax Code, is amended by adding Sections 26.0442 and 26.0443 to read as follows:

Sec. 26.0442. TAX RATE ADJUSTMENT FOR **COUNTY** INDIGENT DEFENSE **COMPENSATION** EXPENDITURES. (a) In this section, "indigent defense **compensation** expenditures" for a tax year means the amount *paid by a county to provide appointed counsel* for indigent *individuals in criminal or civil proceedings in accordance with the schedule of fees adopted under Article*

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year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted, less the amount of state grants *for indigent criminal defense* received by the county during that period.

(b) If a county's indigent *criminal* defense expenditures exceed the amount of those expenditures for the preceding year, the no-new-revenue maintenance and operations rate for the county is increased by the *rate* computed according to the following *formula*:

(Current Tax Year's Indigent *Criminal* Defense Expenditures - Preceding Tax Year's Indigent *Criminal* Defense Expenditures) / (Current Total Value - New Property Value)

(c) The county shall include a notice of the increase in the no-new-revenue maintenance and operations rate provided by this section, including a description and amount of indigent *criminal* defense expenditures, in the information published under Section 26.04(e) and, *if* applicable, Section 26.06(b).

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26.05, Code of Criminal Procedure, in the period beginning on July 1 of the *tax* year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted, less the amount of *any* state grants received by the county during that period *for the same purpose*.

(b) If a county's indigent defense *compensation* expenditures exceed the amount of those expenditures for the preceding *tax* year, the no-new-revenue maintenance and operations rate for the county is increased by the *lesser of the rates* computed according to the following *formulas*:

(Current Tax Year's Indigent Defense *Compensation* Expenditures - Preceding Tax Year's Indigent Defense *Compensation* Expenditures) / (Current Total Value - New Property Value)

or
(Preceding Tax Year's Indigent Defense *Compensation* Expenditures x 0.05) / (Current Total Value - New Property Value)

(c) The county shall include a notice of the increase in the no-new-revenue maintenance and operations rate provided by this section, including a description and *the* amount of indigent defense *compensation* expenditures, in the information published under Section 26.04(e) and, *as* applicable, *in the notice prescribed by* Section 26.06 *or* 26.061.

Sec. 26.0443. TAX RATE ADJUSTMENT FOR ELIGIBLE COUNTY HOSPITAL EXPENDITURES. (a)

In this section:

(1) "*Eligible county hospital*" means a hospital that:

(A) is:

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(i) owned or leased by a county and operated in accordance with Chapter 263, Health and Safety Code; or
(ii) owned or leased jointly by a municipality and a county and operated in accordance with Chapter 265, Health and Safety Code; and
(B) is located in an area not served by a hospital district created under Sections 4 through 11, Article IX, Texas Constitution.
(2) "Eligible county hospital expenditures" for a tax year means the amount paid by a county or municipality in the period beginning on July 1 of the tax year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted to maintain and operate an eligible county hospital.
(b) If a county's or municipality's eligible county hospital expenditures exceed the amount of those expenditures for the preceding tax year, the no-new-revenue maintenance and operations rate for the county or municipality, as applicable, is increased by the lesser of the rates computed according to the following formulas:
(Current Tax Year's Eligible County Hospital Expenditures - Preceding Tax Year's Eligible County Hospital Expenditures) / (Current Total Value - New Property Value)
or
(Preceding Tax Year's Eligible County Hospital Expenditures x 0.08) / (Current Total Value - New Property Value)
(c) The county or municipality shall include a notice of the increase in the no-new-revenue maintenance and operations rate provided by this section, including a description and amount of eligible county hospital

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No equivalent provision.

SECTION 35. Chapter 26, Tax Code, is amended by adding Section 26.0442 to read as follows:
Sec. 26.0442. TAX RATE ADJUSTMENT FOR LOCAL OPTION RESIDENCE HOMESTEAD EXEMPTIONS. (a) In this section, "local option residence homestead exemption costs" means the amount of tax revenue that a taxing unit was unable to collect in the preceding tax year as a result of exemptions adopted by the taxing unit under Sections 11.13(d) and (n), calculated by multiplying the adopted tax rate of the taxing unit for the preceding tax year by the appraised value of property that was not taxable by the taxing unit in that tax year because of exemptions adopted by the taxing unit under Sections 11.13(d) and (n).
(b) If a taxing unit's local option residence homestead exemption costs exceed the amount of those costs for the preceding tax year, the no-new-revenue maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:
(Current Tax Year's Local Option Residence Homestead Exemption Costs - Preceding Tax Year's Local Option Residence Homestead Exemption Costs) / (Current Total Value - New Property Value)
(c) The taxing unit shall include a notice of the increase in the no-new-revenue maintenance and operations rate provided by this section, including a description and the amount of local option residence homestead exemption costs, in the information published under Section 26.04(e)

expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

Same as Senate version.

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and, as applicable, in the notice prescribed by Section 26.06 or Section 26.061.

SECTION 35. Chapter 26, Tax Code, is amended by adding Section 26.0446 to read as follows:

Sec. 26.0446. ELECTION TO APPLY LAW GOVERNING TAXING UNIT OTHER THAN SMALL TAXING UNIT TO SMALL TAXING UNIT. (a) On the uniform election date prescribed by Section 41.001, Election Code, in May of 2020, each taxing unit that would have been a small taxing unit in the 2019 tax year if Section 26.012(19) had been in effect in that tax year shall call an election for the purpose of allowing the voters in the taxing unit to determine whether the law governing a taxing unit other than a small taxing unit shall apply to the taxing unit. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Limiting the rate at which the maintenance and operations taxes of the (name of taxing unit) may be increased without voter approval to 3.5 percent rather than eight percent."

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

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

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

No equivalent provision.

Same as House version.

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SECTION 36. The heading to Section 26.045, Tax Code, is amended to read as follows:

Sec. 26.045. VOTER-~~APPROVED~~ TAX RATE
~~[ROLLBACK]~~ RELIEF FOR POLLUTION CONTROL REQUIREMENTS.

SECTION 37. Sections 26.045(a), (c), and (i), Tax Code, are amended to read as follows:

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

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

- (1) the anticipated environmental benefits from the installation of the facility, device, or method for the control of air, water, or land pollution;
- (2) the estimated cost of the pollution control facility, device, or method; and
- (3) the purpose of the installation of the facility, device, or method, and the proportion of the installation that is pollution control property.

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No equivalent provision.

No equivalent provision.

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SECTION 44. The heading to Section 26.045, Tax Code, is amended to read as follows:

Sec. 26.045. VOTER-~~APPROVAL~~ TAX RATE
~~[ROLLBACK]~~ RELIEF FOR POLLUTION CONTROL REQUIREMENTS.

SECTION 45. Same as Senate version, except refers to "voter-approval tax rate" instead of "voter-approved tax rate."

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(i) A political subdivision of the state seeking an adjustment in its voter-approved ~~[rollback]~~ tax rate under this section shall provide to its tax assessor a copy of the letter issued by the executive director of the Texas Commission on Environmental Quality under Subsection (d). The tax assessor shall accept the copy of the letter from the executive director as conclusive evidence that the facility, device, or method is used wholly or partly as pollution control property and shall adjust the voter-approved ~~[rollback]~~ tax rate for the political subdivision as provided for by Subsection (a).

SECTION 38. Section 26.05, Tax Code, is amended by amending Subsections (a), (b), (c), (d), (e), and (g) and adding Subsections (d-1), (d-2), and (e-1) to read as follows: (a) The governing body of each taxing unit~~[, before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit,]~~ shall adopt a tax rate for the current tax year and shall notify the assessor for the taxing unit of the rate adopted. The governing body must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, except that the governing body must adopt a tax rate that exceeds the voter-approved tax rate not later than the 71st day before the next uniform election date prescribed by Section 41.001, Election Code, that occurs in November of that year. The tax rate consists of two components, each of which must be approved separately. The components are:

(1) for a taxing unit other than a school district, the rate that, if applied to the total taxable value, will impose the total amount *published under Section 26.04(e)(3)(C)*, less any

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SECTION 36. Section 26.05, Tax Code, is amended by amending Subsections (a), (b), (c), (d), (e), and (g) and adding Subsections (d-1), (d-2), and (e-1) to read as follows: (a) The governing body of each taxing unit~~[, before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit,]~~ shall adopt a tax rate for the current tax year and shall notify the assessor for the taxing unit of the rate adopted. The governing body must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, except that the governing body must adopt a tax rate that exceeds the rollback tax rate not later than the 71st day before the next uniform election date prescribed by Section 41.001, Election Code, that occurs in November of that year. The tax rate consists of two components, each of which must be approved separately. The components are:

(1) for a taxing unit other than a school district, the rate that, if applied to the total taxable value, will impose the total amount described by ~~[published under]~~ Section

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SECTION 46. Section 26.05, Tax Code, is amended by amending Subsections (a), (b), (c), (d), (e), and (g) and adding Subsections (d-1), (d-2), and (e-1) to read as follows: (a) The governing body of each taxing unit~~[, before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit,]~~ shall adopt a tax rate for the current tax year and shall notify the assessor for the taxing unit of the rate adopted. The governing body must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, except that the governing body must adopt a tax rate that exceeds the voter-approval tax rate not later than the 71st day before the next uniform election date prescribed by Section 41.001, Election Code, that occurs in November of that year. The tax rate consists of two components, each of which must be approved separately. The components are:

(1) for a taxing unit other than a school district, the rate that, if applied to the total taxable value, will impose the total amount described by ~~[published under]~~ Section

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amount of additional sales and use tax revenue that will be used to pay debt service, or, for a school district, the rate calculated under Section 44.004(c)(5)(A)(ii)(b), Education Code; and

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

(b) A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget. For a taxing unit other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue [effective] tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. For a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the sum of the no-new-revenue [effective] maintenance and operations tax rate of the district as determined under Section 26.08(i) and the district's current debt rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue [effective] tax rate must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds the no-new-revenue [effective] tax

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~~26.04(e)(4)(C)~~ ~~[26.04(e)(3)(C)]~~, less any amount of additional sales and use tax revenue that will be used to pay debt service, or, for a school district, the rate calculated under Section 44.004(c)(5)(A)(ii)(b), Education Code; and

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

(b) A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget. For a taxing unit other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue [effective] tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. For a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the sum of the no-new-revenue [effective] maintenance and operations tax rate of the district as determined under Section 26.08(i) and the district's current debt rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue [effective] tax rate must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds the no-new-revenue [effective] tax

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~~26.04(e)(3)(C)~~, less any amount of additional sales and use tax revenue that will be used to pay debt service, or, for a school district, the rate calculated under Section 44.004(c)(5)(A)(ii)(b), Education Code; and

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

(b) A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget. For a taxing unit other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue [effective] tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. For a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the sum of the no-new-revenue [effective] maintenance and operations tax rate of the district as determined under Section 26.08(i) and the district's current debt rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue [effective] tax rate must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds the no-new-revenue [effective] tax

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rate) percent increase in the tax rate." If the ordinance, resolution, or order sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the taxing unit that exceeds the amount of taxes imposed for that purpose in the preceding year, the taxing unit must:

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

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

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

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

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

(B) if the tax rate exceeds the no-new-revenue [effective] maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE [EFFECTIVE]

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rate) percent increase in the tax rate." If the ordinance, resolution, or order sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the taxing unit that exceeds the amount of taxes imposed for that purpose in the preceding year, the taxing unit must:

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

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

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

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

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

(B) if the tax rate exceeds the no-new-revenue [effective] maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE [EFFECTIVE]

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rate) percent increase in the tax rate." If the ordinance, resolution, or order sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the taxing unit that exceeds the amount of taxes imposed for that purpose in the preceding year, the taxing unit must:

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

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

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

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

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

(B) if the tax rate exceeds the no-new-revenue [effective] maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE [EFFECTIVE]

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MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

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

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

(d-1) The governing body of a taxing unit other than a school district may not hold a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the fifth day after the date the chief appraiser of each appraisal district in which the taxing unit participates has:

(1) delivered the notice required by Section 26.04(e-2); and

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MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

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

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

(d-1) The governing body of a taxing unit other than a school district may not hold a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the fifth business day after the date the chief appraiser of each appraisal district in which the taxing unit participates has:

(1) delivered the notice required by Section 26.04(e-2); and

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MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

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

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

(d-1) The governing body of a taxing unit other than a school district may not hold a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the fifth day after the date the chief appraiser of each appraisal district in which the taxing unit participates has:

(1) delivered the notice required by Section 26.04(e-2); and

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(2) complied with Section 26.17(e).

(d-2) Notwithstanding Subsection (a), the governing body of a taxing unit other than a school district may not adopt a tax rate until the chief appraiser of each appraisal district in which the taxing unit participates has complied with Subsection (d-1).

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

(e-1) The governing body of a taxing unit that imposes an additional sales and use tax may not adopt the component of the tax rate of the taxing unit described by Subsection (a)(1) of this section until the chief financial officer or the auditor for the taxing unit submits to the governing body of the taxing unit a written certification that the amount of additional sales and use tax revenue that will be used to pay

HOUSE VERSION (IE)

(2) complied with Section 26.17(f).

(d-2) Notwithstanding Subsection (a), the governing body of a taxing unit other than a school district may not adopt a tax rate until the chief appraiser of each appraisal district in which the taxing unit participates has complied with Subsection (d-1).

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

(e-1) The governing body of a taxing unit that imposes an additional sales and use tax may not adopt the component of the tax rate of the taxing unit described by Subsection (a)(1) of this section until the chief financial officer or the auditor for the taxing unit submits to the governing body of the taxing unit a written certification that the amount of additional sales and use tax revenue that will be used to pay

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(2) complied with Section 26.17(f).

(d-2) Notwithstanding Subsection (a), the governing body of a taxing unit other than a school district may not adopt a tax rate until the chief appraiser of each appraisal district in which the taxing unit participates has complied with Subsection (d-1).

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

(e-1) The governing body of a taxing unit that imposes an additional sales and use tax may not adopt the component of the tax rate of the taxing unit described by Subsection (a)(1) of this section until the chief financial officer or the auditor for the taxing unit submits to the governing body of the taxing unit a written certification that the amount of additional sales and use tax revenue that will be used to pay

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debt service has been deducted from the total amount published under Section 26.04(e)(3)(C) as required by Subsection (a)(1) of this section. The comptroller shall adopt rules governing the form of the certification required by this subsection and the manner in which it is required to be submitted.

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

SECTION 39. Section 26.052, Tax Code, is amended by amending Subsection (e) and adding Subsection (f) to read as follows:

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

- (1) the tax rate that the governing body proposes to adopt;
- (2) the date, time, and location of the meeting of the governing body of the taxing unit at which the governing body will consider adopting the proposed tax rate; and
- (3) if the proposed tax rate for the taxing unit exceeds the taxing unit's no-new-revenue [effective] tax rate calculated

HOUSE VERSION (IE)

debt service has been deducted from the total amount described by Section 26.04(e)(4)(C) as required by Subsection (a)(1) of this section. The comptroller shall prescribe the form of the certification required by this subsection and the manner in which it is required to be submitted.

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

SECTION 37. Same as Senate version.

CONFERENCE

debt service has been deducted from the total amount described by Section 26.04(e)(3)(C) as required by Subsection (a)(1) of this section. The comptroller shall prescribe the form of the certification required by this subsection and the manner in which it is required to be submitted.

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

SECTION 47. Same as Senate version.

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as provided by Section 26.04, a statement substantially identical to the following: "The proposed tax rate would increase total taxes in (name of taxing unit) by (percentage by which the proposed tax rate exceeds the no-new-revenue ~~[effective]~~ tax rate)."

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

SECTION 40. Section 26.06, Tax Code, is amended by amending Subsections (a), (b), (c), (d), and (e) and adding Subsections (b-1), (b-2), (b-3), and (b-4) to read as follows:

(a) A public hearing required by Section 26.05 may not be held before the *seventh* day after the date the notice of the public hearing is given. The ~~[second hearing may not be held earlier than the third day after the date of the first hearing. Each]~~ hearing must be on a weekday that is not a public holiday. The [Each] hearing must be held inside the boundaries of the unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. At the hearing [hearings], the governing body must afford adequate opportunity for proponents and opponents of the tax increase to present their views.

(b) The notice of a public hearing may not be smaller than one-quarter page of a standard-size or a tabloid-size

HOUSE VERSION (IE)

SECTION 38. Section 26.06, Tax Code, is amended by amending Subsections (a), (b), (c), (d), and (e) and adding Subsections (b-1), (b-2), (b-3), and (b-4) to read as follows:

(a) A public hearing required by Section 26.05 may not be held before the *seventh* day after the date the notice of the public hearing is given. The ~~[second hearing may not be held earlier than the third day after the date of the first hearing. Each]~~ hearing must be on a weekday that is not a public holiday. The [Each] hearing must be held inside the boundaries of the unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. At the hearing [hearings], the governing body must afford adequate opportunity for proponents and opponents of the tax increase to present their views.

(b) The notice of a public hearing may not be smaller than one-quarter page of a standard-size or a tabloid-size

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SECTION 48. Section 26.06, Tax Code, is amended by amending Subsections (a), (b), (c), (d), and (e) and adding Subsections (b-1), (b-2), (b-3), and (b-4) to read as follows:

(a) A public hearing required by Section 26.05 may not be held before the *fifth [seventh]* day after the date the notice of the public hearing is given. The ~~[second hearing may not be held earlier than the third day after the date of the first hearing. Each]~~ hearing must be on a weekday that is not a public holiday. The [Each] hearing must be held inside the boundaries of the unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. At the hearing [hearings], the governing body must afford adequate opportunity for proponents and opponents of the tax increase to present their views.

(b) The notice of a public hearing may not be smaller than one-quarter page of a standard-size or a tabloid-size newspaper, and the headline on the notice must be in 24-

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newspaper, and the headline on the notice must be in 24-point or larger type. ~~[The notice must contain a statement in the following form:~~

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

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

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

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

~~["The average taxable value of a residence homestead in (name of taxing unit) last year was \$_____ (average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older). Based on last year's tax rate of \$_____ (preceding year's adopted tax rate) per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$_____ (tax on average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older).~~

HOUSE VERSION (IE)

newspaper, and the headline on the notice must be in 24-point or larger type. ~~[The notice must contain a statement in the following form:~~

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

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

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

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

~~["The average taxable value of a residence homestead in (name of taxing unit) last year was \$_____ (average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older). Based on last year's tax rate of \$_____ (preceding year's adopted tax rate) per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$_____ (tax on average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older).~~

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point or larger type. ~~[The notice must contain a statement in the following form:~~

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

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

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

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

~~["The average taxable value of a residence homestead in (name of taxing unit) last year was \$_____ (average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older). Based on last year's tax rate of \$_____ (preceding year's adopted tax rate) per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$_____ (tax on average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older).~~

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

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

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

~~(b-1) If the proposed tax rate exceeds the no-new-revenue tax rate and the **voter-approved** tax rate of the taxing unit, the notice must contain a statement in the following form:~~

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

~~"PROPOSED TAX RATES\$_____ per \$100~~

~~"NO-NEW-REVENUE TAX RATES\$_____ per \$100~~

~~"**VOTER-APPROVED** TAX RATES\$_____ per \$100~~

~~"The no-new-revenue tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same~~

HOUSE VERSION (IE)

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

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

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

~~(b-1) If the proposed tax rate exceeds the no-new-revenue tax rate and the **rollback** tax rate of the taxing unit, the notice must contain a statement in the following form:~~

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

~~"PROPOSED TAX RATE \$_____ per \$100~~

~~"NO-NEW-REVENUE TAX RATE \$_____ per \$100~~

~~"**ROLLBACK** TAX RATE \$_____ per \$100~~

~~"The no-new-revenue tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same~~

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

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

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

~~(b-1) If the proposed tax rate exceeds the no-new-revenue tax rate and the **voter-approval** tax rate of the taxing unit, the notice must contain a statement in the following form:~~

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

~~"PROPOSED TAX RATE \$_____ per \$100~~

~~"NO-NEW-REVENUE TAX RATE \$_____ per \$100~~

~~"**VOTER-APPROVAL** TAX RATE \$_____ per \$100~~

~~"The no-new-revenue tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same~~

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properties in both the (preceding tax year) tax year and the (current tax year) tax year.

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

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

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

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

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

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

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

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properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The **rollback** tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to **seek voter approval** of the rate. [FA36(A),FA37]

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

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

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

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

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

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

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properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The **voter-approval** tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek **voter approval** of the rate.

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

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

"The proposed tax rate is also greater than the **voter-approval** tax rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate. If a majority of the voters reject the proposed tax rate, the tax rate of the (name of taxing unit) will be the **voter-approval** tax rate. The election will be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).

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

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

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

"The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."

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(b-2) If the proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the ***voter-approved*** tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE\$ _____ per \$100

"NO-NEW-REVENUE TAX RATE\$ _____ per \$100

"***VOTER-APPROVED*** TAX RATE\$ _____ per \$100

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

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

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

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

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

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

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(b-2) If the proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the ***rollback*** tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE \$ _____ per \$100

"NO-NEW-REVENUE TAX RATE \$ _____ per \$100

"***ROLLBACK*** TAX RATE \$ _____ per \$100

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

"The ***rollback*** tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ***seek voter approval*** of the rate. [FA36(B),FA37]

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

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

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

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

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(b-2) If the proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the ***voter-approval*** tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE \$ _____ per \$100

"NO-NEW-REVENUE TAX RATE \$ _____ per \$100

"***VOTER-APPROVAL*** TAX RATE \$ _____ per \$100

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

"The ***voter-approval*** tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ***seek voter approval*** of the rate.

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

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

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

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

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

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

(b-3) If the proposed tax rate does not exceed the no-new-revenue tax rate but exceeds the **voter-approved** tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX RATE

"PROPOSED TAX RATE\$ _____ per \$100

"NO-NEW-REVENUE TAX RATE\$ _____ per \$100

"**VOTER-APPROVED** TAX RATE\$ _____ per \$100

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

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

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

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

"The proposed tax rate is greater than the **voter-approved** tax rate. If (name of taxing unit) adopts the proposed tax rate,

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

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

(b-3) If the proposed tax rate does not exceed the no-new-revenue tax rate but exceeds the **rollback** tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX RATE

"PROPOSED TAX RATE \$ _____ per \$100

"NO-NEW-REVENUE TAX RATE \$ _____ per \$100

"**ROLLBACK** TAX RATE \$ _____ per \$100

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

"The **rollback** tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to **seek voter approval** of the rate. [FA36(C),FA37]

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

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

"The proposed tax rate is greater than the **rollback** tax rate. If (name of taxing unit) adopts the proposed tax rate, (name

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

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

"The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."

(b-3) If the proposed tax rate does not exceed the no-new-revenue tax rate but exceeds the **voter-approval** tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX RATE

"PROPOSED TAX RATE \$ _____ per \$100

"NO-NEW-REVENUE TAX RATE \$ _____ per \$100

"**VOTER-APPROVAL** TAX RATE \$ _____ per \$100

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

"The **voter-approval** tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to **seek voter approval** of the rate.

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

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

"The proposed tax rate is greater than the **voter-approval** tax rate. If (name of taxing unit) adopts the proposed tax rate,

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

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

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

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

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

(c) The notice of a public hearing under this section may be delivered by mail to each property owner in the taxing unit, or may be published in a newspaper. If the notice is published in a newspaper, it may not be in the part of the paper in which legal notices and classified advertisements appear. If the taxing unit publishes the notice in a newspaper [~~operates an Internet website~~], the taxing unit must also post the notice prominently on the home page of the Internet website of the taxing unit [~~must be posted on the website~~]

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

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

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

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

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

(c) The notice of a public hearing under this section may be delivered by mail to each property owner in the taxing unit, or may be published in a newspaper. If the notice is published in a newspaper, it may not be in the part of the paper in which legal notices and classified advertisements appear. If the taxing unit publishes the notice in a newspaper [~~operates an Internet website~~], the taxing unit must also post the notice prominently on the home page of the Internet website of the taxing unit [~~must be posted on the website~~]

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(name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate. If a majority of the voters reject the proposed tax rate, the tax rate of the (name of taxing unit) will be the **voter-approval** tax rate. The election will be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).

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

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

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

"The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."

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

(c) The notice of a public hearing under this section may be delivered by mail to each property owner in the taxing unit, or may be published in a newspaper. If the notice is published in a newspaper, it may not be in the part of the paper in which legal notices and classified advertisements appear. If the taxing unit publishes the notice in a newspaper [~~operates an Internet website~~], the taxing unit must also post the notice prominently on the home page of the Internet website of the taxing unit [~~must be posted on the website~~]

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from the date the notice is first published until the [second] public hearing is concluded.

(d) At the public hearing [~~hearings~~] the governing body shall announce the date, time, and place of the meeting at which it will vote on the proposed tax rate.

After the [~~each~~] hearing the governing body shall give notice of the meeting at which it will vote on the proposed tax rate and the notice shall be in the same form as prescribed by Subsections (b) and (c), except that it must state the following:

"NOTICE OF TAX REVENUE INCREASE

"The (name of the taxing unit) conducted a public hearing [~~hearings~~] on (date of [~~first~~] hearing) [~~and (date of second hearing)~~] on a proposal to increase the total tax revenues of the (name of the taxing unit) from properties on the tax roll in the preceding year by (percentage by which proposed tax rate exceeds lower of voter-approved [~~rollback~~] tax rate or no-new-revenue [~~effective~~] tax rate calculated under this chapter) percent.

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

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

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from the date the notice is first published until the [second] public hearing is concluded.

(d) The governing body may vote on the proposed tax rate at the public hearing. If the governing body does not vote on the proposed tax rate at the public hearing, [At the public hearings] the governing body shall announce at the public hearing the date, time, and place of the meeting at which it will vote on the proposed tax rate and, after the hearing,

~~[After each hearing the governing body]~~ shall give notice of the meeting ~~[at which it will vote on the proposed tax rate and the notice shall be]~~ in the same form as prescribed by Subsections (b) and (c), except that the notice [~~it~~] must state the following:

"NOTICE OF TAX REVENUE INCREASE

"The (name of the taxing unit) conducted a public hearing [~~hearings~~] on (date of [~~first~~] hearing) [~~and (date of second hearing)~~] on a proposal to increase the total tax revenues of the (name of the taxing unit) from properties on the tax roll in the preceding year by (percentage by which proposed tax rate exceeds lower of rollback tax rate or no-new-revenue [~~effective~~] tax rate calculated under this chapter) percent.

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

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

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from the date the notice is first published until the [second] public hearing is concluded.

(d) The governing body may vote on the proposed tax rate at the public hearing. If the governing body does not vote on the proposed tax rate at the public hearing, [At the public hearings] the governing body shall announce at the public hearing the date, time, and place of the meeting at which it will vote on the proposed tax rate.

~~[After each hearing the governing body shall give notice of the meeting at which it will vote on the proposed tax rate and the notice shall be in the same form as prescribed by Subsections (b) and (c), except that it must state the following:~~

~~["NOTICE OF TAX REVENUE INCREASE~~

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

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

~~["The total tax revenue proposed to be raised this year at the proposed tax rate of (insert proposed tax rate) for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is (insert amount computed by multiplying proposed tax rate by the~~

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difference between current total value and new property value).

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

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

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

(e) *The meeting to vote on the tax increase may not be earlier than the third day or later than the seventh [14th] day after the date of the [second] public hearing. The meeting must be held inside the boundaries of the taxing unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. If the governing body does not adopt a tax rate that exceeds the lower of the voter-approved [rollback] tax rate or the no-new-revenue [effective] tax rate by the seventh [14th] day, it must give a new notice under Subsection (d) before it may adopt a rate that exceeds the lower of the voter-approved [rollback] tax rate or the no-new-revenue [effective] tax rate.*

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difference between current total value and new property value).

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

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

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

(e) *A [The] meeting to vote on the tax increase for which notice is required to be provided under Subsection (d) may not be held [earlier than the third day or] later than the seventh [14th] day after the date of the [second] public hearing. The meeting must be held inside the boundaries of the taxing unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. If the governing body does not adopt a tax rate that exceeds the lower of the rollback tax rate or the no-new-revenue [effective] tax rate by the seventh [14th] day, it must give a new notice under Subsection (d) before it may adopt a rate that exceeds the lower of the rollback tax rate or the no-new-revenue [effective] tax rate.*

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~~*difference between current total value and new property value).*~~

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

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

~~*["The (governing body of the taxing unit) proposes to use the increase in total tax revenue for the purpose of (description of purpose of increase)."]*~~

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

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SECTION 41. Chapter 26, Tax Code, is amended by adding Sections 26.061 and 26.062 to read as follows:

Sec. 26.061. NOTICE OF MEETING TO VOTE ON PROPOSED TAX RATE THAT DOES NOT EXCEED LOWER OF NO-NEW-REVENUE OR **VOTER-APPROVED** TAX RATE. (a) This section applies only to the governing body of a taxing unit other than a school district that proposes to adopt a tax rate that does not exceed the lower of the no-new-revenue tax rate or the **voter-approved** tax rate calculated as provided by this chapter.

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

"NOTICE OF MEETING TO VOTE ON TAX RATE

"PROPOSED TAX RATE\$ _____ per \$100

"NO-NEW-REVENUE TAX RATES_____ per \$100

"**VOTER-APPROVED** TAX RATES_____ per \$100

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

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

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

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

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SECTION 39. Chapter 26, Tax Code, is amended by adding Sections 26.061, 26.062, and 26.063 to read as follows:

Sec. 26.061. NOTICE OF MEETING TO VOTE ON PROPOSED TAX RATE THAT DOES NOT EXCEED LOWER OF NO-NEW-REVENUE OR **ROLLBACK** TAX RATE. (a) This section applies only to the governing body of a taxing unit other than a school district that proposes to adopt a tax rate that does not exceed the lower of the no-new-revenue tax rate or the **rollback** tax rate calculated as provided by this chapter.

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

"NOTICE OF MEETING TO VOTE ON TAX RATE

"PROPOSED TAX RATE \$ _____ per \$100

"NO-NEW-REVENUE TAX RATE \$ _____ per \$100

"**ROLLBACK** TAX RATE \$ _____ per \$100

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

"The **rollback** tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to **seek voter approval of** the rate. [FA36(D),FA37]

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

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

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SECTION 49. Chapter 26, Tax Code, is amended by adding Sections 26.061, 26.062, and 26.063 to read as follows:

Sec. 26.061. NOTICE OF MEETING TO VOTE ON PROPOSED TAX RATE THAT DOES NOT EXCEED LOWER OF NO-NEW-REVENUE OR **VOTER-APPROVAL** TAX RATE. (a) This section applies only to the governing body of a taxing unit other than a school district that proposes to adopt a tax rate that does not exceed the lower of the no-new-revenue tax rate or the **voter-approval** tax rate calculated as provided by this chapter.

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

"NOTICE OF MEETING TO VOTE ON TAX RATE

"PROPOSED TAX RATE \$ _____ per \$100

"NO-NEW-REVENUE TAX RATE \$ _____ per \$100

"**VOTER-APPROVAL** TAX RATE \$ _____ per \$100

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

"The **voter-approval** tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to **seek voter approval of** the rate.

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

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

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"The proposed tax rate is also not greater than the **voter-approved** tax rate. As a result, (name of taxing unit) is not required to hold an election to **ratify** the rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public meeting mentioned above.

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

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

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

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

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

(1) a statement in the following form:

"The following table compares the taxes imposed on the average residence homestead by (name of taxing unit) last

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"The proposed tax rate is also not greater than the **rollback** tax rate. As a result, (name of taxing unit) is not required to hold an election to **seek voter approval of** the rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public meeting mentioned above. [FA36(E),FA37]

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

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

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

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

(d) The notice required under this section must be provided in the manner required under Section 26.06(c).

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

(1) a statement in the following form:

"The following table compares the taxes imposed on the average residence homestead by (name of taxing unit) last

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"The proposed tax rate is also not greater than the **voter-approved** tax rate. As a result, (name of taxing unit) is not required to hold an election to **seek voter approval of** the rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public meeting mentioned above.

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

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

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

"The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."

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

(d) The notice required under this section must be provided in the manner required under Section 26.06(c).

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

(1) a statement in the following form:

"The following table compares the taxes imposed on the average residence homestead by (name of taxing unit) last

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year to the taxes proposed to be imposed on the average residence homestead by (name of taxing unit) this year:";
(2) a table in the form required by this section following the statement described by Subdivision (1); and
(3) a statement in the following form following the table:
(A) if the tax assessor for the taxing unit maintains an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address), or visit (Internet website address) for more information."; or
(B) if the tax assessor for the taxing unit does not maintain an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address)."
(b) The table must contain five rows and four columns.
(c) The first row must appear as follows:
(1) the first column of the first row must be left blank;
(2) the second column of the first row must state the year corresponding to the preceding tax year;
(3) the third column of the first row must state the year corresponding to the current tax year; and
(4) the fourth column of the first row must be entitled "Change".
(d) The second row must appear as follows:
(1) the first column of the second row must be entitled "Total tax rate (per \$100 of value)";
(2) the second column of the second row must state the adopted tax rate for the preceding tax year;
(3) the third column of the second row must state the proposed tax rate for the current tax year; and
(4) the fourth column of the second row must state the nominal and percentage difference between the adopted tax

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year to the taxes proposed to be imposed on the average residence homestead by (name of taxing unit) this year:";
(2) a table in the form required by this section following the statement described by Subdivision (1); and
(3) a statement in the following form following the table:
(A) if the tax assessor for the taxing unit maintains an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address), or visit (Internet website address) for more information."; or
(B) if the tax assessor for the taxing unit does not maintain an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address)."
(b) The table must contain five rows and four columns.
(c) The first row must appear as follows:
(1) the first column of the first row must be left blank;
(2) the second column of the first row must state the year corresponding to the preceding tax year;
(3) the third column of the first row must state the year corresponding to the current tax year; and
(4) the fourth column of the first row must be entitled "Change".
(d) The second row must appear as follows:
(1) the first column of the second row must be entitled "Total tax rate (per \$100 of value)";
(2) the second column of the second row must state the adopted tax rate for the preceding tax year;
(3) the third column of the second row must state the proposed tax rate for the current tax year; and
(4) the fourth column of the second row must state the nominal and percentage difference between the adopted tax

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year to the taxes proposed to be imposed on the average residence homestead by (name of taxing unit) this year:";
(2) a table in the form required by this section following the statement described by Subdivision (1); and
(3) a statement in the following form following the table:
(A) if the tax assessor for the taxing unit maintains an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address), or visit (Internet website address) for more information."; or
(B) if the tax assessor for the taxing unit does not maintain an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address)."
(b) The table must contain five rows and four columns.
(c) The first row must appear as follows:
(1) the first column of the first row must be left blank;
(2) the second column of the first row must state the year corresponding to the preceding tax year;
(3) the third column of the first row must state the year corresponding to the current tax year; and
(4) the fourth column of the first row must be entitled "Change".
(d) The second row must appear as follows:
(1) the first column of the second row must be entitled "Total tax rate (per \$100 of value)";
(2) the second column of the second row must state the adopted tax rate for the preceding tax year;
(3) the third column of the second row must state the proposed tax rate for the current tax year; and
(4) the fourth column of the second row must state the nominal and percentage difference between the adopted tax

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rate for the preceding tax year and the proposed tax rate for the current tax year as follows: "(increase or decrease, as applicable) of (nominal difference between tax rate stated in second column of second row and tax rate stated in third column of second row) per \$100, or (percentage difference between tax rate stated in second column of second row and tax rate stated in third column of second row)%".

(e) The third row must appear as follows:

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

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

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

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

(f) The fourth row must appear as follows:

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

(2) the second column of the fourth row must state the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal

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rate for the preceding tax year and the proposed tax rate for the current tax year as follows: "(increase or decrease, as applicable) of (nominal difference between tax rate stated in second column of second row and tax rate stated in third column of second row) per \$100, or (percentage difference between tax rate stated in second column of second row and tax rate stated in third column of second row)%".

(e) The third row must appear as follows:

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

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

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

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

(f) The fourth row must appear as follows:

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

(2) the second column of the fourth row must state the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal

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rate for the preceding tax year and the proposed tax rate for the current tax year as follows: "(increase or decrease, as applicable) of (nominal difference between tax rate stated in second column of second row and tax rate stated in third column of second row) per \$100, or (percentage difference between tax rate stated in second column of second row and tax rate stated in third column of second row)%".

(e) The third row must appear as follows:

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

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

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

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

(f) The fourth row must appear as follows:

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

(2) the second column of the fourth row must state the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal

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to the average taxable value of a residence homestead in the taxing unit in the preceding tax year;

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

(4) the fourth column of the fourth row must state the nominal and percentage difference between the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the preceding tax year and the amount of taxes that would be imposed by the taxing unit in the current tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate, as follows: "(increase or decrease, as applicable) of (nominal difference between amount stated in second column of fourth row and amount stated in third column of fourth row), or (percentage difference between amount stated in second column of fourth row and amount stated in third column of fourth row)%".

(g) The fifth row must appear as follows:

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

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

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

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to the average taxable value of a residence homestead in the taxing unit in the preceding tax year;

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

(4) the fourth column of the fourth row must state the nominal and percentage difference between the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the preceding tax year and the amount of taxes that would be imposed by the taxing unit in the current tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate, as follows: "(increase or decrease, as applicable) of (nominal difference between amount stated in second column of fourth row and amount stated in third column of fourth row), or (percentage difference between amount stated in second column of fourth row and amount stated in third column of fourth row)%".

(g) The fifth row must appear as follows:

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

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

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

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to the average taxable value of a residence homestead in the taxing unit in the preceding tax year;

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

(4) the fourth column of the fourth row must state the nominal and percentage difference between the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the preceding tax year and the amount of taxes that would be imposed by the taxing unit in the current tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate, as follows: "(increase or decrease, as applicable) of (nominal difference between amount stated in second column of fourth row and amount stated in third column of fourth row), or (percentage difference between amount stated in second column of fourth row and amount stated in third column of fourth row)%".

(g) The fifth row must appear as follows:

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

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

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

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

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

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

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

Sec. 26.063. ALTERNATE PROVISIONS FOR TAX RATE NOTICE OF TAXING UNIT OTHER THAN SPECIAL TAXING UNIT. (a) This section applies only to a taxing unit:

(1) that is a taxing unit other than a special taxing unit;

(2) that is required to provide notice under Section 26.06(b-1) or (b-3); and

(3) for which the de minimis rate exceeds the rollback tax rate.

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

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

Sec. 26.063. ALTERNATE PROVISIONS FOR TAX RATE NOTICE WHEN DE MINIMIS RATE EXCEEDS VOTER-APPROVAL TAX RATE. (a) This section applies only to a taxing unit:

(1) that is:

(A) a taxing unit other than a special taxing unit; or

(B) a municipality with a population of less than 30,000, regardless of whether it is a special taxing unit;

(2) that is required to provide notice under Section 26.06(b-1) or (b-3); and

(3) for which the de minimis rate exceeds the voter-approval tax rate.

(b) This subsection applies only to a taxing unit that is required to hold an election under Section 26.07. In the notice required to be provided by the taxing unit under

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(b) In the notice required to be provided by the taxing unit under Section 26.06(b-1) or (b-3), as applicable, the taxing unit shall:

(1) substitute the following for the definition of "rollback tax rate": "The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek voter approval of the rate, unless the de minimis rate for (insert name of taxing unit) exceeds the rollback tax rate for (insert name of taxing unit), in which case the de minimis rate is the highest tax rate that (name of taxing unit) may adopt without an election.";
[FA36(F),FA37]

(2) add the following definition of "de minimis rate": "The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for (name of taxing unit), the rate that will raise the de minimis amount, and the current debt rate for (name of taxing unit)."; and

(3) substitute the following for the provision that provides notice that an election is required: "The proposed tax rate is greater than the rollback tax rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate unless the de minimis rate exceeds the rollback tax rate and the proposed tax rate is less than the de minimis rate. If a majority of the voters reject the proposed tax rate, the (name of taxing unit) will be required to adopt a new tax rate that is not greater than the rollback tax rate. The election will be held on (date of election). You may contact the (name of office responsible

Section 26.06(b-1) or (b-3), as applicable, the taxing unit shall:

(1) add the following to the end of the list of rates included in the notice:

"DE MINIMIS RATE \$ per \$100";

(2) substitute the following for the definition of "voter-approval tax rate": "The voter-approval tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek voter approval of the rate, unless the de minimis rate for (name of taxing unit) exceeds the voter-approval tax rate for (name of taxing unit).";

(3) add the following definition of "de minimis rate": "The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for (name of taxing unit), the rate that will raise \$500,000, and the current debt rate for (name of taxing unit)."; and

(4) substitute the following for the provision that provides notice that an election is required: "The proposed tax rate is greater than the voter-approval tax rate and the de minimis rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate. If a majority of the voters reject the proposed tax rate, the tax rate of the (name of taxing unit) will be the voter-approval tax rate of the (name of taxing unit). The election will be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).";

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for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).".

(c) This subsection applies only to a taxing unit for which the qualified voters of the taxing unit may petition to hold an election under Section 26.075. In the notice required to be provided by the taxing unit under Section 26.06(b-1) or (b-3), as applicable, the taxing unit shall:

(1) add the following to the end of the list of rates included in the notice:

"DE MINIMIS RATE \$ per \$100";

(2) substitute the following for the definition of "voter-approval tax rate": "The voter-approval tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek voter approval of the rate, unless the de minimis rate for (name of taxing unit) exceeds the voter-approval tax rate for (name of taxing unit).";

(3) add the following definition of "de minimis rate": "The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for (name of taxing unit), the rate that will raise \$500,000, and the current debt rate for (name of taxing unit)."; and

(4) substitute the following for the provision that provides notice that an election is required: "The proposed tax rate is greater than the voter-approval tax rate but not greater than the de minimis rate. However, the proposed tax rate exceeds the rate that allows voters to petition for an election under Section 26.075, Tax Code. If (name of taxing unit) adopts the proposed tax rate, the qualified voters of the (name of taxing unit) may petition the (name of taxing unit) to require an election to be held to determine whether to reduce the proposed tax rate. If a majority of the voters reject the proposed tax rate, the tax rate of the (name of

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SECTION 42. Section 26.065(b), Tax Code, is amended.

No equivalent provision. (But see SECTION 44, Sec. 26.08, Tax Code, below.)

SECTION 40. Same as Senate version.

SECTION 41. Section 26.07, Tax Code, is amended to read as follows:

Sec. 26.07. ELECTION TO APPROVE TAX RATE OF TAXING UNIT OTHER THAN SCHOOL DISTRICT ~~[REPEAL INCREASE]~~. (a) This section applies to ~~[If the governing body of]~~ a taxing unit other than a school district.

(b) If the governing body of a special taxing unit adopts a tax rate that exceeds the taxing unit's rollback tax rate or the governing body of a taxing unit other than a special taxing unit adopts a tax rate that exceeds the greater of the taxing unit's rollback tax rate or de minimis rate [calculated as provided by this chapter], the registered [qualified] voters of the taxing unit at an election held for that purpose must determine whether to approve the adopted tax rate. When increased expenditure of money by a taxing unit is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, that has impacted the taxing unit and the governor has declared any part of the area in which the taxing unit is located as a disaster area, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs [by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current

taxing unit) will be the voter-approval tax rate of the (name of taxing unit).".

SECTION 50. Same as Senate version.

SECTION 51. Section 26.07, Tax Code, is amended to read as follows:

Sec. 26.07. **AUTOMATIC** ELECTION TO APPROVE TAX RATE OF TAXING UNIT OTHER THAN SCHOOL DISTRICT ~~[REPEAL INCREASE]~~. (a) This section applies to ~~[If the governing body of]~~ a taxing unit other than a school district.

(b) If the governing body of a special taxing unit **or a municipality with a population of 30,000 or more** adopts a tax rate that exceeds the taxing unit's **voter-approval [rollback]** tax rate [calculated as provided by this chapter], or the governing body of a taxing unit other than a special taxing unit **or a municipality with a population of less than 30,000 regardless of whether it is a special taxing unit** adopts a tax rate that exceeds the greater of the taxing unit's **voter-approval** tax rate or de minimis rate, the registered [qualified] voters of the taxing unit at an election held for that purpose must determine whether to approve the adopted tax rate. When increased expenditure of money by a taxing unit is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, that has impacted the taxing unit and the governor has declared any part of the area in which the taxing unit is located as a disaster area, an election is not required under this section to approve the tax rate adopted by the

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~~year to the rollback tax rate calculated as provided by this chapter]. [FA39(1)]~~

~~[(b) A petition is valid only if:~~

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

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

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

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

~~[(3) it is submitted to the governing body on or before the 90th day after the date on which the governing body adopted the tax rate for the current year.]~~

~~(c) The governing body [Not later than the 20th day after the day a petition is submitted, the governing body shall determine whether or not the petition is valid and pass a resolution stating its finding. If the governing body fails to act within the time allowed, the petition is treated as if it had been found valid.~~

~~[(d) If the governing body finds that the petition is valid (or fails to act within the time allowed), it] shall order that the~~

governing body for the year following the year in which the disaster occurs ~~[by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate calculated as provided by this chapter].~~

~~[(b) A petition is valid only if:~~

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

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

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

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

~~[(3) it is submitted to the governing body on or before the 90th day after the date on which the governing body adopted the tax rate for the current year.]~~

~~(c) The governing body [Not later than the 20th day after the day a petition is submitted, the governing body shall determine whether or not the petition is valid and pass a resolution stating its finding. If the governing body fails to act within the time allowed, the petition is treated as if it had been found valid.~~

~~[(d) If the governing body finds that the petition is valid (or fails to act within the time allowed), it] shall order that the~~

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~~[an]~~ election be held in the taxing unit on the uniform election date prescribed by Section 41.001, Election Code, that occurs in November of the applicable tax year. The order calling the election may not be issued later than August 15 ~~[a date not less than 30 or more than 90 days after the last day on which it could have acted to approve or disapprove the petition. A state law requiring local elections to be held on a specified date does not apply to the election unless a specified date falls within the time permitted by this section].~~ At the election, the ballots shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of \$ _____ per \$100 valuation in (name of taxing unit) for the current year, a rate that is \$ _____ higher per \$100 valuation than the rollback tax rate of (name of taxing unit), for the purpose of (description of purpose of increase). Last year, the ad valorem tax rate in (name of taxing unit) was \$ _____ per \$100 valuation ["Reducing the tax rate in (name of taxing unit) for the current year from (the rate adopted) to (the rollback tax rate calculated as provided by this chapter)]." The ballot proposition must include the adopted tax rate, the difference between the adopted tax rate and the **rollback** tax rate, and the taxing unit's tax rate for the preceding tax year in the appropriate places. [FA38(1)-(2)]

(d) ~~[(e)]~~ If a majority of the votes cast [qualified voters voting on the question] in the election favor the proposition, the tax rate for the ~~[taxing unit for the]~~ current year is the ~~[rollback tax]~~ rate that was adopted by the governing body [calculated as provided by this chapter; otherwise, the tax rate for the current year is the one adopted by the governing body].

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~~[an]~~ election be held in the taxing unit on the uniform election date prescribed by Section 41.001, Election Code, that occurs in November of the applicable tax year. The order calling the election may not be issued later than **the 71st day before the date of the election** ~~[a date not less than 30 or more than 90 days after the last day on which it could have acted to approve or disapprove the petition. A state law requiring local elections to be held on a specified date does not apply to the election unless a specified date falls within the time permitted by this section].~~ At the election, the ballots shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of \$ _____ per \$100 valuation in (name of taxing unit) for the current year, a rate that is \$ _____ higher per \$100 valuation than the **voter-approval** tax rate of (name of taxing unit), for the purpose of (description of purpose of increase). Last year, the ad valorem tax rate in (name of taxing unit) was \$ _____ per \$100 valuation ["Reducing the tax rate in (name of taxing unit) for the current year from (the rate adopted) to (the rollback tax rate calculated as provided by this chapter)]." The ballot proposition must include the adopted tax rate, the difference between the adopted tax rate and the **voter-approval** tax rate, and the taxing unit's tax rate for the preceding tax year in the appropriate places.

(d) ~~[(e)]~~ If a majority of the votes cast [qualified voters voting on the question] in the election favor the proposition, the tax rate for the ~~[taxing unit for the]~~ current year is the ~~[rollback tax]~~ rate that was adopted by the governing body [calculated as provided by this chapter; otherwise, the tax rate for the current year is the one adopted by the governing body].

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(e) If the proposition is not approved as provided by Subsection (d), the ***governing body may not adopt*** a tax rate for ***the taxing unit*** for the current year ***that exceeds*** the taxing unit's ***rollback*** tax rate.

(f) If, ~~the tax rate is reduced by an election called under this section~~ after tax bills for the taxing unit ~~have been~~ ***are*** mailed, ~~a proposition to approve the taxing unit's adopted tax rate is not approved by the voters of the taxing unit at an election held under this section, on subsequent adoption of a new tax rate by the governing body of the taxing unit,~~ the assessor for the taxing unit shall prepare and mail corrected tax bills. The assessor ~~He~~ shall include with the bill a brief explanation of the reason for and effect of the corrected bill. ***The date on which the taxes become delinquent for the year is extended by a number of days equal to the number of days between the date the first tax bills were sent and the date the corrected tax bills were sent.***

(g) If a property owner pays taxes calculated using the ~~originally adopted~~ ***higher*** tax rate ~~of the taxing unit and the proposition to approve the adopted tax rate is not approved by voters~~ ~~when the rate is reduced by an election called under this section~~, the taxing unit shall refund the difference between the amount of taxes paid and the amount due under the ~~subsequently adopted~~ ***reduced*** rate if the difference between the amount of taxes paid and the amount due under the ~~subsequent~~ ***reduced*** rate is \$1 or more. If the difference between the amount of taxes paid and the amount due under the ~~subsequent~~ ***reduced*** rate is less than \$1, the taxing unit shall refund the difference on request of the taxpayer. An application for a refund of less than \$1 must be made within 90 days after the date the refund becomes due or the taxpayer forfeits the right to the refund.

(e) If the proposition is not approved as provided by Subsection (d), the ***taxing unit's*** tax rate for the current tax year ***is*** the taxing unit's ***voter-approval*** tax rate.

(f) If, ~~the tax rate is reduced by an election called under this section~~ after tax bills for the taxing unit ~~have been~~ ***are*** mailed, ~~a proposition to approve the taxing unit's adopted tax rate is not approved by the voters of the taxing unit at an election held under this section,~~ the assessor for the taxing unit shall prepare and mail corrected tax bills. The assessor ~~He~~ shall include with the bill a brief explanation of the reason for and effect of the corrected bill. ~~***[The date on which the taxes become delinquent for the year is extended by a number of days equal to the number of days between the date the first tax bills were sent and the date the corrected tax bills were sent.]***~~

(g) If a property owner pays taxes calculated using the ~~originally adopted~~ ***higher*** tax rate ~~of the taxing unit and the proposition to approve the adopted tax rate is not approved by voters~~ ~~when the rate is reduced by an election called under this section~~, the taxing unit shall refund the difference between the amount of taxes paid and the amount due under the ~~voter-approval tax~~ ***reduced*** rate if the difference between the amount of taxes paid and the amount due under the ~~voter-approval tax~~ ***reduced*** rate is \$1 or more. If the difference between the amount of taxes paid and the amount due under the ~~voter-approval tax~~ ***reduced*** rate is less than \$1, the taxing unit shall refund the difference on request of the taxpayer. An application for a refund of less than \$1 must be made within 90 days after the date the refund becomes due or the taxpayer forfeits the right to the refund.

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No equivalent provision.

No equivalent provision.

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

SECTION 52. Chapter 26, Tax Code, is amended by adding Section 26.075 to read as follows:

Sec. 26.075. PETITION ELECTION TO REDUCE TAX RATE OF TAXING UNIT OTHER THAN SCHOOL DISTRICT. (a) This section applies only to a taxing unit other than:

(1) a special taxing unit;

(2) a school district; or

(3) a municipality with a population of 30,000 or more.

(b) This section applies to a taxing unit only in a tax year in which the taxing unit's:

(1) de minimis rate exceeds the taxing unit's voter-approval tax rate; and

(2) adopted tax rate is:

(A) lower than the taxing unit's de minimis rate; and

(B) greater than the greater of the taxing unit's:

(i) voter-approval tax rate calculated as if the taxing unit were a special taxing unit; or

(ii) voter-approval tax rate.

(c) The qualified voters of a taxing unit by petition may require that an election be held to determine whether to reduce the tax rate adopted by the governing body of the taxing unit for the current tax year to the voter-approval tax rate.

(d) A petition is valid only if the petition:

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- (1) states that it is intended to require an election in the taxing unit on the question of reducing the taxing unit's adopted tax rate for the current tax year;
- (2) is signed by a number of registered voters of the taxing unit equal to at least three percent of the registered voters of the taxing unit determined according to the most recent list of those voters; and
- (3) is submitted to the governing body of the taxing unit not later than the 90th day after the date on which the governing body adopts the tax rate for the current tax year.
- (e) Not later than the 20th day after the date on which a petition is submitted, the governing body shall determine whether the petition is valid and must by resolution state the governing body's determination. If the governing body fails to make the determination in the time and manner required by this subsection, the petition is considered to be valid for the purposes of this section.
- (f) If the governing body determines that the petition is valid or fails to make the determination in the time and manner required by Subsection (e), the governing body shall order that an election be held in the taxing unit on the next uniform election date that allows sufficient time to comply with the requirements of other law.
- (g) At the election, the ballots shall be prepared to permit voting for or against the proposition: "Reducing the tax rate in (name of taxing unit) for the current year from (insert tax rate adopted for current year) to (insert voter-approval tax rate)."
- (h) If a majority of the votes cast in the election favor the proposition, the tax rate for the current tax year is the voter-approval tax rate.

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(i) If the proposition is not approved as provided by Subsection (h), the tax rate for the taxing unit for the current tax year is the tax rate adopted by the governing body of the taxing unit for the current tax year.

(j) If the tax rate is reduced by an election held under this section after tax bills for the taxing unit have been mailed, the assessor for the taxing unit shall prepare and mail corrected tax bills. The assessor shall include with the bill a brief explanation of the reason for and effect of the corrected bill. The date on which the taxes become delinquent for the tax year is extended by a number of days equal to the number of days between the date the first tax bills were sent and the date the corrected tax bills were sent.

(k) If a property owner pays taxes calculated using the higher tax rate when the tax rate is reduced by an election held under this section, the taxing unit shall refund the difference between the amount of taxes paid and the amount due under the reduced tax rate if the difference between the amount of taxes paid and the amount due under the reduced tax rate is \$1 or more. If the difference between the amount of taxes paid and the amount due under the reduced rate is less than \$1, the taxing unit shall refund the difference on request of the taxpayer. An application for a refund of less than \$1 must be made within 90 days after the date the refund becomes due or the taxpayer forfeits the right to the refund.

(l) Except as otherwise expressly provided by law, this section does not apply to a tax imposed by a taxing unit if a provision of an uncodified local or special law enacted by the 86th Legislature, Regular Session, 2019, or by an earlier legislature provides that Section 26.07 does not apply to a tax imposed by the taxing unit.

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SECTION 43. The heading to Section 26.08, Tax Code, is amended to read as follows:

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

SECTION 44. Section 26.08, Tax Code, is amended by amending Subsections (a), (b), (d), (d-1), (d-2), (e), (g), (h), (i), (n), and (p) and adding Subsections (b-1) and (q) to read as follows:

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

(b) This subsection applies only to a taxing unit other than a school district. The governing body shall order that the election be held in the taxing unit [school-district] on the uniform election date prescribed by [a date not less than 30 or more than 90 days after the day on which it adopted the tax rate.] Section 41.001, Election Code, that occurs in November of the applicable tax year. The order calling the

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No equivalent provision.

SECTION 42. Sections 26.08(a) and (n), Tax Code, are amended to read as follows: [FA39(2)]

(a) If the governing body of a *school district* adopts a tax rate that exceeds the *district's rollback* tax rate, the registered voters of the *district* at an election held for that purpose must determine whether to approve the adopted tax rate. When increased expenditure of money by a *school district* is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, that has impacted *a school district* and the governor has *requested federal disaster assistance for* the area in which the *school district* is located, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs. [FA39(3)]

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SECTION 53. The heading to Section 26.08, Tax Code, is amended to read as follows:

Sec. 26.08. AUTOMATIC ELECTION TO APPROVE TAX RATE OF [RATIFY] SCHOOL DISTRICT TAXES].

SECTION 54. Same as House version, except does not amend Subsection (n).

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~~election may not be issued later than August 15 [does not apply to the election unless a date specified by that section falls within the time permitted by this section]. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of \$_____ per \$100 valuation in (name of taxing unit [school district]) for the current year, a rate that is \$_____ higher per \$100 valuation than the voter-approved [school district rollback] tax rate of (name of taxing unit), for the purpose of (description of purpose of increase)." The ballot proposition must include the adopted tax rate and the difference between that rate and the voter-approved [rollback] tax rate in the appropriate places.~~

(b-1) This subsection applies only to a school district. The governing body of a school district shall order that the election be held in the school district on the uniform election date prescribed by Section 41.001, Election Code, that occurs in November of the applicable tax year. The order calling the election may not be issued later than August 15. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of \$_____ per \$100 valuation in (name of school district) for the current year, a rate that is \$_____ higher per \$100 valuation than the voter-approved tax rate of (name of school district), for the purpose of (description of purpose of increase). This rate will allow the school district to collect an amount of maintenance and operations tax revenue that is at least 2.5 percent greater than the amount of that revenue that was collected by the school district in the preceding year." The ballot proposition must include the adopted tax rate and the difference between

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that rate and the voter-approved tax rate in the appropriate places.

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

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

(d-2) If a property owner pays taxes calculated using the originally adopted tax rate of the taxing unit ~~[school district]~~ and the proposition to approve the adopted tax rate is not approved by the voters, the taxing unit ~~[school district]~~ shall refund the difference between the amount of taxes paid and the amount due under the subsequently adopted rate if the difference between the amount of taxes paid and the amount due under the subsequent rate is \$1 or more. If the difference between the amount of taxes paid and the amount due under the subsequent rate is less than \$1, the taxing unit ~~[school district]~~ shall refund the difference on request of the taxpayer. An application for a

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refund of less than \$1 must be made within 90 days after the date the refund becomes due or the taxpayer forfeits the right to the refund.

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

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

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

(i) For purposes of this section, the no-new-revenue ~~effective~~ maintenance and operations tax rate of a school district is the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, would provide the same amount of state funds distributed under Chapter 42, Education Code, and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if

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the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year.

(n) For purposes of this section, the voter-approved rollback tax rate of a school district ~~[whose maintenance and operations tax rate for the 2005 tax year was \$1.50 or less per \$100 of taxable value]~~ is the sum of the following:

(1) the rate per \$100 of taxable value that is equal to the product of the no-new-revenue maintenance and operations tax rate of the district as computed under Subsection (i) and 1.025 ~~[for the 2006 tax year, the sum of the rate that is equal to 88.67 percent of the maintenance and operations tax rate adopted by the district for the 2005 tax year, the rate of \$0.04 per \$100 of taxable value, and the district's current debt rate];~~ and

(2) ~~[for the 2007 and subsequent tax years, the lesser of the following:~~

~~[(A) the sum of the following:~~

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

~~[(ii) the rate of \$0.04 per \$100 of taxable value;~~

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

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

~~[(B) the sum of the following:~~

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

(1) the rate per \$100 of taxable value that is equal to the product of the no-new-revenue maintenance and operations tax rate of the district as computed under Subsection (i) and 1.02 ~~[for the 2006 tax year, the sum of the rate that is equal to 88.67 percent of the maintenance and operations tax rate adopted by the district for the 2005 tax year, the rate of \$0.04 per \$100 of taxable value, and the district's current debt rate];~~ and

(2) ~~[for the 2007 and subsequent tax years, the lesser of the following:~~

~~[(A) the sum of the following:~~

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

~~[(ii) the rate of \$0.04 per \$100 of taxable value;~~

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

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

~~[(B) the sum of the following:~~

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

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

~~[(iii)] the district's current debt rate.~~

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

(q) Except as otherwise expressly provided by law, this section does not apply to a tax imposed by a taxing unit if a provision of an uncodified local or special law enacted by the 86th Legislature, Regular Session, 2019, or by an earlier legislature provides that former Section 26.07 does not apply to a tax imposed by the taxing unit.

SECTION 45. The heading to Section 26.16, Tax Code, is amended.

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

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

~~[(iii)] the district's current debt rate.~~

SECTION 43. Same as Senate version.

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SECTION 55. Same as Senate version.

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SECTION 46. Section 26.16, Tax Code, is amended by amending Subsections (a) and (d) and adding Subsections (a-1), (d-1), and (d-2) to read as follows:

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

- (1) the adopted tax rate;
- (2) the maintenance and operations rate;
- (3) the debt rate;
- (4) the no-new-revenue [effective] tax rate;
- (5) the no-new-revenue [effective] maintenance and operations rate; and
- (6) the **voter-approved [rollback]** tax rate.

(a-1) For purposes of Subsection (a), a reference to the no-new-revenue tax rate or the no-new-revenue maintenance and operations rate includes the equivalent effective tax rate or effective maintenance and operations rate for a preceding year. This subsection expires January 1, 2026.

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

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

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

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SECTION 44. Same as Senate version, except does not change "rollback tax rate" to "voter-approved tax rate."

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SECTION 56. Same as Senate version, except refers to "voter-approval tax rate" instead of "voter-approved tax rate" and changes the date by which the county assessor-collector is required to post the tax rate calculation forms described by Subsection (d-1)(1) for the current tax year to not later than August 7.

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

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

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

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

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

(d-1) In addition to posting the information described by Subsection (a), the county assessor-collector shall post on the Internet website of the county for each taxing unit all or part of the territory of which is located in the county:

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(1) the tax rate calculation forms used by the designated officer or employee of each taxing unit to calculate the no-new-revenue and **voter-approved** tax rates of the taxing unit for the most recent five tax years beginning with the 2020 tax year, as certified by the designated officer or employee under Section 26.04(d-2); and
(2) the name and official contact information for each member of the governing body of the taxing unit.
(d-2) Not later than August 1, the county assessor-collector shall post on the website the tax rate calculation forms described by Subsection (d-1)(1) for the current tax year.

SECTION 47. Chapter 26, Tax Code, is amended by adding Sections 26.17 and 26.18 to read as follows:

Sec. 26.17. DATABASE OF PROPERTY-TAX-RELATED INFORMATION. (a) The chief appraiser of each appraisal district shall create and maintain a property tax database that:

- (1) is identified by the name of the county in which the appraisal district is established instead of the name of the appraisal district;
- (2) contains information that is provided by designated officers or employees of the taxing units that are located in the appraisal district in the manner required by the comptroller;
- (3) is continuously updated as preliminary and revised data become available to and are provided by the designated officers or employees of taxing units;
- (4) is accessible to the public; and

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SECTION 45. Chapter 26, Tax Code, is amended by adding Sections 26.17 and 26.18 to read as follows:

Sec. 26.17. DATABASE OF PROPERTY-TAX-RELATED INFORMATION. (a) The chief appraiser of each appraisal district shall create and maintain a property tax database that:

- (1) is identified by the name of the county in which the appraisal district is established instead of the name of the appraisal district;
- (2) contains information that is provided by designated officers or employees of the taxing units that are located in the appraisal district in the manner required by the comptroller;
- (3) is continuously updated as preliminary and revised data become available to and are provided by the designated officers or employees of taxing units;
- (4) is accessible to the public; and

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SECTION 57. Same as House version., except refers to "voter-approval tax rate" instead of "rollback tax rate" and as follows:

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

- (1) is identified by the name of the county in which the appraisal district is established instead of the name of the appraisal district;
- (2) contains information that is provided by designated officers or employees of the taxing units that are located in the appraisal district in the manner required by the comptroller;
- (3) is continuously updated as preliminary and revised data become available to and are provided by the designated officers or employees of taxing units;
- (4) is accessible to the public;

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(5) is searchable by property address and owner, except to the extent that access to the information in the database is restricted by Section 25.025 or 25.026.

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

(1) the property's identification number;

(2) the property's market value;

(3) the property's taxable value;

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

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

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

(B) the **voter-approved** tax rate;

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

(A) the tax rate that would 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; and

(B) the **voter-approved** tax rate;

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

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

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

(B) the proposed tax rate;

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(5) is searchable by property address and owner, except to the extent that access to the information in the database is restricted by Section 25.025 or 25.026.

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

(1) the property's identification number;

(2) the property's market value;

(3) the property's taxable value;

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

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

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

(B) the **rollback** tax rate;

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

(A) the tax rate that would 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; and

(B) the **rollback** tax rate;

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

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

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

(B) the proposed tax rate;

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(5) is searchable by property address and owner, except to the extent that access to the information in the database is restricted by Section 25.025 or 25.026; and

(6) includes the following statement: "The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."

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(9) for each school district in which the property is located, the taxes that would be imposed on the property if the district adopted a tax rate equal to:

(A) the tax rate that would 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; and

(B) the proposed tax rate;

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

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

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

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

(14) for each taxing unit in which the property is located, an e-mail address at which the taxing unit is capable of receiving written comments regarding the proposed tax rate of the taxing unit.

(c) The database must provide a link to the Internet website used by each taxing unit in which the property is located to post the information described by Section 26.18.

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(9) for each school district in which the property is located, the taxes that would be imposed on the property if the district adopted a tax rate equal to:

(A) the tax rate that would 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; and

(B) the proposed tax rate;

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

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

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

(13) the date, *time*, and location of the public meeting, *if applicable*, at which the tax rate will be adopted to be held by the governing body of each taxing unit in which the property is located; and

(14) for each taxing unit in which the property is located, an e-mail address at which the taxing unit is capable of receiving written comments regarding the proposed tax rate of the taxing unit.

(c) The database must provide a link to the Internet website used by each taxing unit in which the property is located to post the information described by Section 26.18.

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(d) The officer or employee designated by the governing body of each taxing unit in which the property is located to calculate the no-new-revenue tax rate and the **voter-approved** tax rate for the taxing unit must electronically incorporate into the database:

(1) the information described by Subsections (b)(5), (6), (7), (12), and (13), as applicable, as the information becomes available; and

(2) the tax rate calculation forms prepared under Section 26.04(d-1) at the same time the designated officer or employee submits the tax rates to the governing body of the taxing unit under Section 26.04(e).

(e) The chief appraiser shall make the information described by Subsection **(d)(1)** and the tax rate calculation forms described by Subsection **(d)(2)** available to the public not later than the third business day after the date the information and forms are incorporated into the database.

Sec. 26.18. POSTING OF TAX RATE AND BUDGET INFORMATION BY TAXING UNIT ON WEBSITE. Each

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(d) The database must allow the property owner to electronically complete and submit to a taxing unit in which the owner's property is located a form on which the owner may provide the owner's opinion as to whether the tax rate proposed by the governing body of the taxing unit should be adopted. The form must require the owner to provide the owner's name and contact information and the physical address of the owner's property located in the taxing unit. The database must allow a property owner to complete and submit the form at any time during the period beginning on the date the governing body of the taxing unit proposes the tax rate for that tax year and ending on the date the governing body adopts a tax rate for that tax year.

(e) The officer or employee designated by the governing body of each taxing unit in which the property is located to calculate the no-new-revenue tax rate and the **rollback** tax rate for the taxing unit must electronically incorporate into the database:

(1) the information described by Subsections (b)(5), (6), (7), (12), and (13), as applicable, as the information becomes available; and

(2) the tax rate calculation forms prepared under Section 26.04(d-1) at the same time the designated officer or employee submits the tax rates to the governing body of the taxing unit under Section 26.04(e).

(f) The chief appraiser shall make the information described by Subsection **(e)(1)** and the tax rate calculation forms described by Subsection **(e)(2)** available to the public not later than the third business day after the date the information and forms are incorporated into the database.

Sec. 26.18. POSTING OF TAX RATE AND BUDGET INFORMATION BY TAXING UNIT ON WEBSITE. Each

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taxing unit shall maintain an Internet website or have access to a generally accessible Internet website that may be used for the purposes of this section. Each taxing unit shall post or cause to be posted on the Internet website the following information in a format prescribed by the comptroller:

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

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

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

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

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

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

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

(A) the preceding two years; and

(B) the current year;

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

(A) the preceding two years; and

(B) the current year;

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

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taxing unit shall maintain an Internet website or have access to a generally accessible Internet website that may be used for the purposes of this section. Each taxing unit shall post or cause to be posted on the Internet website the following information in a format prescribed by the comptroller:

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

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

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

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

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

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

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

(A) the preceding two years; and

(B) the current year;

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

(A) the preceding two years; and

(B) the current year;

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

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

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

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

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

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

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

SECTION 48. Sections 31.12(a) and (b), Tax Code, are amended to read as follows:

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

(b) For purposes of this section, liability for a refund arises: (1) if the refund is required by Section 11.431(b), on the date the chief appraiser notifies the collector for the taxing unit of the approval of the late homestead exemption;

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

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

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

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

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

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

SECTION 46. Section 31.12(b), Tax Code, is amended to read as follows:

(b) For purposes of this section, liability for a refund arises: (1) if the refund is required by Section 11.431(b), on the date the chief appraiser notifies the collector for the taxing unit of the approval of the late homestead exemption;

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SECTION 58. Sections 31.12(a) and (b), Tax Code, are amended to read as follows:

(a) If a refund of a tax provided by Section 11.431(b), 26.07(g), 26.075(k), 26.15(f), 31.11, 31.111, or 31.112 is paid on or before the 60th day after the date the liability for the refund arises, no interest is due on the amount refunded. If not paid on or before that 60th day, the amount of the tax to be refunded accrues interest at a rate of one percent for each month or part of a month that the refund is unpaid, beginning with the date on which the liability for the refund arises.

(b) For purposes of this section, liability for a refund arises: (1) if the refund is required by Section 11.431(b), on the date the chief appraiser notifies the collector for the taxing unit of the approval of the late homestead exemption;

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- (2) if the refund is required by Section 26.08(d-2) ~~[26.07(g)]~~, on the date the subsequent tax rate is adopted [results of the election to reduce the tax rate are certified];
- (3) if the refund is required by Section 26.15(f):
 - (A) for a correction to the tax roll made under Section 26.15(b), on the date the change in the tax roll is certified to the assessor for the taxing unit under Section 25.25; or
 - (B) for a correction to the tax roll made under Section 26.15(c), on the date the change in the tax roll is ordered by the governing body of the taxing unit;
- (4) if the refund is required by Section 31.11, on the date the auditor for the taxing unit determines that the payment was erroneous or excessive or, if the amount of the refund exceeds the applicable amount specified by Section 31.11(a), on the date the governing body of the taxing unit approves the refund;
- (5) if the refund is required by Section 31.111, on the date the collector for the taxing unit determines that the payment was erroneous; or
- (6) if the refund is required by Section 31.112, on the date required by Section 31.112(d) or (e), as applicable.

SECTION 49. Section 33.08(b), Tax Code, is amended to read as follows:

- (b) The governing body of the taxing unit or appraisal district, in the manner required by law for official action, may provide that taxes that become delinquent on or after June 1 under Section 26.08(d-1) ~~[26.07(f)]~~, 26.15(e), 31.03, 31.031, 31.032, 31.04, or 42.42 incur an additional penalty to defray costs of collection. The amount of the penalty may not exceed the amount of the compensation specified in the

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- (2) if the refund is required by *Section 26.07(g)*, on the date the subsequent tax rate is adopted [results of the election to reduce the tax rate are certified];
- (3) if the refund is required by Section 26.15(f):
 - (A) for a correction to the tax roll made under Section 26.15(b), on the date the change in the tax roll is certified to the assessor for the taxing unit under Section 25.25; or
 - (B) for a correction to the tax roll made under Section 26.15(c), on the date the change in the tax roll is ordered by the governing body of the taxing unit;
- (4) if the refund is required by Section 31.11, on the date the auditor for the taxing unit determines that the payment was erroneous or excessive or, if the amount of the refund exceeds the applicable amount specified by Section 31.11(a), on the date the governing body of the taxing unit approves the refund;
- (5) if the refund is required by Section 31.111, on the date the collector for the taxing unit determines that the payment was erroneous; or
- (6) if the refund is required by Section 31.112, on the date required by Section 31.112(d) or (e), as applicable.

No equivalent provision.

CONFERENCE

- (2) if the refund is required by Section 26.07(g) or 26.075(k), on the date the results of the election to approve or reduce the tax rate, as applicable, are certified;
- (3) if the refund is required by Section 26.15(f):
 - (A) for a correction to the tax roll made under Section 26.15(b), on the date the change in the tax roll is certified to the assessor for the taxing unit under Section 25.25; or
 - (B) for a correction to the tax roll made under Section 26.15(c), on the date the change in the tax roll is ordered by the governing body of the taxing unit;
- (4) if the refund is required by Section 31.11, on the date the auditor for the taxing unit determines that the payment was erroneous or excessive or, if the amount of the refund exceeds the applicable amount specified by Section 31.11(a), on the date the governing body of the taxing unit approves the refund;
- (5) if the refund is required by Section 31.111, on the date the collector for the taxing unit determines that the payment was erroneous; or
- (6) if the refund is required by Section 31.112, on the date required by Section 31.112(d) or (e), as applicable.

SECTION 59. Section 33.08(b), Tax Code, is amended to read as follows:

- (b) The governing body of the taxing unit or appraisal district, in the manner required by law for official action, may provide that taxes that become delinquent on or after June 1 under Section 26.075(j) ~~[26.07(f)]~~, 26.15(e), 31.03, 31.031, 31.032, 31.04, or 42.42 incur an additional penalty to defray costs of collection. The amount of the penalty may not exceed the amount of the compensation specified in the

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applicable contract with an attorney under Section 6.30 to be paid in connection with the collection of the delinquent taxes.

SECTION 50. Section 41.03(a), Tax Code, is amended.

No equivalent provision.

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SECTION 47. Same as Senate version.

SECTION __. Section 41.41(a), Tax Code, is amended to read as follows:

- (a) A property owner is entitled to protest before the appraisal review board the following actions:
 - (1) determination of the appraised value of the owner's property or, in the case of land appraised as provided by Subchapter C, D, E, or H, Chapter 23, determination of its appraised or market value;
 - (2) unequal appraisal of the owner's property;
 - (3) inclusion of the owner's property on the appraisal records;
 - (4) denial to the property owner in whole or in part of a partial exemption;
 - (5) determination that the owner's land does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23;
 - (6) identification of the taxing units in which the owner's property is taxable in the case of the appraisal district's appraisal roll;
 - (7) determination that the property owner is the owner of property;

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applicable contract with an attorney under Section 6.30 to be paid in connection with the collection of the delinquent taxes.

SECTION 60. Same as Senate version.

Same as Senate version.

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- (8) a determination that a change in use of land appraised under Subchapter C, D, E, or H, Chapter 23, has occurred; ~~[or]~~
- (9) for purposes of determining the amount of the additional tax described by Section 23.55(a), determination of the appraised or market value of land appraised as provided by Subchapter D, Chapter 23, for each of the years preceding the year in which the change of use of the land occurs used to determine the amount of additional tax imposed; or
- (10) any other action of the chief appraiser, appraisal district, or appraisal review board that applies to and adversely affects the property owner. [FA41(3)]

SECTION 51. Section 41.44(d), Tax Code, is amended to read as follows:

SECTION 48. Sections 41.44(a) and (d), Tax Code, are amended to read as follows: [FA41(1)]

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

(1) not later than May 15 or the 30th day after the date that notice to the property owner was delivered to the property owner as provided by Section 25.19, whichever is later;

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

(3) in the case of a determination that a change in the use of land appraised under Subchapter C, D, E, or H, Chapter 23, has occurred, not later than the 30th day after the date

SECTION 61. Same as Senate version.

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the notice of the determination is delivered to the property owner; [or]

(4) in the case of a determination of eligibility for a refund under Section 23.1243, not later than the 30th day after the date the notice of the determination is delivered to the property owner; or

(5) in the case of a protest described by Section 41.41(a)(9), not later than the 30th day after the date the notice of the determination that a change in the use of the land has occurred is delivered to the property owner. [FA41(2)]

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

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

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No equivalent provision.

SECTION __. Sections 41.41(a) and 41.44(a), Tax Code, as amended by this Act, apply only to a change of use of land appraised under Subchapter D, Chapter 23, Tax Code, that occurs on or after January 1, 2020. [FA41(3)]

Same as Senate version.

SECTION 52. Section 41.45, Tax Code, is amended.

SECTION 49. Same as Senate version.

SECTION 62. Same as Senate version.

SECTION 53. Section 41.46(a), Tax Code, is amended to read as follows:

(a) The appraisal review board before which a protest hearing is scheduled shall deliver written notice to the property owner initiating a protest *of* the date, time, ~~[and]~~ place, *and* subject matter of ~~[fixed for]~~ the hearing *on the protest and of*

the property *owner's entitlement* to a postponement of the hearing as provided by Section 41.45 unless the property owner waives in writing notice of the hearing. *The board*

SECTION 50. Section 41.46(a), Tax Code, is amended to read as follows:

(a) The appraisal review board before which a protest hearing is scheduled shall deliver written notice to the property owner initiating a protest not later than the 15th day before the date of the hearing. The notice must include:

(1) ~~[of]~~ the date, time, and place of ~~[fixed for]~~ the hearing;

(2) a description of the subject matter of the hearing that is sufficient to identify the specific action being protested, such as:

(A) the determination of the appraised value of the property owner's property;

(B) the denial to the property owner in whole or in part of a partial exemption; or

(C) the determination that the property owner's land does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23; and

(3) a statement that ~~[on the protest and of]~~ the property owner is entitled ~~[owner's entitlement]~~ to a postponement of the hearing as provided by Section 41.45 unless the property owner waives in writing notice of the hearing. ~~[The board~~

SECTION 63. Same as House version.

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shall deliver the notice not later than the 15th day before the date of the hearing.

SECTION 54. Section 41.461, Tax Code, is amended to read as follows:

Sec. 41.461. NOTICE OF CERTAIN MATTERS BEFORE HEARING; DELIVERY OF REQUESTED INFORMATION. (a) At least 14 days before *the first scheduled [a]* hearing on a protest, the chief appraiser shall:

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

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

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

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

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~~*shall deliver the notice not later than the 15th day before the date of the hearing.*~~

SECTION 51. Section 41.461, Tax Code, is amended to read as follows:

Sec. 41.461. NOTICE OF CERTAIN MATTERS BEFORE HEARING; DELIVERY OF REQUESTED INFORMATION. (a) At least 14 days before *a* hearing on a protest, the chief appraiser shall:

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

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

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

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

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SECTION 64. Same as House version.

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

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

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

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

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

(3) subject to Subsection (d), by referring the property owner or the agent of the owner to a secure Internet website with user registration and authentication or to the exact Internet location or uniform resource locator (URL) address on an Internet website maintained by the appraisal district on which the requested information is identifiable and readily available.

(d) If a chief appraiser provides a property owner or the agent of the owner information under Subsection (c)(3), the notice must contain a statement in a conspicuous font that clearly indicates that the property owner or the agent of the owner may on request receive the information by regular first-class mail or in person at the appraisal office.

On request by a property owner or the agent of the owner, the chief appraiser must provide the information by regular first-class mail or in person at the appraisal office.

HOUSE VERSION (IE)

~~[(1) the total charge for copies provided in connection with a protest of the appraisal of residential property may not exceed \$15 for each residence; and~~

~~[(2) the total charge for copies provided in connection with a protest of the appraisal of a single unit of property subject to appraisal, other than residential property, may not exceed \$25].~~

(c) A chief appraiser shall deliver information requested by a property owner or the agent of the owner under Subsection (a)(2):

(1) by regular first-class mail, deposited in the United States mail, postage prepaid, and addressed to the property owner or agent at the address provided in the request for the information;

(2) in an electronic format as provided by an agreement under Section 1.085; or

(3) subject to Subsection (d), by referring the property owner or the agent of the owner to a secure Internet website with user registration and authentication or to the exact Internet location or uniform resource locator (URL) address on an Internet website maintained by the appraisal district on which the requested information is identifiable and readily available.

(d) If a chief appraiser provides a property owner or the **designated** agent of the owner information under Subsection (c)(3), the notice must contain a statement in a conspicuous font that clearly indicates that the property owner or the agent of the owner may on request receive the information by regular first-class mail or in person at the appraisal office.
On request by a property owner or the agent of the owner, the chief appraiser must provide the information by regular first-class mail or in person at the appraisal office.

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SECTION 55. Section 41.47, Tax Code, is amended by amending Subsections (c) and (e) and adding Subsections (c-2), (f), and (g) to read as follows:

(c) If the protest is of the determination of the appraised value of the owner's property, the appraisal review board must state in the order the appraised value of the property, listed separately in the case of real property as the appraised value of the land and the appraised value of any improvement to the land:

(1) as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23; and

(2) as finally determined by the board.

(c-2) The board may not determine the appraised value of the property that is the subject of a protest to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23, except as requested and agreed to by the property owner.

HOUSE VERSION (IE)

SECTION 52. Section 41.47, Tax Code, is amended by adding Subsections (c-2) and (f) and amending Subsections (d) and (e) to read as follows:

(c-2) The board may not determine the appraised value of the property that is the subject of a protest to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23. This subsection does not apply if the action being protested is the cancellation, modification, or denial of an exemption or the determination that the property does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23.

(d) The board shall deliver by certified mail:

(1) a notice of issuance of the order and a copy of the order to the property owner and the chief appraiser; and

(2) a copy of the appraisal review board survey prepared under Section 5.104 and instructions for completing and submitting the survey to the property owner.

CONFERENCE

SECTION 65. Section 41.47, Tax Code, is amended by adding Subsections (c-2), (f), and (g) and amending Subsections (d) and (e) to read as follows:

(c-2) The board may not determine the appraised value of the property that is the subject of a protest to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23, except as requested and agreed to by the property owner. This subsection does not apply if the action being protested is the cancellation, modification, or denial of an exemption or the determination that the property does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23.

(d) The board shall deliver by certified mail:

(1) a notice of issuance of the order and a copy of the order to the property owner and the chief appraiser; and

(2) a copy of the appraisal review board survey prepared under Section 5.104 and instructions for completing and submitting the survey to the property owner.

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(e) The notice of the issuance of the order must contain a prominently printed statement in upper-case bold lettering informing the property owner in clear and concise language of the property owner's right to appeal the order of the board ~~[board's decision]~~ to district court. The statement must describe the deadline prescribed by Section 42.06(a) ~~[of this code]~~ for filing a written notice of appeal~~;~~ and the deadline prescribed by Section 42.21(a) ~~[of this code]~~ for filing the petition for review with the district court.

(f) The appraisal review board shall take the actions required by Subsections (a) and (d) not later than the 15th day after the date the hearing on the protest is concluded.

(g) The chief appraiser and the property owner or the designated agent of the owner may file a joint motion with the appraisal review board notifying the board that the chief appraiser and the property owner or the designated agent of the owner have agreed to a disposition of the protest and requesting the board to issue an agreed order. The joint motion must contain the terms of the disposition of the protest. The board shall issue the agreed order not later than the fifth day after the date on which the joint motion is filed with the board. The chief appraiser and the property owner or the designated agent of the owner may provide in the joint motion that the agreed order is

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(e) The notice of the issuance of the order must contain a prominently printed statement in upper-case bold lettering informing the property owner in clear and concise language of the property owner's right to appeal the order of the board ~~[board's decision]~~ to district court. The statement must describe the deadline prescribed by Section 42.06(a) ~~[of this code]~~ for filing a written notice of appeal~~;~~ and the deadline prescribed by Section 42.21(a) ~~[of this code]~~ for filing the petition for review with the district court.

(f) The appraisal review board shall take the actions required by Subsections (a) and (d) not later than:

(1) the 30th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of less than four million; or

(2) the 45th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of four million or more.

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(e) The notice of the issuance of the order must contain a prominently printed statement in upper-case bold lettering informing the property owner in clear and concise language of the property owner's right to appeal the order of the board ~~[board's decision]~~ to district court. The statement must describe the deadline prescribed by Section 42.06(a) ~~[of this code]~~ for filing a written notice of appeal~~;~~ and the deadline prescribed by Section 42.21(a) ~~[of this code]~~ for filing the petition for review with the district court.

(f) The appraisal review board shall take the actions required by Subsections (a) and (d) not later than:

(1) the 30th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of less than four million; or

(2) the 45th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of four million or more.

(g) The chief appraiser and the property owner or the designated agent of the owner may file a joint motion with the appraisal review board notifying the board that the chief appraiser and the property owner or the designated agent of the owner have agreed to a disposition of the protest and requesting the board to issue an agreed order. The joint motion must contain the terms of the disposition of the protest. The board shall issue the agreed order not later than the fifth day after the date on which the joint motion is filed with the board. The chief appraiser and the property owner or the designated agent of the owner may provide in the joint motion that the agreed order is

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appealable in the same manner as any other order issued by the board under this section.

SECTION 56. Section 41.66, Tax Code, is amended by amending Subsections (h), (i), (j), and (k) and adding Subsections (j-1), (k-1), and (p) to read as follows:

(h) The appraisal review board shall postpone a hearing on a protest if the property owner or the designated agent of the owner requests additional time to prepare for the hearing and establishes to the board that the chief appraiser failed to comply with Section 41.461. The board is not required to postpone a hearing more than one time under this subsection.

(i) A hearing on a protest filed by a property owner or the designated agent of the owner ~~[who is not represented by an agent designated under Section 1.111]~~ shall be set for a time and date certain. If the hearing is not commenced within two hours of the time set for the hearing, the appraisal review board shall postpone the hearing on the request of the property owner or the designated agent of the owner.

(j) On the request of a property owner or the [a] designated agent of the owner, an appraisal review board shall schedule hearings on protests concerning up to 20 designated properties to be held consecutively on the same day. The designated properties must be identified in the same notice of protest, and the notice must contain in boldfaced type the statement "request for same-day protest hearings." A property owner or the designated agent of the owner may ~~[not]~~ file more than one request under this subsection with the appraisal review board in the same tax year. The appraisal review board may schedule hearings on protests concerning more than 20 properties filed by the same

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SECTION 53. Section 41.66, Tax Code, is amended by amending Subsections (h), (i), (j), and (k) and adding Subsections (j-1), (k-1), and (p) to read as follows:

(h) The appraisal review board shall postpone a hearing on a protest if the property owner or the designated agent of the owner requests additional time to prepare for the hearing and establishes to the board that the chief appraiser failed to comply with Section 41.461. The board is not required to postpone a hearing more than one time under this subsection.

(i) A hearing on a protest filed by a property owner or the designated agent of the owner ~~[who is not represented by an agent designated under Section 1.111]~~ shall be set for a time and date certain. If the hearing is not commenced within two hours of the time set for the hearing, the appraisal review board shall postpone the hearing on the request of the property owner or the designated agent of the owner.

(j) On the request of a property owner or the [a] designated agent of the owner, an appraisal review board shall schedule hearings on protests concerning up to 20 designated properties to be held consecutively on the same day. The designated properties must be identified in the same notice of protest, and the notice must contain in boldfaced type the statement "request for same-day protest hearings." A property owner or the designated agent of the owner may ~~[not]~~ file more than one request under this subsection with the appraisal review board in the same tax year. The appraisal review board may schedule hearings on protests concerning more than 20 properties filed by the same

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appealable in the same manner as any other order issued by the board under this section.

SECTION 66. Same as Senate version, except also adds a Subsection (j-2) to read as follows:

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property owner or the designated agent of the owner and may use different panels to conduct the hearings based on the board's customary scheduling. The appraisal review board may follow the practices customarily used by the board in the scheduling of hearings under this subsection.

(j-1) An appraisal review board may schedule the hearings on all protests filed by a property owner or the designated agent of the owner to be held consecutively. The notice of the hearings must state the date and time that the first hearing will begin, state the date the last hearing will end, and list the order in which the hearings will be held. The order of the hearings listed in the notice may not be changed without the agreement of the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. The board may not reschedule a hearing for which notice is given under this subsection to a date earlier than the seventh day after the date the last hearing was scheduled to end unless agreed to by the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. Unless agreed to by the parties, the board must provide written notice of the date and time of the rescheduled hearing to the property owner or the designated agent of the owner not later than the seventh day before the date of the hearing.

HOUSE VERSION (IE)

property owner or the designated agent of the owner and may use different panels to conduct the hearings based on the board's customary scheduling. The appraisal review board may follow the practices customarily used by the board in the scheduling of hearings under this subsection.

(j-1) An appraisal review board must give priority in its schedule of protest hearings filed by a property owner over the age of 65; a disabled property owner; or a property owner who is a military service member, military veteran, or military spouse before scheduling a hearing filed by a designated agent of a property owner. An appraisal review board may schedule the hearings on all protests filed by a property owner or the designated agent of the owner to be held consecutively. The notice of the hearings must state the date and time that the first hearing will begin, state the date the last hearing will end, and list the order in which the hearings will be held. The order of the hearings listed in the notice may not be changed without the agreement of the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. The board may not reschedule a hearing for which notice is given under this subsection to a date earlier than the seventh day after the date the last hearing was scheduled to end unless agreed to by the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. Unless agreed to by the parties, the board must provide written notice of the date and time of the rescheduled hearing to the property owner or the designated agent of the owner not later than the seventh day before the date of the hearing. [FA42]

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(j-2) An appraisal review board must schedule a hearing on a protest filed by a property owner who is 65 years of age or older, disabled, a military service member, a military

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(k) This subsection does not apply to a special panel established under Section 6.425. If an appraisal review board sits in panels to conduct protest hearings, protests shall be randomly assigned to panels, except that the board may consider the type of property subject to the protest or the ground of the protest for the purpose of using the expertise of a particular panel in hearing protests regarding particular types of property or based on particular grounds. If a protest is scheduled to be heard by a particular panel, the protest may not be reassigned to another panel without the consent of the property owner or the designated agent of the owner. If the appraisal review board has cause to reassign a protest to another panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another panel.

(k-1) On the request of a property owner or the designated agent of the owner, an appraisal review board to which Section 6.425 applies shall assign a protest relating to property described by Section 6.425(b) to a special panel. In addition, the chairman of the appraisal review board may assign a protest relating to property not described by Section 6.425(b) to a special panel as authorized by Section 6.425(f), but only if the assignment is requested or consented to by the property owner or the designated agent of the owner.

HOUSE VERSION (IE)

(k) This subsection does not apply to a special panel established under Section 6.425. If an appraisal review board sits in panels to conduct protest hearings, protests shall be randomly assigned to panels, except that the board may consider the type of property subject to the protest or the ground of the protest for the purpose of using the expertise of a particular panel in hearing protests regarding particular types of property or based on particular grounds. If a protest is scheduled to be heard by a particular panel, the protest may not be reassigned to another panel without the consent of the property owner or the designated agent of the owner. If the appraisal review board has cause to reassign a protest to another panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another panel.

(k-1) On the request of a property owner or the designated agent of the owner, an appraisal review board to which Section 6.425 applies shall assign a protest relating to property described by Section 6.425(b) to a special panel. In addition, the chairman of the appraisal review board may assign a protest relating to property not described by Section 6.425(b) to a special panel as authorized by Section 6.425(f), but only if the assignment is requested or consented to by the property owner or the designated agent of the owner.

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veteran, or the spouse of a military service member or military veteran before scheduling a hearing on a protest filed by a designated agent of a property owner.

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Protests assigned to special panels shall be randomly assigned to those panels. If a protest is scheduled to be heard by a particular special panel, the protest may not be reassigned to another special panel without the consent of the property owner or the designated agent of the owner. If the board has cause to reassign a protest to another special panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a special panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another special panel.

(p) At the end of a hearing on a protest, the appraisal review board shall provide the property owner or the designated agent of the owner one or more documents indicating that the members of the board hearing the protest signed the affidavit required by Subsection (g).

SECTION 57. Section 41.67(d), Tax Code, is amended to read as follows:

(d) Information that was previously requested under Section 41.461 by the protesting party that was not delivered [made available] to the protesting party at least 14 days before the scheduled or postponed hearing may not be used or offered in any form as evidence in the hearing, including as a document or through argument or testimony.

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Protests assigned to special panels shall be randomly assigned to those panels. If a protest is scheduled to be heard by a particular special panel, the protest may not be reassigned to another special panel without the consent of the property owner or the designated agent of the owner. If the board has cause to reassign a protest to another special panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a special panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another special panel.

(p) At the end of a hearing on a protest, the appraisal review board shall provide the property owner or the designated agent of the owner one or more documents indicating that the members of the board hearing the protest signed the affidavit required by Subsection (g).

SECTION 54. Section 41.67(d), Tax Code, is amended to read as follows:

(d) Information that was previously requested under Section 41.461 by the protesting party that was not delivered [made available] to the protesting party at least 14 days before the scheduled or postponed hearing may not be used or offered in any form as evidence in the hearing, including as a document or through argument or testimony. ***This subsection does not apply to information offered to rebut evidence or argument presented at the hearing by the protesting party or that party's designated agent.***

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SECTION 67. Same as House version.

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SECTION 58. Section 41.71, Tax Code, is amended.

SECTION 55. Same as Senate version.

SECTION 68. Same as Senate version.

SECTION 59. Section 41A.03(a), Tax Code, is amended to read as follows:

No equivalent provision.

Same as House version.

(a) To appeal an appraisal review board order under this chapter, a property owner must file with the appraisal district not later than the 60th [~~45th~~] day after the date the property owner receives notice of the order:

(1) a completed request for binding arbitration under this chapter in the form prescribed by Section 41A.04; and
(2) an arbitration deposit made payable to the comptroller in the amount of:

(A) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;

(B) \$500, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;

(C) \$500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$800, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than

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\$1 million but not more than \$2 million, as determined by the order;

(E) \$1,050, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,550, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

No equivalent provision.

HOUSE VERSION (IE)

SECTION __. (a) Section 41A.03(a-1), Tax Code, is amended to read as follows:

(a-1) If a property owner requests binding arbitration under this chapter to appeal appraisal review board orders involving two or more contiguous tracts of land that are owned by the property owner [~~contiguous to one another~~], a single arbitration deposit in the amount provided by Subsection (a)(2) is sufficient to satisfy the requirement of Subsection (a)(2). For purposes of this subsection, "contiguous tracts of land" means improved or unimproved tracts of land that are touching or that share a common boundary, as determined using appraisal district records or legal descriptions of the tracts.

(b) The changes in law made by this section apply only to a request for binding arbitration under Chapter 41A, Tax Code, that is filed on or after January 1, 2020. A request for binding arbitration under Chapter 41A, Tax Code, that is filed before January 1, 2020, is governed by the law in

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SECTION 69. Same as House version, except does not contain the procedural provision in Subsection (b).

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effect on the date the request is filed, and the former law is continued in effect for that purpose. [FA43]

SECTION 60. Section 41A.05, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) The comptroller may not reject an application submitted to the comptroller under this section unless:

(1) the comptroller delivers written notice to the applicant of the defect in the application that would be the cause of the rejection; and

(2) the applicant fails to cure the defect on or before the 15th day after the date the comptroller delivers the notice.

No equivalent provision.

Same as House version.

SECTION 61. Section 41A.06(b), Tax Code, is amended to read as follows:

(b) To initially qualify to serve as an arbitrator under this chapter, a person must:

(1) meet the following requirements, as applicable:

(A) be licensed as an attorney in this state; or

(B) have:

(i) completed at least 30 hours of training in arbitration and alternative dispute resolution procedures from a university, college, or legal or real estate trade association; and

(ii) been licensed or certified continuously during the five years preceding the date the person agrees to serve as an arbitrator as:

(a) a real estate broker or sales agent under Chapter 1101, Occupations Code;

(b) a real estate appraiser under Chapter 1103, Occupations Code; or

SECTION 56. Section 41A.06(b), Tax Code, is amended to read as follows:

(b) To initially qualify to serve as an arbitrator under this chapter, a person must:

(1) meet the following requirements, as applicable:

(A) be licensed as an attorney in this state; or

(B) have:

(i) completed at least 30 hours of training in arbitration and alternative dispute resolution procedures from a university, college, or legal or real estate trade association; and

(ii) been licensed or certified continuously during the five years preceding the date the person agrees to serve as an arbitrator as:

(a) a real estate broker or sales agent under Chapter 1101, Occupations Code;

(b) a real estate appraiser under Chapter 1103, Occupations Code; or

SECTION 70. Same as House version.

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- (c) a certified public accountant under Chapter 901, Occupations Code; ~~and~~
- (2) complete the *course* for training and education of appraisal review board members established under *Section 5.041* and be issued a certificate indicating course completion;
- (3) complete the training program on property tax law for the training and education of arbitrators established under *Section 5.043*; and
- (4) agree to conduct an arbitration for a fee that is not more than:
 - (A) \$400, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;
 - (B) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;
 - (C) \$450, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;
 - (D) \$750, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order;
 - (E) \$1,000, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than

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- (c) a certified public accountant under Chapter 901, Occupations Code; ~~and~~
- (2) complete the *courses* for training and education of appraisal review board members established under *Sections 5.041(a) and (e-1)* and be issued a certificate *for each course* indicating course completion;
- (3) complete the training program on property tax law for the training and education of arbitrators established under *Section 5.043*; and
- (4) agree to conduct an arbitration for a fee that is not more than:
 - (A) \$400, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;
 - (B) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;
 - (C) \$450, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;
 - (D) \$750, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order;
 - (E) \$1,000, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than

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\$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

SECTION 62. Section 41A.061(b), Tax Code, is amended to read as follows:

(b) To renew the person's agreement to serve as an arbitrator, the person must:

(1) file a renewal application with the comptroller at the time and in the manner prescribed by the comptroller;

(2) continue to meet the requirements provided by Sections 41A.06(b)(1) and (4) [Section 41A.06(b)]; and

(3) during the preceding two years have completed at least eight hours of continuing education in arbitration and alternative dispute resolution procedures offered by a university, college, real estate trade association, or legal association.

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\$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

SECTION 57. Sections 41A.061(b) and (c), Tax Code, are amended to read as follows:

(b) To renew the person's agreement to serve as an arbitrator, the person must:

(1) file a renewal application with the comptroller at the time and in the manner prescribed by the comptroller;

(2) continue to meet the requirements provided by Sections 41A.06(b)(1) and (4) [Section 41A.06(b)]; [and]

(3) during the preceding two years have completed at least eight hours of continuing education in arbitration and alternative dispute resolution procedures offered by a university, college, real estate trade association, or legal association; and

(4) complete a revised training program on property tax law for the training and education of arbitrators established under Section 5.043 not later than the 120th day after the date the program is available to be taken if the comptroller:

(A) revises the program after the person is included in the registry; and

(B) determines that the program is substantially revised.

(c) The comptroller shall remove a person from the registry if:

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SECTION 71. Same as House version.

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(1) the person fails or declines to renew the person's agreement to serve as an arbitrator in the manner required by this section; ~~or~~

(2) the comptroller determines by clear and convincing evidence that there is good cause to remove the person from the registry, including evidence of repeated bias or misconduct by the person while acting as an arbitrator; or

(3) the person fails to complete a revised training program on property tax law for the training and education of arbitrators established under Section 5.043 not later than the 120th day after the date the program is available to be taken if the comptroller:

(A) revises the program after the person is included in the registry; and

(B) determines that the program is substantially revised.

SECTION 63. Section 41A.07, Tax Code, is amended by amending Subsections (e), (f), and (g) and adding Subsection (h) to read as follows:

(e) To be eligible for appointment as an arbitrator under this section ~~[Subsection (a)]~~, the arbitrator must reside[:

~~[(1) in the county in which the property that is the subject of the appeal is located; or~~

~~[(2)] in this state [if no available arbitrator on the registry resides in that county].~~

(f) A person is not eligible for appointment as an arbitrator under this section ~~[Subsection (a)]~~ if at any time during the preceding **five** years, the person has:

(1) represented a person for compensation in a proceeding under this title in the appraisal district in which the property that is the subject of the appeal is located;

SECTION 58. Section 41A.07, Tax Code, is amended by amending Subsections (e), (f), and (g) and adding Subsection (h) to read as follows:

(e) To be eligible for appointment as an arbitrator under this section ~~[Subsection (a)]~~, the arbitrator must reside[:

~~[(1) in the county in which the property that is the subject of the appeal is located; or~~

~~[(2)] in this state [if no available arbitrator on the registry resides in that county].~~

(f) A person is not eligible for appointment as an arbitrator under this section ~~[Subsection (a)]~~ if at any time during the preceding **two** ~~[five]~~ years, the person has: [FA44]

(1) represented a person for compensation in a proceeding under this title in the appraisal district in which the property that is the subject of the appeal is located;

SECTION 72. Same as House version.

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(2) served as an officer or employee of that appraisal district;
or
(3) served as a member of the appraisal review board for that appraisal district.
(g) The comptroller may not appoint an arbitrator under this section ~~[Subsection (a)]~~ if the comptroller determines that there is good cause not to appoint the arbitrator, including information or evidence indicating repeated bias or misconduct by the person while acting as an arbitrator.
(h) A property owner may request that, in appointing an initial arbitrator under this section, the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located or an arbitrator who resides outside that county. In appointing an initial arbitrator under Subsection (a), the comptroller shall comply with the request of the property owner unless the property owner requests that the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located and there is not an available arbitrator who resides in that county. In appointing a substitute arbitrator under Subsection (d), the comptroller shall consider but is not required to comply with the request of the property owner. This subsection does not authorize a property owner to request the appointment of a specific individual as an arbitrator.

SECTION 64. Section 41A.09, Tax Code, is amended by amending Subsection (b) and adding Subsection (f) to read as follows:

(b) An award under this section:

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(2) served as an officer or employee of that appraisal district;
or
(3) served as a member of the appraisal review board for that appraisal district.
(g) The comptroller may not appoint an arbitrator under this section ~~[Subsection (a)]~~ if the comptroller determines that there is good cause not to appoint the arbitrator, including information or evidence indicating repeated bias or misconduct by the person while acting as an arbitrator.
(h) A property owner may request that, in appointing an initial arbitrator under this section, the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located or an arbitrator who resides outside that county. In appointing an initial arbitrator under Subsection (a), the comptroller shall comply with the request of the property owner unless the property owner requests that the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located and there is not an available arbitrator who resides in that county. In appointing a substitute arbitrator under Subsection (d), the comptroller shall consider but is not required to comply with the request of the property owner. This subsection does not authorize a property owner to request the appointment of a specific individual as an arbitrator.

SECTION 59. Section 41A.09(b), Tax Code, is amended to read as follows:

(b) An award under this section:

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SECTION 73. Same as House version.

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- (1) must include a determination of the appraised or market value, as applicable, of the property that is the subject of the appeal;
- (2) may include any remedy or relief a court may order under Chapter 42 in an appeal relating to the appraised or market value of property;
- (3) shall specify the arbitrator's fee, which may not exceed the amount provided by Section 41A.06(b)(4) [41A.06(b)(2)];
- (4) is final and may not be appealed except as permitted under Section 171.088, Civil Practice and Remedies Code, for an award subject to that section; and
- (5) may be enforced in the manner provided by Subchapter D, Chapter 171, Civil Practice and Remedies Code.

(f) The arbitrator may not determine the appraised value of the property that is the subject of an arbitration to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the appraisal review board by the chief appraiser under Section 25.22 or 25.23, except as requested and agreed to by the property owner.

SECTION 65. Subchapter A, Chapter 42, Tax Code, is amended by adding Section 42.081 to read as follows:

Sec. 42.081. DEFERRAL OF DELINQUENT TAX SUIT DURING APPEAL. A taxing unit that imposes taxes on property that is the subject of an appeal under this chapter may not file a suit to collect a delinquent tax on the property during the pendency of the appeal unless it is determined by the court that the property owner failed to comply with Section 42.08.

HOUSE VERSION (IE)

- (1) must include a determination of the appraised or market value, as applicable, of the property that is the subject of the appeal;
- (2) may include any remedy or relief a court may order under Chapter 42 in an appeal relating to the appraised or market value of property;
- (3) shall specify the arbitrator's fee, which may not exceed the amount provided by Section 41A.06(b)(4) [41A.06(b)(2)];
- (4) is final and may not be appealed except as permitted under Section 171.088, Civil Practice and Remedies Code, for an award subject to that section; and
- (5) may be enforced in the manner provided by Subchapter D, Chapter 171, Civil Practice and Remedies Code.

No equivalent provision.

CONFERENCE

SECTION 74. Same as Senate version.

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HOUSE VERSION (IE)

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SECTION 66. Section 42.23, Tax Code, is amended by adding Subsections (j), (k), and (l) to read as follows:

(j) An entity is not required to be registered to do business in this state in order to file an appeal under this chapter or to be considered a proper party to bring a petition. A request for information regarding an entity's registration status is outside the scope of permissible discovery in an appeal under this chapter and may not be made a prerequisite to a settlement discussion related to that appeal.

(k) A party to an appeal under this chapter may file an objection to third-party discovery. The court shall grant third-party discovery subject to the objection only if the discovery:

(1) is necessary under generally accepted appraisal methods and techniques to determine the value of the property that is the subject of the appeal; and

(2) would be admissible at trial.

(l) A party to an appeal under Section 42.26 may file an objection to a discovery request for a closing statement, a rent roll, or an operating statement. The court shall grant the discovery request subject to the objection only if the discovery:

(1) is necessary under generally accepted appraisal methods and techniques to determine the value of the property that is the subject of the appeal; and

(2) would be admissible at trial.

No equivalent provision.

Same as House version.

SECTION 67. Section 42.24, Tax Code, is amended to read as follows:

No equivalent provision.

Same as House version.

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Sec. 42.24. ACTION BY COURT. (a) In determining an appeal, the district court may:

- (1) fix the appraised value of property in accordance with the requirements of law if the appraised value is at issue;
- (2) enter the orders necessary to ensure equal treatment under the law for the appealing property owner if inequality in the appraisal of his property is at issue; or
- (3) enter other orders necessary to preserve rights protected by and impose duties required by the law.

(b) The district court may not enter an order fixing the appraised value of the property that is the subject of an appeal to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the appraisal review board by the chief appraiser under Section 25.22 or 25.23, except as requested and agreed to by the property owner.

SECTION 68. Section 45.105(e), Education Code, is amended to read as follows:

(e) The governing body of an independent school district that governs a junior college district under Subchapter B, Chapter 130, in a county with a population of more than two million may dedicate a specific percentage of the local tax levy to the use of the junior college district for facilities and equipment or for the maintenance and operating expenses of the junior college district. To be effective, the dedication must be made by the governing body on or before the date on which the governing body adopts its tax rate for a year. The amount of local tax funds derived from the percentage of the local tax levy dedicated to a junior college district from a tax levy may not exceed the amount that would be levied

SECTION 60. Same as Senate version.

No equivalent provision.

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by five percent of the no-new-revenue ~~[effective]~~ tax rate for the tax year calculated as provided by Section 26.04, Tax Code, on all property taxable by the school district. All real property purchased with these funds is the property of the school district, but is subject to the exclusive control of the governing body of the junior college district for as long as the junior college district uses the property for educational purposes.

SECTION 69. Section 130.016(b), Education Code, is amended to read as follows:

(b) If the board of trustees of an independent school district that divests itself of the management, control, and operation of a junior college district under this section or under Section 130.017 ~~[of this code]~~ was authorized by ~~[Subsection (e) of]~~ Section 45.105(e) or under former Section 20.48(e) ~~[20.48 of this code]~~ to dedicate a portion of its tax levy to the junior college district before the divestment, the junior college district may levy an ad valorem tax from and after the divestment. In the first two years in which the junior college district levies an ad valorem tax, the tax rate adopted by the governing body may not exceed the rate that, if applied to the total taxable value submitted to the governing body under Section 26.04, Tax Code, would impose an amount equal to the amount of taxes of the school district dedicated to the junior college under ~~[Subsection (e) of]~~ Section 45.105(e) or former Section 20.48(e) ~~[20.48 of this code]~~ in the last dedication before the divestment. In subsequent years, the tax rate of the junior college district is subject to Section 26.08 ~~[26.07]~~, Tax Code.

No equivalent provision.

Same as House version.

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No equivalent provision.

HOUSE VERSION (IE)

SECTION __. Chapter 45, Education Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. COUNTY EQUALIZATION TAX

Sec. 45.351. ELECTION TO REVOKE COUNTY EQUALIZATION TAX. The commissioners court of a county for which a county equalization tax was adopted under former Chapter 18 of this code, as that chapter existed on May 1, 1995, and that continues in effect under Section 11.301, may order an election on the question of revoking the county equalization tax, in accordance with former Section 18.11 and other applicable provisions of that former chapter. [FA45]

Same as Senate version.

CONFERENCE

No equivalent provision.

SECTION __.(a) Subtitle B, Title 3, Government Code, is amended by adding Chapter 320A to read as follows:

CHAPTER 320A. REVIEW OF STATE AND LOCAL TAX PREFERENCES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 320A.001. DEFINITIONS. In this chapter:

(1) "Commission" means the select commission on periodic tax preference review.

(2) "Tax preference" means an abatement, credit, discount, exclusion, exemption, limitation on appraised value, refund, special valuation, special accounting treatment, special appraisal method or provision, special rate, or special method of reporting authorized by state law or the state constitution that relates to a state or local tax imposed in this state.

SUBCHAPTER B. SELECT COMMISSION ON PERIODIC TAX PREFERENCE REVIEW

Same as Senate version.

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Sec. 320A.051. COMPOSITION OF COMMISSION. The select commission on periodic tax preference review is composed of:

(1) five members of the house of representatives, appointed by the speaker of the house of representatives;

(2) five members of the senate, appointed by the lieutenant governor; and

(3) the comptroller.

Sec. 320A.052. TERMS. The members of the commission serve two-year terms that expire December 31 of each even-numbered year.

Sec. 320A.053. VACANCY. If a vacancy occurs, the individual who originally appointed the vacating member or the individual's successor shall appoint an individual to fill the vacancy for the remainder of the unexpired term.

Sec. 320A.054. OFFICERS. (a) The speaker of the house of representatives shall select one member of the commission appointed under Section 320A.051(1) to serve as chair of the commission.

(b) The lieutenant governor shall select one member of the commission appointed under Section 320A.051(2) to serve as vice chair of the commission.

Sec. 320A.055. MEETINGS. The commission shall meet at the call of the chair.

Sec. 320A.056. STAFF. On the commission's request, the Legislative Budget Board, the Texas Legislative Council, the office of the governor, the comptroller, the senate, and the house of representatives shall provide staff to assist the commission in performing the commission's duties.

Sec. 320A.057. COOPERATION BY OTHER STATE ENTITIES. The commission may request the assistance of any state agency, department, or office if the commission

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needs assistance to perform the commission's duties. The agency, department, or office shall provide the requested assistance.

Sec. 320A.058. EXPENSES. The operating expenses of the commission shall be paid from available funds of the office of the governor and the contingent expense funds of the senate and the house of representatives, as agreed by those entities. The commission members are entitled to reimbursement from those funds for expenses incurred by the members in implementing this chapter.

SUBCHAPTER C. POWERS AND DUTIES OF COMMISSION

Sec. 320A.101. DEVELOPMENT AND BIENNIAL MODIFICATION OF STATE AND LOCAL TAX PREFERENCE REVIEW SCHEDULE. (a) The commission shall:

(1) identify each state tax preference and each type of local tax preference;

(2) develop a state and local tax preference review schedule under which each identified tax preference is reviewed once during each six-year period; and

(3) specifically identify on the schedule:

(A) each of the tax preferences the commission must review for purposes of the next report due under Section 320A.153;

(B) any tax preference described by Paragraph (A) that reduces by less than one-fourth of one percent the total revenue derived from the tax to which the tax preference applies and that the commission recommends for an abbreviated review; and

(C) the components of the review specified by Section 320A.104 that the commission recommends are unnecessary

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with respect to a tax preference recommended for an abbreviated review.

(b) In developing the schedule, the commission shall schedule the tax preferences for review in the order in which the tax preferences were enacted or authorized.

(c) The commission shall revise the schedule biennially only to:

(1) add to the schedule a tax preference that was enacted or authorized after the commission developed the most recent schedule;

(2) delete from the schedule a tax preference that was repealed after the commission developed the most recent schedule;

(3) update the review dates of the tax preferences for which reviews were conducted after the commission developed the most recent schedule; and

(4) update the tax preferences identified under Subsection (a)(3).

Sec. 320A.102. PUBLIC COMMENT. The commission shall provide a process by which the public may comment on the state and local tax preference review schedule under Section 320A.101. The commission shall consider those comments in developing or revising the schedule.

Sec. 320A.103. COMPLETION OF SCHEDULE. The state and local tax preference review schedule must be completed not later than December 1 of each odd-numbered year.

Sec. 320A.104. PERIODIC REVIEW OF STATE AND LOCAL TAX PREFERENCES. The commission shall review each state tax preference and each type of local tax preference according to the state and local tax preference review schedule developed under Section 320A.101. In reviewing a tax preference, the commission shall:

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(1) determine the intended purpose of the tax preference; and
(2) evaluate:
(A) whether the tax preference accomplishes its intended purpose;
(B) whether the intended purpose of the tax preference could be accomplished through a more cost-effective method; and
(C) the effect of the tax preference on economic development in this state.

SUBCHAPTER D. RECOMMENDATIONS
REGARDING REVIEWED TAX PREFERENCES

Sec. 320A.151. PRELIMINARY REPORT. Not later than September 1 of each even-numbered year, the commission shall file a preliminary report on the reviews of tax preferences identified under Section 320A.101(a)(3)(A) with the senate finance committee and the house ways and means committee. The report must include drafts of any proposed legislation needed to implement the commission's recommendations.

Sec. 320A.152. REVIEW AND COMMENT. The senate finance committee and the house ways and means committee may review the preliminary report and proposed legislation and submit comments to the commission. Comments must be submitted not later than October 15 of each even-numbered year.

Sec. 320A.153. FINAL REPORT. (a) The commission may modify the preliminary report and proposed legislation in response to the comments received under Section 320A.152. (b) Not later than December 1 of each even-numbered year, the commission shall provide to the governor and the presiding officers of the senate finance committee and the house ways and means committee a final report on the reviews of tax preferences identified under Section

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320A.101(a)(3)(A) and proposed legislation necessary to implement the commission's recommendations.
Sec. 320A.154. PUBLIC HEARING ON FINAL REPORT.
The senate finance committee and the house ways and means committee shall hold a joint public hearing on the final report and proposed legislation provided under Section 320A.153.
(b) The lieutenant governor and the speaker of the house of representatives shall appoint the initial members of the select commission on periodic tax preference review not later than January 5, 2020. Notwithstanding Section 320A.052, Government Code, as added by this section, the terms of the initial members of the commission expire December 31, 2020.
(c) Notwithstanding Section 320A.103, Government Code, as added by this section, the select commission on periodic tax preference review shall submit:
(1) the initial state and local tax preference review schedule required by that section not later than January 15, 2020;
(2) the initial preliminary report required by Section 320A.151, Government Code, as added by this section, not later than September 1, 2020; and
(3) the initial final report required by Section 320A.153, Government Code, as added by this section, not later than December 1, 2020. [FA46]

SECTION 61. Section 403.302, Government Code, is amended by adding Subsections (k) and (k-1) and amending Subsection (o) to read as follows:
(k) If the comptroller determines in the final certification of the study that the school district's local value as determined by the appraisal district that appraises property

SECTION 70. Section 403.302(o), Government Code, is amended to read as follows:

SECTION 75. Same as House version.

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for the school district is not valid, the comptroller shall provide notice of the comptroller's determination to the board of directors of the appraisal district. The board of directors of the appraisal district shall hold a public meeting to discuss the receipt of notice under this subsection.

(k-1) If the comptroller determines in the final certification of the study that the school district's local value as determined by the appraisal district that appraises property for the school district is not valid for three consecutive years, the comptroller shall conduct an additional review of the appraisal district under Section 5.102, Tax Code, and provide recommendations to the appraisal district regarding appraisal standards, procedures, and methodologies. The comptroller may contract with a third party to assist the comptroller in conducting the additional review and providing the recommendations required under this subsection. If the appraisal district fails to comply with the recommendations provided under this subsection and the comptroller finds that the board of directors of the appraisal district failed to take remedial action reasonably designed to ensure substantial compliance with each recommendation before the first anniversary of the date the recommendations were made, the comptroller shall notify the Texas Department of Licensing and Regulation, or a successor to the department, which shall take action necessary to ensure that the recommendations are implemented as soon as practicable. Before February 1 of the year following the year in which the Texas Department of Licensing and Regulation, or a successor to the department, takes action under this subsection, the department, with the assistance of the comptroller, shall

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(o) The comptroller shall adopt rules governing the conduct of the study after consultation with the comptroller's property tax administration advisory board [~~Comptroller's Property Value Study Advisory Committee~~].

No equivalent provision.

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determine whether the recommendations have been substantially implemented and notify the chief appraiser and the board of directors of the appraisal district of the determination. If the department determines that the recommendations have not been substantially implemented, the board of directors of the appraisal district must, within three months of the determination, consider whether the failure to implement the recommendations was under the current chief appraiser's control and whether the chief appraiser is able to adequately perform the chief appraiser's duties.

(o) The comptroller shall adopt rules governing the conduct of the study after consultation with the comptroller's property tax administration advisory board [~~Comptroller's Property Value Study Advisory Committee~~].

No equivalent provision.

CONFERENCE

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

SECTION 76. Section 281.107(j), Health and Safety Code, is amended to read as follows:

(j) The portion of the rate of ad valorem tax that is to be levied and assessed each year by or for the district that is allocated by the district to the payment of the principal of and the interest on bonds and other obligations or the maintenance of reserves therefor in accordance with this section shall be applied as a payment on current debt in calculating the current debt rate under the applicable voter-approval tax rate [~~rollback~~] provisions of Chapter 26, Tax Code.

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HOUSE VERSION (IE)

CONFERENCE

No equivalent provision.

No equivalent provision.

SECTION 77. The heading to Section 281.124, Health and Safety Code, is amended to read as follows:
Sec. 281.124. ELECTION TO APPROVE TAX RATE IN EXCESS OF VOTER-APPROVAL ~~[ROLLBACK]~~ TAX RATE.

SECTION 71. Sections 281.124(d) and (e), Health and Safety Code, are amended to read as follows:

No equivalent provision.

SECTION 78. Sections 281.124(b), (c), (d), and (e), Health and Safety Code, are amended to read as follows:

(b) The board may hold an election at which the registered voters of the district may approve a tax rate for the current tax year that exceeds the district's voter-approval ~~[rollback]~~ tax rate for the year computed under Chapter 26, Tax Code, by a specific rate stated in dollars and cents per \$100 of taxable value.

(c) An election under this section must be held at least 180 days before the date on which the district's tax rate is adopted by the board. At the election, the ballot shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of \$ (insert total proposed tax rate) per \$100 valuation in (insert district name) for the (insert current tax year) tax year, a rate that exceeds the district's voter-approval ~~[rollback]~~ tax rate. The proposed ad valorem tax rate exceeds the ad valorem tax rate most recently adopted by the district by \$ (insert difference between proposed and preceding year's tax rates) per \$100 valuation."

(d) If a majority of the votes cast in the election favor the proposition, the tax rate for the specified tax year is the rate approved by the voters, and that rate is not subject to [a ~~rollback election under~~] Section 26.08 ~~[26.07]~~, Tax Code.

(d) If a majority of the votes cast in the election favor the proposition, the tax rate for the specified tax year is the rate approved by the voters, and that rate is not subject to [a

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The board shall adopt the tax rate as provided by Chapter 26, Tax Code.

(e) If the proposition is not approved as provided by Subsection (d) [(e)], the board may not adopt a tax rate for the district for the specified tax year that exceeds the rate that was not approved, and Section 26.08 [~~26.07~~], Tax Code, applies to the adopted rate if that rate exceeds the district's voter-approved [~~rollback~~] tax rate.

SECTION 72. Section 102.007(d), Local Government Code, is amended to read as follows:

(d) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the

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SECTION 62. Same as Senate version, except does not change "rollback tax rate" to "voter-approved tax rate."

CONFERENCE

~~rollback election under~~] Section **26.07**, Tax Code. The board shall adopt the tax rate as provided by Chapter 26, Tax Code.

(e) If the proposition is not approved as provided by Subsection (d) [(e)], the board may not adopt a tax rate for the district for the specified tax year that exceeds the rate that was not approved, and Section **26.07**, Tax Code, applies to the adopted rate if that rate exceeds the district's voter-approval [~~rollback~~] tax rate.

SECTION 79. Same as Senate version, except refers to "voter-approval tax rate" instead of "rollback tax rate."

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proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the governing body by name voting on the adoption of the budget;

(3) the municipal property tax rates for the preceding fiscal year, and each municipal property tax rate that has been adopted or calculated for the current fiscal year, including:

(A) the property tax rate;

(B) the no-new-revenue [effective] tax rate;

(C) the no-new-revenue [effective] maintenance and operations tax rate;

(D) the voter-approved [rollback] tax rate; and

(E) the debt rate; and

(4) the total amount of municipal debt obligations.

SECTION 73. Section 111.008(d), Local Government Code, is amended to read as follows:

(d) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The

HOUSE VERSION (IE)

SECTION 63. Same as Senate version, except does not change "rollback tax rate" to "voter-approved tax rate."

CONFERENCE

SECTION 80. Same as Senate version, except refers to "voter-approval tax rate" instead of "rollback tax rate."

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property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget;

(3) the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year, including:

(A) the property tax rate;

(B) the no-new-revenue [effective] tax rate;

(C) the no-new-revenue [effective] maintenance and operations tax rate;

(D) the voter-approved [~~rollback~~] tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

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SECTION 74. Section 111.039(d), Local Government Code, is amended to read as follows:

(d) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget;

HOUSE VERSION (IE)

SECTION 64. Same as Senate version, except does not change "rollback tax rate" to "voter-approved tax rate."

CONFERENCE

SECTION 81. Same as Senate version, except refers to "voter-approval tax rate" instead of "rollback tax rate."

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(3) the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year, including:

- (A) the property tax rate;
 - (B) the no-new-revenue ~~[effective]~~ tax rate;
 - (C) the no-new-revenue ~~[effective]~~ maintenance and operations tax rate;
 - (D) the voter-approved ~~[rollback]~~ tax rate; and
 - (E) the debt rate; and
- (4) the total amount of county debt obligations.

SECTION 75. Section 111.068(c), Local Government Code, is amended to read as follows:

(c) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the

HOUSE VERSION (IE)

SECTION 65. Same as Senate version, except does not change "rollback tax rate" to "voter-approved tax rate."

CONFERENCE

SECTION 82. Same as Senate version, except refers to "voter-approval tax rate" instead of "rollback tax rate."

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proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget;

(3) the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year, including:

(A) the property tax rate;

(B) the no-new-revenue [effective] tax rate;

(C) the no-new-revenue [effective] maintenance and operations tax rate;

(D) the voter-approved [rollback] tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION 76. Section 1101.254(f), Special District Local Laws Code, is amended to read as follows:

(f) This section does not affect the applicability of [~~any rights district voters may have to petition for an election under~~] Section 26.08 [~~26.07~~], Tax Code, to the district's tax rate, except that if district voters approve a tax rate increase under this section, [~~the voters may not petition for an election under~~] Section 26.08 [~~26.07~~], Tax Code, does not apply [as] to the tax rate for that year.

SECTION 66. Section 1101.254(f), Special District Local Laws Code, is amended to read as follows:

(f) This section does not affect the applicability of [~~any rights district voters may have to petition for an election under~~] Section 26.07, Tax Code, to the district's tax rate, except that if district voters approve a tax rate increase under this section, [~~the voters may not petition for an election under~~] Section 26.07, Tax Code, does not apply [as] to the tax rate for that year.

SECTION 83. Same as House version.

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SECTION 77. Sections 1122.2522, 3828.157, and 8876.152, Special District Local Laws Code, are amended to read as follows:

Sec. 1122.2522. **VOTER-APPROVED [ROLLBACK]** TAX RATE PROVISIONS APPLICABLE. ~~[(a)]~~ If in any year the board adopts a tax rate that exceeds the **voter-approved [rollback]** tax rate calculated as provided by Chapter 26, Tax Code, ~~[the qualified voters of the district by petition may require that]~~ an election under Section 26.08 of that code must be held to determine whether or not to approve [reduce] the tax rate adopted by the board for that year ~~[to the rollback tax rate]~~.

~~[(b) To the extent a conflict exists between this section and a provision of the Tax Code, the provision of the Tax Code prevails.]~~

Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE PROVISIONS. Sections 26.04, 26.05, and 26.08 [26.07], Tax Code, do not apply to a tax imposed under Section 3828.153 or 3828.156.

Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS. (a) Sections 26.04, 26.05, 26.06, 26.061, and 26.08 [26.07], Tax Code, do not apply to a tax imposed by the district.

(b) Sections 49.236(a)(1) and (2) and (b) [Section 49.236], Water Code, apply [as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003, applies] to the district.

HOUSE VERSION (IE)

SECTION 67. Sections 1122.2522 and 8876.152, Special District Local Laws Code, are amended to read as follows:

Sec. 1122.2522. **ROLLBACK** TAX RATE PROVISIONS APPLICABLE. ~~[(a)]~~ If in any year the board adopts a tax rate that exceeds the **rollback** tax rate calculated as provided by Chapter 26, Tax Code, ~~[the qualified voters of the district by petition may require that]~~ an election under Section 26.07 of that code must be held to determine whether or not to approve [reduce] the tax rate adopted by the board for that year ~~[to the rollback tax rate]~~.

~~[(b) To the extent a conflict exists between this section and a provision of the Tax Code, the provision of the Tax Code prevails.]~~

Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS. (a) Sections 26.04, 26.05, 26.06, 26.061, and 26.07, Tax Code, do not apply to a tax imposed by the district.

(b) Sections 49.236(a)(1) and (2) and (b) [Section 49.236], Water Code, apply [as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003, applies] to the district.

CONFERENCE

SECTION 84. Sections 1122.2522, 3828.157, and 8876.152, Special District Local Laws Code, are amended to read as follows:

Sec. 1122.2522. **VOTER-APPROVAL [ROLLBACK]** TAX RATE PROVISIONS APPLICABLE. ~~[(a)]~~ If in any year the board adopts a tax rate that exceeds the **voter-approval [rollback]** tax rate calculated as provided by Chapter 26, Tax Code, ~~[the qualified voters of the district by petition may require that]~~ an election under Section 26.07 of that code must be held to determine whether or not to approve [reduce] the tax rate adopted by the board for that year ~~[to the rollback tax rate]~~.

~~[(b) To the extent a conflict exists between this section and a provision of the Tax Code, the provision of the Tax Code prevails.]~~

Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE PROVISIONS. Sections 26.04, 26.05, [and] 26.07, and 26.075, Tax Code, do not apply to a tax imposed under Section 3828.153 or 3828.156.

Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS. (a) Sections 26.04, 26.05, 26.06, 26.061, [and] 26.07, and 26.075, Tax Code, do not apply to a tax imposed by the district.

(b) Sections 49.236(a)(1) and (2) and (b) [Section 49.236], Water Code, apply [as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003, applies] to the district.

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No equivalent provision.

No equivalent provision.

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

SECTION 78. Section 49.107(g), Water Code, is amended to read as follows:
(g) Sections 26.04, 26.05, 26.061, and 26.08 ~~[26.07]~~, Tax Code, do not apply to a tax levied and collected under this section or an ad valorem tax levied and collected for the payment of the interest on and principal of bonds issued by a district.

SECTION 68. Section 49.107(g), Water Code, is amended to read as follows:
(g) Sections 26.04 through ~~[, 26.05, and]~~ 26.07, Tax Code, do not apply to a tax levied and collected under this section or an ad valorem tax levied and collected for the payment of the interest on and principal of bonds issued by a district.
[FA47(1)]

SECTION 86. Section 49.107(g), Water Code, is amended to read as follows:
(g) Sections 26.04, 26.05, 26.061, ~~[and]~~ 26.07, and 26.075, Tax Code, do not apply to a tax levied and collected under this section or an ad valorem tax levied and collected for the payment of the interest on and principal of bonds issued by a district.

SECTION 79. Section 49.108(f), Water Code, is amended to read as follows:
(f) Sections 26.04, 26.05, 26.061, and 26.08 ~~[26.07]~~, Tax Code, do not apply to a tax levied and collected for payments made under a contract approved in accordance with this section.

SECTION 69. Section 49.108(f), Water Code, is amended to read as follows:
(f) Sections 26.04 through ~~[, 26.05, and]~~ 26.07, Tax Code, do not apply to a tax levied and collected for payments made under a contract approved in accordance with this section.
[FA47(2)]

SECTION 87. Section 49.108(f), Water Code, is amended to read as follows:
(f) Sections 26.04, 26.05, 26.061, ~~[and]~~ 26.07, and 26.075, Tax Code, do not apply to a tax levied and collected for payments made under a contract approved in accordance with this section.

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SECTION 80. Section 49.236, Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, is amended by amending Subsections (a) and (d) and adding Subsections (e) and (f) to read as follows:

(a) Before the board adopts an ad valorem tax rate for the district for debt service, operation and maintenance purposes, or contract purposes, the board shall give notice of each meeting of the board at which the adoption of a tax rate will be considered. The notice must:

(1) contain a statement in substantially the following form:
"NOTICE OF PUBLIC HEARING ON TAX RATE

"The (name of the district) will hold a public hearing on a proposed tax rate for the tax year (year of tax levy) on (date and time) at (meeting place). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property [and the tax rate that is adopted]. The change in the taxable value of your property in relation to the change in the taxable value of all other property determines the distribution of the tax burden among all property owners.

"(Names of all board members and, if a vote was taken, an indication of how each voted on the proposed tax rate and an indication of any absences.)";

(2) contain the following information:

(A) the district's **total** adopted tax rate for the preceding year and the proposed tax rate, expressed as an amount per \$100;

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SECTION 70. Section 49.236, Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, is amended by amending Subsections (a) and (d) and adding Subsections (e), (f), (g), (h), (i), and (j) to read as follows: [FA47(3)]

(a) Before the board adopts an ad valorem tax rate for the district for debt service, operation and maintenance purposes, or contract purposes, the board shall give notice of each meeting of the board at which the adoption of a tax rate will be considered. The notice must:

(1) contain a statement in substantially the following form:
"NOTICE OF PUBLIC HEARING ON TAX RATE

"The (name of the district) will hold a public hearing on a proposed tax rate for the tax year (year of tax levy) on (date and time) at (meeting place). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property [and the tax rate that is adopted]. The change in the taxable value of your property in relation to the change in the taxable value of all other property determines the distribution of the tax burden among all property owners.

"(Names of all board members and, if a vote was taken, an indication of how each voted on the proposed tax rate and an indication of any absences.)";

(2) contain the following information:

(A) the district's **[total]** adopted tax rate for the preceding year and the proposed tax rate, expressed as an amount per \$100; [FA47(4)]

CONFERENCE

SECTION 88. Section 49.236(a), Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, is amended to read as follows:

(a) Before the board adopts an ad valorem tax rate for the district for debt service, operation and maintenance purposes, or contract purposes, the board shall give notice of each meeting of the board at which the adoption of a tax rate will be considered. The notice must:

(1) contain a statement in substantially the following form:
"NOTICE OF PUBLIC HEARING ON TAX RATE

"The (name of the district) will hold a public hearing on a proposed tax rate for the tax year (year of tax levy) on (date and time) at (meeting place). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property [and the tax rate that is adopted]. The change in the taxable value of your property in relation to the change in the taxable value of all other property determines the distribution of the tax burden among all property owners.

"(Names of all board members and, if a vote was taken, an indication of how each voted on the proposed tax rate and an indication of any absences.)";

(2) contain the following information:

(A) the district's **total** adopted tax rate for the preceding year and the proposed tax rate, expressed as an amount per \$100;

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(B) the difference, expressed as an amount per \$100 and as a percent increase or decrease, as applicable, in the proposed tax rate compared to the adopted tax rate for the preceding year;

(C) the average appraised value of a residence homestead in the district in the preceding year and in the current year; the district's total homestead exemption, other than an exemption available only to disabled persons or persons 65 years of age or older, applicable to that appraised value in each of those years; and the average taxable value of a residence homestead in the district in each of those years, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(D) the amount of tax that would have been imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(E) the amount of tax that would be imposed by the district in the current year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, if the proposed tax rate is adopted; ~~and~~

(F) the difference between the amounts of tax calculated under Paragraphs (D) and (E), expressed in dollars and cents and described as the annual percentage increase or decrease, as applicable, in the tax to be imposed by the district on the average residence homestead in the district in the current year if the proposed tax rate is adopted; and

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(B) the difference, expressed as an amount per \$100 and as a percent increase or decrease, as applicable, in the proposed tax rate compared to the adopted tax rate for the preceding year;

(C) the average appraised value of a residence homestead in the district in the preceding year and in the current year; the district's total homestead exemption, other than an exemption available only to disabled persons or persons 65 years of age or older, applicable to that appraised value in each of those years; and the average taxable value of a residence homestead in the district in each of those years, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(D) the amount of tax that would have been imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(E) the amount of tax that would be imposed by the district in the current year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, if the proposed tax rate is adopted; and [FA47(5)]

(F) the difference between the amounts of tax calculated under Paragraphs (D) and (E), expressed in dollars and cents and described as the annual percentage increase or decrease, as applicable, in the tax to be imposed by the district on the average residence homestead in the district in the current year if the proposed tax rate is adopted; and

(G) [Deleted by FA47(6)]

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(B) the difference, expressed as an amount per \$100 and as a percent increase or decrease, as applicable, in the proposed tax rate compared to the adopted tax rate for the preceding year;

(C) the average appraised value of a residence homestead in the district in the preceding year and in the current year; the district's total homestead exemption, other than an exemption available only to disabled persons or persons 65 years of age or older, applicable to that appraised value in each of those years; and the average taxable value of a residence homestead in the district in each of those years, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(D) the amount of tax that would have been imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(E) the amount of tax that would be imposed by the district in the current year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, if the proposed tax rate is adopted; ~~and~~

(F) the difference between the amounts of tax calculated under Paragraphs (D) and (E), expressed in dollars and cents and described as the annual percentage increase or decrease, as applicable, in the tax to be imposed by the district on the average residence homestead in the district in the current year if the proposed tax rate is adopted; and

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(G) if the proposed combined debt service, operation and maintenance, and contract tax rate requires an election in the district to ratify the tax rate, a description of the purpose of the proposed tax increase; and
(3) if development in the district was substantially complete for the duration of the preceding tax year, contain a statement in substantially the following form:

"NOTICE OF VOTE ON TAX RATE [TAXPAYERS' RIGHT TO ROLLBACK ELECTION]
"If operation and maintenance taxes on the average residence homestead increase by more than 3.5 [eight] percent, [the qualified voters of the district by petition may require that] an election must be held to determine whether to ratify [reduce] the [operation and maintenance] tax rate [~~to the rollback tax rate~~] under Section 49.236(d), Water Code."

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(3) contain a statement in substantially the following form, as applicable:
(A) if the district is a special taxing unit or a developed district, and the district's proposed combined debt service, operation and maintenance, and contract tax rate exceeds the district's rollback tax rate:
"NOTICE OF PROPOSED TAX RATE IN EXCESS OF ROLLBACK TAX RATE"
"The proposed tax rate for the district exceeds the district's rollback tax rate. The revenue attributable to the proposed tax rate will be used for (state purpose)."; and
(B) if the district is a special taxing unit or a developed district, and the district's proposed combined debt service, operation and maintenance, and contract tax rate exceeds the district's tax approval election rate:
"NOTICE OF VOTE ON TAX RATE [TAXPAYERS' RIGHT TO ROLLBACK ELECTION]
"If the district adopts a combined debt service, operation and maintenance, and contract tax rate that exceeds the district's tax approval election rate [taxes on the average residence homestead increase by more than eight percent, the qualified voters of the district by petition may require that] an election must be held to determine whether to approve [reduce] the operation and maintenance tax rate [~~to the rollback tax rate~~] under Section 49.236(d), Water Code."

CONFERENCE

(G) if the proposed combined debt service, operation and maintenance, and contract tax rate requires or authorizes an election to approve or reduce the tax rate, as applicable, a description of the purpose of the proposed tax increase;

(3) contain a statement in substantially the following form, as applicable:
(A) if the district is a district described by Section 49.23601;

"NOTICE OF VOTE ON TAX RATE [TAXPAYERS' RIGHT TO ROLLBACK ELECTION]
"If operation and maintenance taxes on the average residence homestead increase by more than eight percent, [the qualified voters of the district by petition may require that] an election must be held to determine whether to approve [reduce] the operation and maintenance tax rate [~~to the rollback tax rate~~] under Section 49.23601 [~~49.236(d)~~], Water Code."
(B) if the district is a district described by Section 49.23602;
"NOTICE OF VOTE ON TAX RATE

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(d) This subsection applies to a district only *if development in the district was substantially complete for the duration of the preceding tax year.* If the board [governing body] of the [a] district adopts a combined debt service, operation and maintenance, and contract tax rate that exceeds the voter-approved tax rate, [~~would impose more than 1.08 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, the~~ qualified voters of the district by petition may require that]

(d) This subsection applies only to a district described by Subsection (a)(3)(B). If the governing body of the [a] district adopts a combined debt service, operation and maintenance, and contract tax rate that exceeds the district's tax approval election rate, [~~would impose more than 1.08 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, the~~ qualified voters of the district by petition may require that] an election must be held to determine whether [or not] to approve [~~reduce~~] the tax rate adopted for the current year [to

"If operation and maintenance taxes on the average residence homestead increase by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code."; or
(C) if the district is a district described by Section 49.23603:
"NOTICE OF TAXPAYERS' RIGHT TO ELECTION TO REDUCE TAX RATE
"If operation and maintenance taxes on the average residence homestead increase by more than eight percent, the qualified voters of the district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the voter-approval tax rate under Section 49.23603, Water Code."; and
(4) include the following statement: "The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.".

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an election must be held to determine whether [~~or not~~] to ratify [~~reduce~~] the tax rate adopted for the current year [~~to the rollback tax rate~~] in accordance with the procedures provided by Sections 26.08(b), (c), and (d) [~~26.07(b) (g) and 26.081~~], Tax Code.

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~~the rollback tax rate~~] in accordance with the procedures provided by Sections 26.07(c)-(g) [~~26.07(b) (g) and 26.081~~], Tax Code.

(e) The tax approval election rate for a district that is a special taxing unit described by Subsection (a)(3)(B) is the greater of:

(1) the sum of the debt service tax rate, the contract tax rate, the operation and maintenance tax rate, and the district's unused increment rate that would impose more than 1.08 times the amount of tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that tax year, disregarding any homestead exemption granted to disabled persons and persons 65 years of age or older; or

(2) the rollback tax rate.

(f) The tax approval election rate for a district described by Subsection (a)(3)(B) other than a special taxing unit is the greatest of:

(1) the sum of the de minimis rate and the contract tax rate;

(2) the sum of the debt service tax rate, the contract tax rate, the operation and maintenance tax rate, and the district's unused increment rate that would impose more than 1.035 times the amount of tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that tax year, disregarding any homestead exemption granted to disabled persons and persons 65 years of age or older; or

(3) the rollback tax rate.

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(e) For purposes of Sections 26.08(b), (c), and (d), Tax Code, ~~[26.07(b)-(g)]~~ and this section ~~[subsection]~~, the voter-approved ~~rollback~~ tax rate of a district is the sum of the following tax rates:

- (1) the current year's debt service tax rate;
- (2) the current year's ~~and~~ contract tax rate; and

~~(3) [rates plus] the operation and maintenance tax rate that would impose 1.035 [1.08] times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older.~~

(f) For purposes of this section, development within a district is considered substantially complete if the district has financed, completed, and issued bonds to pay for all land, works, improvements, facilities, plants, equipment, and appliances necessary to serve at least 95 percent of the projected build-out of the district in accordance with the purposes for its creation or the purposes authorized by the constitution, this code, or any other law.

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(g) For purposes of Sections 26.07(c)-(g), Tax Code, ~~[26.07(b)-(g)]~~ and this section ~~[subsection]~~, the rollback tax rate is the sum of the following tax rates:

- (1) the current year's debt service tax rate;
 - (2) the current year's ~~and~~ contract tax rate;
 - (3) the following applicable rate:
 - (A) for a district that is a taxing unit other than a special taxing unit, the rate equal to the product of 1.035 and the district's operations and maintenance tax rate for the preceding tax year; or
 - (B) for a district that is a special taxing unit, the rate equal to the product of 1.08 and the district's operations and maintenance tax rate for the preceding tax year; and
 - (4) the district's unused increment rate
- ~~[rates plus the operation and maintenance tax rate that would impose 1.08 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older]. [FA47(7)]~~

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(h) Notwithstanding any other provision of this section, the board of a district that is a taxing unit other than a special taxing unit may give notice under Subsection (a) and calculate the rollback tax rate of the district in the manner provided for a district that is a special taxing unit if any part of the district is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The board may continue doing so until the earlier of:

(1) the second tax year in which the total taxable value of property taxable by the district as shown on the appraisal roll for the district submitted by the assessor for the district to the board exceeds the total taxable value of property taxable by the district on January 1 of the tax year in which the disaster occurred; or [FA25(3)]

(2) the fifth tax year after the tax year in which the disaster occurred. [FA47(8)]

(i) In this section:

(1) "De minimis rate" and "special taxing unit" have the meanings assigned by Section 26.012, Tax Code.

(2) "Developed district" means a district that has financed, completed, and issued bonds to pay for all land, works, improvements, facilities, plants, equipment, and appliances necessary to serve at least 95 percent of the projected build-out of the district in accordance with the purposes for its creation or the purposes authorized by the constitution, this code, or any other law.

(3) "Taxing unit" has the meaning assigned by Section 1.04, Tax Code.

(4) "Unused increment rate" has the meaning assigned by Section 26.013, Tax Code.

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(i) The following provisions of the Tax Code do not apply to a district:
(1) Sections 26.16(a)(4), (5), and (6) and (d-1)(1); and
(2) Sections 26.17(b)(5),(8), and (10). [FA47(9)]

No equivalent provision.

No equivalent provision.

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

SECTION 89. Subchapter H, Chapter 49, Water Code, is amended by adding Sections 49.23601, 49.23602, and 49.23603 to read as follows:
Sec. 49.23601. AUTOMATIC ELECTION TO APPROVE TAX RATE FOR LOW TAX RATE DISTRICTS. (a) In this section, "voter-approval tax rate" means the rate equal to the sum of the following tax rates for the district:
(1) the current year's debt service tax rate;
(2) the current year's contract tax rate; and
(3) the operation and maintenance tax rate that would impose 1.08 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older.
(b) This section applies only to a district the board of which has adopted an operation and maintenance tax rate for the current tax year that is 2.5 cents or less per \$100 of taxable value.
(c) If the board of a district adopts a combined debt service, contract, and operation and maintenance tax rate that

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exceeds the district's voter-approval tax rate, an election must be held in accordance with the procedures provided by Sections 26.07(c)-(g), Tax Code, to determine whether to approve the adopted tax rate.

Sec. 49.23602. AUTOMATIC ELECTION TO APPROVE TAX RATE FOR CERTAIN DEVELOPED DISTRICTS.

(a) In this section:

(1) "Developed district" means a district that has financed, completed, and issued bonds to pay for all land, works, improvements, facilities, plants, equipment, and appliances necessary to serve at least 95 percent of the projected build-out of the district in accordance with the purposes for its creation or the purposes authorized by the constitution, this code, or any other law.

(2) "Unused increment rate" has the meaning assigned by Section 26.013, Tax Code.

(3) "Voter-approval tax rate" means the rate equal to the sum of the following tax rates for the district:

(A) the current year's debt service tax rate;

(B) the current year's contract tax rate;

(C) the operation and maintenance tax rate that would impose 1.035 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older; and

(D) the unused increment rate.

(b) This section applies only to a developed district that is not a district described by Section 49.23601.

(c) If the board of a district adopts a combined debt service, contract, and operation and maintenance tax rate that

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exceeds the district's voter-approval tax rate, an election must be held in accordance with the procedures provided by Sections 26.07(c)-(g), Tax Code, to determine whether to approve the adopted tax rate.

(d) Notwithstanding any other provision of this section, the board of a district may give notice under Section 49.236(a)(3)(A) and calculate the voter-approval tax rate of the district in the manner provided for a district under Section 49.23601 if any part of the district is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The board may continue doing so until the earlier of:

(1) the second tax year in which the total taxable value of property taxable by the district as shown on the appraisal roll for the district submitted by the assessor for the district to the board exceeds the total taxable value of property taxable by the district on January 1 of the tax year in which the disaster occurred; or

(2) the third tax year after the tax year in which the disaster occurred.

Sec. 49.23603. PETITION ELECTION TO REDUCE TAX RATE FOR CERTAIN DISTRICTS. (a) In this section, "voter-approval tax rate" means the rate equal to the sum of the following tax rates for the district:

(1) the current year's debt service tax rate;

(2) the current year's contract tax rate; and

(3) the operation and maintenance tax rate that would impose 1.08 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year,

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SECTION 81. Section 6B(f), Chapter 1472, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(f) The district may provide that payments required by any of the district's contracts, agreements, or leases may be payable from the sale of notes, taxes, or bonds, or any combination of notes, taxes, or bonds, or may be secured by a lien on or a pledge of any available funds, including proceeds of the district's maintenance tax, and may be payable subject to annual appropriation by the district. The district may pledge to impose and may impose a maintenance tax in an amount sufficient to comply with the district's obligations under the district's contracts, leases, and agreements at a maximum aggregate rate not to exceed 10 cents for each \$100 valuation of taxable property in the district. Sections 26.012, 26.04, 26.05, and 26.08 [~~26.07, and 26.012~~], Tax Code, do not apply to maintenance taxes levied and collected for payments under a contract,

No equivalent provision.

disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older.

(b) This section applies only to a district that is not described by Section 49.23601 or 49.23602.

(c) If the board of a district adopts a combined debt service, contract, and operation and maintenance tax rate that exceeds the district's voter-approval tax rate, the qualified voters of the district by petition may require that an election be held to determine whether to reduce the tax rate adopted for the current year to the voter-approval tax rate in accordance with the procedures provided by Sections 26.075 and 26.081, Tax Code.

SECTION 90. Section 6B(f), Chapter 1472, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(f) The district may provide that payments required by any of the district's contracts, agreements, or leases may be payable from the sale of notes, taxes, or bonds, or any combination of notes, taxes, or bonds, or may be secured by a lien on or a pledge of any available funds, including proceeds of the district's maintenance tax, and may be payable subject to annual appropriation by the district. The district may pledge to impose and may impose a maintenance tax in an amount sufficient to comply with the district's obligations under the district's contracts, leases, and agreements at a maximum aggregate rate not to exceed 10 cents for each \$100 valuation of taxable property in the district. Sections 26.012, 26.04, 26.05, 26.07, and 26.075 [~~26.012~~], Tax Code, do not apply to maintenance taxes levied and collected for payments under a contract,

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agreement, lease, time warrant, or maintenance note issued or executed under this section.

SECTION 82. The following provisions are repealed:

- (1) Sections 403.302(m-1) and (n), Government Code;
- (2) Section 140.010, Local Government Code;
- (3) Section 1063.255, Special District Local Laws Code;
- (4) Sections 5.103(e) and (f), 6.412(e), 22.23(c), **26.07**, **26.08(o)**, and 41A.06(c), Tax Code;
- (5) Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003; and

- (6) Section 49.2361, Water Code.

SECTION 83. (a) Section 9, Chapter 481 (S.B. 1760), Acts of the 84th Legislature, Regular Session, 2015, which added Section 42.23(i), Tax Code, effective January 1, 2020, is repealed.

- (b) This section takes effect September 1, 2019.

SECTION 84. Section 5.041, Tax Code, as amended by this Act, applies only to an appraisal review board member appointed to serve a term of office that begins on or after January 1, 2020.

HOUSE VERSION (IE)

SECTION 71. The following provisions are repealed:

- (1) Sections 403.302(m-1) and (n), Government Code;
- (2) Section 140.010, Local Government Code;
- (3) Section 1063.255, Special District Local Laws Code;
- (4) Sections 5.103(e) and (f), 6.412(e), 22.23(c), **25.19(b-2)**, and 41A.06(c), Tax Code; [FA2(1)]
- (5) Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003; and

- (6) Section 49.2361, Water Code.

No equivalent provision.

SECTION 72. Same as Senate version.

CONFERENCE

agreement, lease, time warrant, or maintenance note issued or executed under this section.

SECTION 91. The following provisions are repealed:

- (1) Sections 403.302(m-1) and (n), Government Code;
- (2) Section 140.010, Local Government Code;
- (3) Section 1063.255, Special District Local Laws Code;
- (4) Sections 5.103(e) and (f), 6.412(e), 22.23(c), **25.19(b-2)**, and 41A.06(c), Tax Code;
- (5) Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003;
- (6) **Section 49.236(d), Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003;** and
- (7) Section 49.2361, Water Code.

SECTION 92. Same as Senate version.

SECTION 93. Same as Senate version.

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SECTION 85. The comptroller of public accounts shall implement Section 5.043, Tax Code, as added by this Act, as soon as practicable after January 1, 2020.

SECTION 86. Sections 5.05, 5.102, and 5.13, Tax Code, as amended by this Act, apply only to the appraisal of property for ad valorem tax purposes for a tax year beginning on or after January 1, 2020.

SECTION 87. (a) The comptroller of public accounts shall comply with Sections 5.07(f), (g), (h), and (i), Tax Code, as added by this Act, as soon as practicable after January 1, 2020.

(b) The comptroller of public accounts shall comply with Section 5.091, Tax Code, as amended by this Act, not later than *January 1, 2021*.

No equivalent provision.

HOUSE VERSION (IE)

SECTION 73. Same as Senate version.

SECTION 74. Sections 5.05, 5.102, 5.13, and **23.01**, Tax Code, as amended by this Act, apply only to the appraisal of property for ad valorem tax purposes for a tax year beginning on or after January 1, 2020.

SECTION 75. (a) The comptroller of public accounts shall comply with Sections 5.07(f), (g), (h), and (i), Tax Code, as added by this Act, as soon as practicable after January 1, 2020.

(b) The comptroller of public accounts shall comply with Section 5.091, Tax Code, as amended by this Act, not later than:

(1) January 1, 2022, with regard to tax rate information related to a taxing unit located wholly or partly in a county with a population of 120,000 or more; and

(2) January 1, 2023, with regard to tax rate information related to a taxing unit located wholly in a county with a population of less than 120,000.

SECTION 76. Section 5.09, Tax Code, as amended by this Act, applies only to information submitted to the comptroller of public accounts that relates to a tax year beginning on or after January 1, 2020.

CONFERENCE

SECTION 94. Same as Senate version.

SECTION 95. Same as House version.

SECTION 96. Same as House version.

SECTION 97. Same as House version.

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SECTION 88. The comptroller of public accounts shall prepare and make available the survey *form* and instructions for completing and submitting the *form* required by Section 5.104, Tax Code, as added by this Act, as soon as practicable after January 1, 2020. An appraisal district is not required to provide the survey *form* or instructions under a requirement of that section until the *form* and instructions are prepared and made available by the comptroller of public accounts.

SECTION 89. Section 6.41(d-9), Tax Code, as amended by this Act, applies only to the appointment of appraisal review board members to terms beginning on or after January 1, 2021.

SECTION 90. Section 6.412, Tax Code, as amended by this Act, does not affect the eligibility of a person serving on an appraisal review board immediately before January 1, 2020, to continue to serve on the board for the term to which the member was appointed.

SECTION 91. Section 6.42(d), Tax Code, as added by this Act, applies only to a recommendation, determination, decision, or other action by an appraisal review board or a panel of such a board on or after January 1, 2020. A recommendation, determination, decision, or other action by an appraisal review board or a panel of such a board before January 1, 2020, is governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.

HOUSE VERSION (IE)

SECTION 77. The comptroller of public accounts shall prepare and make available the survey and instructions for completing and submitting the *survey* required by Section 5.104, Tax Code, as added by this Act, as soon as practicable after January 1, 2020. An appraisal district is not required to provide the survey or instructions under a requirement of that section until the *survey* and instructions are prepared and made available by the comptroller of public accounts.

SECTION 78. Same as Senate version.

SECTION 79. Same as Senate version.

SECTION 80. Same as Senate version.

CONFERENCE

SECTION 98. Same as House version.

SECTION 99. Same as Senate version.

SECTION 100. Same as Senate version.

SECTION 101. Same as Senate version.

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CONFERENCE

No equivalent provision.

SECTION __. *The change in law made to Section 11.24, Tax Code, applies to the 2018 tax year and subsequent tax years. Any reduction or denial of an exemption granted under Section 11.24 in 2018 and subsequent years is subject to the change in law made in Section 11.24 and must be reinstated and notice given as provided in the change in law in Section 11.24.* [FA8(2)]

SECTION 102. *Section 11.24, Tax Code, as amended by this Act, applies only to an exemption authorized by that section that is repealed or reduced on or after January 1, 2020.*

SECTION 92. Sections **11.4391(a)** and 22.23(d), Tax Code, as amended by this Act, apply only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2020.

SECTION 81. Section 22.23(d), Tax Code, as amended by this Act, applies only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2020.

SECTION 103. Same as Senate version.

No equivalent provision.

SECTION __. Sections 25.192 and 25.193, Tax Code, as added by this Act, apply only to a notice for a tax year beginning on or after January 1, 2020. *A notice for a tax year beginning before January 1, 2020, is governed by the law in effect immediately before January 1, 2020, and that law is continued in effect for that purpose.* [FA2(2)]

SECTION 104. Sections 25.192 and 25.193, Tax Code, as added by this Act, apply only to a notice for a tax year beginning on or after January 1, 2020.

SECTION 93. (a) An appraisal district established in a county with a population of **120,000** or more and each taxing unit located wholly or *partly* in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the **2021** tax year.

SECTION 82. Same as Senate version.

SECTION 105. (a) An appraisal district established in a county with a population of **200,000** or more and each taxing unit located wholly or *primarily* in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the **2020** tax year.

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(b) An appraisal district established in a county with a population of less than **120,000** and each taxing unit located wholly in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the **2022** tax year.

SECTION 94. Section 26.0442, Tax Code, as added by this Act, applies to the no-new-revenue maintenance and operations rate of a county to which that section applies beginning with the 2020 tax year.

SECTION 95. (a) Not later than the 30th day after the date this section takes effect:

(1) the designated officer or employee of each taxing unit shall submit to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located the worksheets used by the designated officer or employee to calculate the effective and rollback tax rates of the taxing unit for the 2015-2019 tax years; and

(2) the county assessor-collector for each county shall post the worksheets submitted to the county assessor-collector under Subdivision (1) of this subsection on the Internet website of the county.

(b) This section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this section takes effect on the 91st day after the last day of the legislative session.

HOUSE VERSION (IE)

No equivalent provision.

SECTION 83. Same as Senate version.

CONFERENCE

(b) An appraisal district established in a county with a population of less than **200,000** and each taxing unit located wholly or primarily in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the **2021** tax year.

Same as House version.

SECTION 106. Same as Senate version.

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SECTION 96. A taxing unit that does not own, operate, or control an Internet website is not required to comply with Sections 26.05(b)(2) and 26.065(b), Tax Code, as amended by this Act, until the first tax year in which the taxing unit is required by law to maintain or have access to an Internet website.

SECTION 97. Section 33.08(b), Tax Code, as amended by this Act, applies only to taxes that become delinquent on or after January 1, 2020. Taxes that become delinquent before that date are governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.

SECTION 98. Section 41.03(a), Tax Code, as amended by this Act, applies only to a challenge under Chapter 41, Tax Code, for which a challenge petition is filed on or after January 1, 2020. A challenge under Chapter 41, Tax Code, for which a challenge petition was filed before January 1, 2020, is governed by the law in effect on the date the challenge petition was filed, and the former law is continued in effect for that purpose.

SECTION 99. Sections 41.45 and 41.66(k), Tax Code, as amended by this Act, and Section 41.66(k-1), Tax Code, as added by this Act, apply only to a protest filed under Chapter 41, Tax Code, on or after January 1, 2021. A protest filed

SECTION 84. Same as Senate version.

No equivalent provision.

SECTION 85. Same as Senate version.

SECTION 86. Same as Senate version.

SECTION 107. Same as Senate version.

SECTION 108. Same as Senate version.

SECTION 109. Same as Senate version.

SECTION 110. Same as Senate version.

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under that chapter before January 1, 2021, is governed by the law in effect on the date the protest was filed, and the former law is continued in effect for that purpose.

SECTION 100. Sections 41.46, 41.461, 41.47, 41.66(h), (i), and (j), and 41.67, Tax Code, as amended by this Act, and Sections 41.66(j-1) and (p), Tax Code, as added by this Act, apply only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board established for an appraisal district on or after January 1, 2020.

SECTION 101. Section 41.71, Tax Code, as amended by this Act, applies only to a hearing on a protest under Chapter 41, Tax Code, that is scheduled on or after January 1, 2020. A hearing on a protest under Chapter 41, Tax Code, that is scheduled before January 1, 2020, is governed by the law in effect on the date the hearing was scheduled, and that law is continued in effect for that purpose.

SECTION 102. Section 41A.03(a), Tax Code, as amended by this Act, applies only to an appeal of an appraisal review board order that a property owner receives notice of on or after the effective date of this Act. An appeal of an appraisal review board order that a property owner receives notice of before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

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SECTION 87. Same as Senate version.

SECTION 88. Same as Senate version.

No equivalent provision.

CONFERENCE

SECTION 111. Sections 41.46, 41.461, 41.47, 41.66(h), (i), and (j), and 41.67, Tax Code, as amended by this Act, and Sections 41.66(j-1), **(j-2)**, and (p), Tax Code, as added by this Act, apply only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board established for an appraisal district on or after January 1, 2020.

SECTION 112. Same as Senate version.

Same as House version.

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SECTION 103. *Sections 41A.05 and 41A.07*, Tax Code, as amended by this Act, **apply** only to a request for binding arbitration received by the comptroller of public accounts from an appraisal district on or after January 1, 2020.

SECTION 104. Section 41A.09, Tax Code, as amended by this Act, applies only to an appeal through binding arbitration under Chapter 41A, Tax Code, that is requested on or after January 1, 2020.

SECTION 105. Section 42.24, Tax Code, as amended by this Act, applies only to an appeal under Chapter 42, Tax Code, that is filed on or after January 1, 2020.

SECTION 106. *The changes in law made by this Act in the qualifications of persons serving as arbitrators in binding arbitrations of appeals of appraisal review board orders do not affect the entitlement of a person serving as an arbitrator immediately before January 1, 2020, to continue to serve as an arbitrator and to conduct hearings on arbitrations until the person is required to renew the person's agreement with the comptroller of public accounts to serve as an arbitrator. The changes in law apply only to a person who initially qualifies to serve as an arbitrator or who renews the person's agreement with the comptroller of public accounts to serve as an arbitrator on or after January 1, 2020.*

This Act does not prohibit a person who is serving as an arbitrator on January 1, 2020, ~~from~~ renewing the person's

HOUSE VERSION (IE)

SECTION 89. Section 41A.07, Tax Code, as amended by this Act, **applies** only to a request for binding arbitration received by the comptroller of public accounts from an appraisal district on or after January 1, 2020.

No equivalent provision.

No equivalent provision.

SECTION 90. (a) *A person who immediately before January 1, 2020, serves as an arbitrator in binding arbitrations of appeals of appraisal review board orders must meet the requirements of Section 41A.06(b)(3), Tax Code, as added by this Act, not later than the 120th day after the date the comptroller of public accounts begins to provide the training required under Section 5.043, Tax Code, as added by this Act.*

(b) This Act does not prohibit a person who is serving as an arbitrator on January 1, 2020, from renewing the person's

CONFERENCE

SECTION 113. *Sections 41A.03 and 41A.07*, Tax Code, as amended by this Act, apply only to a request for binding arbitration received by the comptroller of public accounts from an appraisal district on or after January 1, 2020.

Same as House version.

Same as House version.

SECTION 114. Same as House version.

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agreement with the comptroller of public accounts to serve as an arbitrator if the person has the qualifications required for an arbitrator under the Tax Code as amended by this Act.

No equivalent provision. (See SECTION 65 above.)

No equivalent provision.

No equivalent provision.

HOUSE VERSION (IE)

agreement with the comptroller of public accounts to serve as an arbitrator if the person has the qualifications required for an arbitrator under the Tax Code as amended by this Act.

No equivalent provision.

SECTION 91. The first tax year that may be considered for purposes of the condition to the applicability of Section 403.302(k-1), Government Code, as added by this Act, that the comptroller of public accounts has determined in a study under Section 403.302 of that code that a school district's local value as determined by the appraisal district that appraises property for the school district is not valid for three consecutive years is the 2020 tax year.

No equivalent provision.

CONFERENCE

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

SECTION 115. Section 42.081, Tax Code, as added by this Act, applies only to an appeal under Chapter 42, Tax Code, that is filed on or after January 1, 2020.

SECTION 116. Same as House version.

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

SECTION 117. Section 49.057, Water Code, as amended by this Act, applies only to a budget adopted on or after January 1, 2020.

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SECTION 107. (a) Not later than the 30th day after the date this section takes effect, the comptroller of public accounts shall *mail* a written notice to each appraisal district *and the assessor for each taxing unit in this state of:*

- (1) the deadline for complying with each new requirement, duty, or function imposed by this Act on an appraisal district or taxing unit; and
- (2) any change made by this Act to the deadline for complying with an existing requirement, duty, or function of an appraisal district or taxing unit.

(b) This section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this section takes effect on the 91st day after the last day of the legislative session.

SECTION 108. (a) In this section:

- (1) "Compensation" includes a salary, wage, insurance benefit, retirement benefit, or similar benefit an employee receives as a condition of employment.
- (2) "First responder" has the meaning assigned by Section 504.019, Labor Code.
- (3) "Taxing unit" has the meaning assigned by Section 1.04, Tax Code.

HOUSE VERSION (IE)

SECTION 92. (a) Not later than the 30th day after the date this section takes effect, the comptroller of public accounts shall *provide* a written notice to each appraisal district of:

- (1) the deadline for complying with each new requirement, duty, or function imposed by this Act on an appraisal district or taxing unit; and
- (2) any change made by this Act to the deadline for complying with an existing requirement, duty, or function of an appraisal district or taxing unit.

(b) As soon as practicable after receipt of the notice provided by the comptroller of public accounts under Subsection (a) of this section, the chief appraiser of an appraisal district shall forward the notice to each assessor for a taxing unit located in the appraisal district.

(c) This section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this section takes effect on the 91st day after the last day of the legislative session.

No equivalent provision.

CONFERENCE

SECTION 118. Same as House version.

SECTION 119. Same as Senate version.

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HOUSE VERSION (IE)

CONFERENCE

(b) This section applies only to the fiscal year of a taxing unit that begins in 2020.

(c) The governing body of a taxing unit may not adopt a budget for a fiscal year or take any other action that has the effect of decreasing the total compensation to which a first responder employed by the taxing unit was entitled in the preceding fiscal year of the taxing unit.

SECTION 109. A reference in law to the rollback tax rate is a reference to the voter-approved tax rate described by Chapter 26, Tax Code, as amended by this Act.

No equivalent provision.

SECTION 110. (a) Except as otherwise provided by this Act, this Act takes effect January 1, 2020.

(b) The following provisions take effect September 1, 2020:

(1) Sections 6.41(b) and (d-9), Tax Code, as amended by this Act;

(2) Sections 6.41(b-1), (b-2), and (d-10), Tax Code, as added by this Act;

(3) Section 6.414(d), Tax Code, as amended by this Act;

(4) Section 6.425, Tax Code, as added by this Act;

(5) Section 41.44(d), Tax Code, as amended by this Act;

(6) Section 41.45(d), Tax Code, as amended by this Act;

No equivalent provision.

SECTION 93. This Act takes effect only if H.B. 3, 86th Legislature, Regular Session, 2019, becomes law. If H.B. 3, 86th Legislature, Regular Session, 2019, does not become law, this Act has no effect.

SECTION 94. Same as Senate version.

No equivalent provision. (But see SECTION 2 above.)

SECTION 120. Same as House version.

SECTION 121. (a) Except as otherwise provided by this Act, this Act takes effect January 1, 2020.

(b) The following provisions take effect September 1, 2020:

(1) Sections 6.41(b) and (d-9), Tax Code, as amended by this Act;

(2) Sections 6.41(b-1), (b-2), and (d-10), Tax Code, as added by this Act;

(3) Section 6.414(d), Tax Code, as amended by this Act;

(4) Section 6.425, Tax Code, as added by this Act;

(5) Section 41.44(d), Tax Code, as amended by this Act;

(6) Section 41.45(d), Tax Code, as amended by this Act;

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- (7) Sections 41.45(d-1), (d-2), and (d-3), Tax Code, as added by this Act;
- (8) Section 41.66(k), Tax Code, as amended by this Act; and
- (9) Section 41.66(k-1), Tax Code, as added by this Act.
- (c) The following provisions take effect January 1, 2021:
 - (1) Sections 25.19(b-3) and (b-4), Tax Code, as added by this Act;
 - (2) Sections 26.04(d-1), (d-2), (d-3), *(e-2)*, *(e-3)*, *(e-4)*, and *(e-5)*, Tax Code, as added by this Act;
 - (3) Sections 26.04(e-1) and (g), Tax Code, as amended by this Act;
 - (4) Sections 26.05(d-1) and (d-2), Tax Code, as added by this Act; and***
 - (5) Section 26.05(e), Tax Code, as amended by this Act.
- (d) Sections 25.19(b) and (i), Tax Code, as amended by this Act, take effect January 1, 2022.

HOUSE VERSION (IE)

CONFERENCE

- (7) Sections 41.45(d-1), (d-2), and (d-3), Tax Code, as added by this Act;
- (8) Section 41.66(k), Tax Code, as amended by this Act; and
- (9) Section 41.66(k-1), Tax Code, as added by this Act.
- (c) The following provisions take effect January 1, 2021:
 - (1) Sections 25.19(b-3) and (b-4), Tax Code, as added by this Act;
 - (2) Sections 26.04(d-1), (d-2), (d-3), and (e-5), Tax Code, as added by this Act;
 - (3) Sections 26.04(e-1) and (g), Tax Code, as amended by this Act;
 - (4) Sections 26.05(d-1) and
- (4) Section 26.05(e), Tax Code, as amended by this Act.
- (d) Sections 25.19(b) and (i), Tax Code, as amended by this Act, take effect January 1, 2022.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 24, 2019

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: SB2 by Bettencourt (Relating to ad valorem taxation; authorizing fees.), **Conference Committee Report**

The bill's provision that prohibits an appraisal review board from determining the appraised value of a protested property to be an amount greater than the appraised value of the property as shown in the appraisal records would result in reduced tax revenues for school districts and increased costs to the state through operation of the school funding formulas.

The bill's provision that would exclude publications of the International Association of Assessing Officers from publications that would be considered generally accepted appraisal methods and techniques for the purposes of the Property Tax Code could create a cost to the state through the school funding formulas by depriving appraisal districts of an approved mass appraisal source in future litigation.

Additionally, the Comptroller's office reports that administrative costs to implement provisions of the bill would total (\$968,000) per year starting in fiscal year 2020 and require 13 FTEs.

The bill is contingent on House Bill 3, 86th Legislature, Regular Session becoming law.

The bill would amend several chapters of the Tax Code regarding general property tax provisions.

Provisions Affecting the Rollback Tax Rate

The bill would re-name the effective tax rate as the "no-new-revenue tax rate," the effective maintenance and operations (M&O) tax rate as the "no-new-revenue maintenance and operations (M&O) tax rate," and the rollback tax rate as the "voter-approval tax rate." The designated officer or employee of a taxing unit would be required to use the tax rate calculation forms prescribed by the Comptroller in calculating the no-new-revenue tax rate and the voter-approval tax rate.

The bill would define "de minimis rate" as the rate equal to the sum of a taxing unit's no-new-revenue M&O rate; the rate that, when applied to a taxing unit's current total value, would impose an amount of tax equal to \$500,000; and a taxing unit's current debt rate.

The bill would define "special taxing unit" as a taxing unit, other than a school district, for which the M&O tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value; a

junior college district; or a hospital district.

The bill would establish the unused increment rate as the greater of zero or the difference between the aggregate rate by which a taxing unit's voter-approval tax rate exceeded the taxing unit's actual tax rate in the preceding three tax years beginning in tax year 2020.

The bill establishes differing voter-approval tax rate calculations for taxing units. For a special taxing unit as defined, the percentage by which the no-new-revenue M&O tax rate would be increased in the voter-approval tax rate calculation would remain at 8 percent while for other taxing units (except school districts) the percentage would be 3.5 percent. The other taxing units would also be able to include their unused increment rate in calculating the voter-approval tax rate.

The bill would allow adjustments to the no-new-revenue M&O rate for certain indigent defense compensation expenditures and county hospital expenditures. The bill also would adjust the no-new revenue M&O rate by adding to the definition of last year's levy the taxes generated for the portion of taxable value of property subject to appeal under Chapter 42 of the Tax Code on July 25 that is not in dispute.

Special taxing units and municipalities with a population of 30,000 or more that adopt a tax rate above the voter-approval tax rate would be required to hold an election to approve the adopted rate. Taxing units (other than special taxing units) and municipalities with a population of less than 30,000 (regardless of whether the municipality is a special taxing unit) that adopt a tax rate above the voter-approval tax rate or the de minimis rate (whichever is higher) would have to hold an election to approve the adopted rate. If voters do not approve the adopted rate, then the taxing unit's tax rate for the current year is the voter-approval rate.

The bill provides certain petition requirements for taxing units (other than special taxing units, school districts, or cities with a population of 30,000 or more) that adopt a rate higher than the voter-approval rate but less than the de minimis rate to petition for an election when the de minimis rate exceeds the voter-approval rate. If registered voters submit a valid petition, the election would determine whether to lower the rate to the voter-approval rate.

Water districts under Chapter 49 of the Water Code would not be subject to automatic elections if the water district is not a developed district or does not have an operation and maintenance tax rate adopted for the current tax year of 2.5 cents or less per \$100 of taxable value; instead these districts would be subject to petition triggered tax rate elections.

Provisions Affecting Property Tax System Administration

The bill would amend Chapter 5 of the Tax Code, regarding state administration, to require the Comptroller to prescribe tax rate calculation forms to be used by the designated officer or employee of each taxing unit other than a school district to calculate and submit the no-new-revenue tax rate and the voter-approval tax rate for the unit; and to require each school district to calculate and submit the no-new-revenue tax rate and the voter-approval tax rate, and to submit 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.

The bill would repeal Subsections 5.103(e) and (f) of the Tax Code, regarding an appraisal review board survey, and replace them with more specific provisions requiring the Comptroller to prepare a survey that allows certain individuals who attend a hearing to submit comments and suggestions regarding an appraisal review board or any other matter related to the fairness or efficiency of the

appraisal review board. The Comptroller would be required to allow submission of the survey form in person, by mail, by electronic mail, or through a uniform resource locator (URL). The Comptroller would be required to issue an annual report summarizing the survey results, and to make the survey and instructions available as soon as practicable after the bill's effective date, and would be permitted to adopt rules regarding the appraisal review board surveys.

The bill would require the Comptroller to prescribe the format by which an appraisal district or taxing unit must submit values and tax rates to the Comptroller for the biennial report. The bill would require the Comptroller to review counties, cities, and school district information in detail and to collect and review special district information.

The bill would amend Chapter 23 of the Tax Code, regarding appraisal methods and procedures, to provide that appraisal methods and techniques included in the most recent versions of the following would be considered generally accepted appraisal methods and techniques for the purposes of the Property Tax Code:

- the Appraisal of Real Estate published by the Appraisal Institute;
- the Dictionary of Real Estate Appraisal published by the Appraisal Institute;
- the Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation; and
- a publication that includes information related to mass appraisal.

Other Provisions

The bill would prohibit an appraisal review board from determining the appraised value of a protested property to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser, except as requested and agreed to by the property owner. This does not apply when the action being protested is the cancellation, or denial of an exemption or the determination that the property does not qualify for certain agricultural or timber special appraisal.

The bill would adjust certain deadlines and notices, and make clarifying or conforming repeals and amendments in the Tax Code and various other codes.

Contingent on House Bill 3, 86th Legislature, Regular Session becoming law, the bill would take effect on January 1, 2020, except as otherwise specified.

Fiscal Analysis

The bill's provision that would prohibit an appraisal review board from determining the appraised value of a protested property to be an amount greater than the appraised value of the property as shown in the appraisal records could create a cost to local taxing units and to the state through the school funding formulas. Currently, an appraisal review board may increase, decrease or make no change to a property's appraised value. Because information regarding properties for which the value is increased by an appraisal review board is unknown, the cost cannot be estimated.

The bill's exclusion of publications of the International Association of Assessing Officers from publications that would be considered generally accepted appraisal methods and techniques for the purposes of the Property Tax Code could create a cost to taxing units and to the state through the school funding formula by depriving appraisal districts of an approved mass appraisal source in future litigation. The cost cannot be determined.

Comptroller's Administrative Costs

The Comptroller's office reports that administrative costs to implement provisions of the bill would total \$968,000 per year starting in 2020.

The administrative cost estimate reflects the funds necessary to hire six accounts examiner IIIs, two program specialist IIIs, four program specialist IVs, and one attorney to support the appraisal review board survey and the truth-in-taxation provisions and to review property tax data from approximately 2000 special districts as well as provide verification of property tax data from 3004 cities, counties, and school districts.

Currently, the Property Tax Assistance Division (PTAD) reviews school district property tax information in detail for school funding purposes under the Property Value Study. PTAD also reviews to a lesser extent city and county property tax data. This information is used for the biennial report. While the Comptroller compiles special district information, this data is not reviewed or required to be reported in the biennial report. If the current review of counties and cities were increased to an in detail review and the review would now include special districts, the Comptroller will need six account examiner IIIs and one program specialist IV.

The bill requires the Comptroller to allow property owners, agents, or appraisal district employees who attend appraisal review board hearings to submit a survey by hardcopy or email. Currently, the Comptroller's Office only accepts surveys that are electronically submitted in such a way that the data may be automatically compiled. In 2018, 13,466 individuals who attended appraisal review board hearings electronically submitted surveys. While not every survey will be submitted by hardcopy under this bill, the number of handwritten surveys will significantly increase. Hand entry and processing of surveys will require two program specialist IIIs.

The bill also requires the Comptroller's Office to prescribe tax rate calculations forms for use by all taxing units. One additional program specialist IV is needed to manage the forms and provide customer service and technical support to thousands of taxing units who will be using the forms.

The bill's provision that cites the sources of generally accepted appraisal methods and techniques in Tax Code Section 23.01 opens up sources of appraisal methods and techniques for mass appraisal to anyone, whether the group or person is a recognized authority. PTAD anticipates this will cause increased Property Value Study litigation, requiring an attorney IV to address the additional workload. The change will also require PTAD to develop, review, and revise property tax manuals, educational course materials, and general public information, requiring one program specialist IV to develop and regularly update a manual on mass appraisal as different sources of appraisal methods and techniques for mass appraisal change.

PTAD approves 15 property tax education courses and exams required for certification with the Texas Department of Licensing and Regulation and maintains 34 publications and 42 videos that will have to be reviewed and maintained under shifting appraisal standards, prompting the need for one program specialist IV to review educational materials and information materials available to the general public.

Local Government Impact

The bill's provision that would prohibit an appraisal review board from determining the appraised value of a protested property to be an amount greater than the appraised value of the property as shown in the appraisal records could create a cost to local taxing units and to the state through the school funding formulas. Currently, an appraisal review board may increase, decrease or make no

change to a property's appraised value. Because information regarding properties for which the value is increased by an appraisal review board is unknown, the cost cannot be estimated.

The bill's exclusion of publications of the International Association of Assessing Officers from publications that would be considered generally accepted appraisal methods and techniques for the purposes of the Property Tax Code could create a cost to taxing units and to the state through the school funding formula by depriving appraisal districts of an approved mass appraisal source in future litigation. The cost cannot be determined.

The bill's provision that reduces the revenue growth increment used for determination of the voter-approval rate from 8 percent to 3.5 percent for non-school district taxing units other than special taxing units, as defined, and implementation of a de minimis tax rate that would take the place of the voter-approval rate if the de minimis rate is greater would result in reduced tax revenues for certain cities, counties, and special districts.

The bill's provision that would except cities with populations of 30,000 or more from the de minimis rate as one of the triggers for a tax rate election would result in reduced tax revenues for these cities.

The bill's provisions that would allow adjustments to the no-new-revenue M&O rate for certain indigent defense compensation expenditures and county hospital expenditures would create a gain that would partially offset the estimated loss of tax revenues from the new voter-approval rate provisions, but the amount of the offset cannot be estimated.

Tax rate and levy information from appraisal districts was used to estimate reduced tax revenues for cities, counties, and special taxing units. On the assumption that no proposed tax rates above the reduced voter-approval or de minimis tax rates (as applicable) would be approved by voters, reductions in revenue were estimated by comparing forecast property tax revenues extrapolated in line with the outlook for growth in appraised values to forecast revenues as constrained by the reduced voter-approval rates provided by the bill.

The table is for illustrative purposes only. The table is for non-school district taxing units other than special taxing units as defined by the bill. The heading "Special Districts" refers to special districts not the "special taxing units" as defined in the bill. There would be no cost to special taxing units as defined by the bill. The table is also based on the assumption that no taxing unit would adopt a tax rate that is above the voter-approval or de minimis tax rate (as applicable). The actual costs cannot be estimated because the results of any future elections to approve a proposed tax rate are unknown.

Note: Illustrative revenue impacts were affected significantly by the effect of the de minimis rate calculation on the rate that triggers an election. For taxing units with low taxable values, the de minimis rate is much higher than the current-law rollback rate, offsetting part of the estimated costs that would otherwise occur.

Fiscal Year	Possible Revenue Gain/ (Loss) from Counties	Possible Revenue Gain/ (Loss) from Cities	Possible Revenue Gain/ (Loss) from Special Districts
2020	\$ 0	\$ 0	\$ 0
2021	\$ (105,575,000)	\$ (137,104,000)	\$ (72,379,000)
2022	\$ (182,476,000)	\$ (239,931,000)	\$ (134,382,000)
2023	\$ (250,267,000)	\$ (335,904,000)	\$ (189,593,000)
2024	\$ (325,347,000)	\$ (403,085,000)	\$ (252,159,000)

Source Agencies: 304 Comptroller of Public Accounts, 701 Texas Education Agency
LBB Staff: WP, KK, SJS, LCO, SD

**Certification of Compliance with
Rule 13, Section 6(b), House Rules of Procedure**

Rule 13, Section 6(b), House Rules of Procedure, requires a copy of a conference committee report signed by a majority of each committee of the conference to be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under House Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not subject to a point of order under Rule 13.

I certify that a copy of the conference committee report on SB2 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.


(name)

5/24/19
(date)