

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



1 forms to be used by the designated officer or employee of each:

2 (1) taxing unit other than a school district to  
3 calculate and submit the no-new-revenue tax rate and the  
4 voter-approval tax rate for the taxing unit as required by Chapter  
5 26; and

6 (2) school district to:

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

10 (B) submit the rate to maintain the same amount  
11 of state and local revenue per weighted student that the district  
12 received in the school year beginning in the preceding tax year as  
13 required by Chapter 26.

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

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

17 (2) be capable of being certified by the designated  
18 officer or employee after completion as accurately calculating the  
19 applicable tax rates and using values that are the same as the  
20 values shown in, as applicable:

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

22 or

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

25 (3) be capable of being electronically incorporated  
26 into the property tax database maintained by each appraisal  
27 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

1 the year in which the report is prepared.

2 (a-1) The comptroller shall:

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

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

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

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

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

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

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

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

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

27 (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.

6           (a) The 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.  
20 An 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:

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

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

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

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

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

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

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

23 (B) the appraisal review board.

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

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

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

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

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

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

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

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

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

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

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

20 Sec. 6.425. SPECIAL APPRAISAL REVIEW BOARD PANELS IN  
21 CERTAIN DISTRICTS. (a) This section applies only to the appraisal  
22 review board for an appraisal district described by Section  
23 6.41(b-2).

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

27 (1) has an appraised value as determined by the

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

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

5 (A) commercial real and personal property;

6 (B) real and personal property of utilities;

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

9 (D) multifamily residential real property.

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

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

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

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

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

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

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

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

27 (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 statement:  
10 "The Texas Legislature does not set the amount of your local taxes.  
11 Your property tax burden is decided by your locally elected  
12 officials, and all inquiries concerning your taxes should be  
13 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



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

3 (19) "Special taxing unit" means:

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

7 (B) a junior college district; or

8 (C) a hospital district.

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

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

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

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

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

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

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

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

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

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

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

7           (1) zero; or

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

10           UNUSED INCREMENT RATE = (YEAR 1 VOTER-APPROVAL TAX  
11 RATE - YEAR 1 ACTUAL TAX RATE) + (YEAR 2 VOTER-APPROVAL  
12 TAX RATE - YEAR 2 ACTUAL TAX RATE) + (YEAR 3  
13 VOTER-APPROVAL TAX RATE - YEAR 3 ACTUAL TAX RATE)

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

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

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

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

27           (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

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

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

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

13 and

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

24 where "sales tax loss rate" means a number expressed in dollars per  
 25 \$100 of taxable value, calculated by dividing the amount of sales  
 26 and use tax revenue generated in the last four quarters for which  
 27 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:

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

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

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

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

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

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

27 Amount of Increase = Enhanced Indigent Health Care

1 Expenditures / (Current Total Value - New Property  
2 Value)

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

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

12 (c) The taxing unit shall include a notice of the increase  
13 in its no-new-revenue [~~effective~~] maintenance and operations rate  
14 provided by this section, including a brief description and the  
15 amount of the enhanced indigent health care expenditures, in the  
16 information published under Section 26.04(e) and, as [~~if~~]  
17 applicable, in the notice prescribed by Section 26.06 or 26.061  
18 [~~26.06(b)~~].

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

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

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

1 (i) owned or leased by a county and operated  
2 in accordance with Chapter 263, Health and Safety Code; or

3 (ii) owned or leased jointly by a  
4 municipality and a county and operated in accordance with Chapter  
5 265, Health and Safety Code; and

6 (B) is located in an area not served by a hospital  
7 district created under Sections 4 through 11, Article IX, Texas  
8 Constitution.

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

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

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

25 or

26 (Preceding Tax Year's Eligible County Hospital  
27 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	<u>"PROPOSED TAX RATE</u>	<u>\$_____ per \$100</u>
23	<u>"NO-NEW-REVENUE TAX RATE</u>	<u>\$_____ per \$100</u>
24	<u>"VOTER-APPROVAL TAX RATE</u>	<u>\$_____ per \$100</u>

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

10 "NO-NEW-REVENUE TAX RATE \$\_\_\_\_\_ per \$100

11 "VOTER-APPROVAL TAX RATE \$\_\_\_\_\_ per \$100

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 <u>"PROPOSED TAX RATE</u>	<u>\$_____ per \$100</u>
21 <u>"NO-NEW-REVENUE TAX RATE</u>	<u>\$_____ per \$100</u>
22 <u>"VOTER-APPROVAL TAX RATE</u>	<u>\$_____ per \$100</u>

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

1 row)%".

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

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

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

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

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

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

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

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

27 (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  
2 the rate that allows voters to petition for an election under  
3 Section 26.075, Tax Code. If (name of taxing unit) adopts the  
4 proposed tax rate, the qualified voters of the (name of taxing unit)  
5 may petition the (name of taxing unit) to require an election to be  
6 held to determine whether to reduce the proposed tax rate. If a  
7 majority of the voters reject the proposed tax rate, the tax rate of  
8 the (name of taxing unit) will be the voter-approval tax rate of the  
9 (name of 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~~].

23 (a) This section applies to [~~If the governing body of~~] a taxing  
24 unit other 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) equal to or lower than the taxing unit's de  
8 minimis rate; 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 (l) 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) By August 7 or as soon thereafter as practicable, the  
10 county 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  
17 and 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

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

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

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

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

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

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

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

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

27 (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.



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

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

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

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

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

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

23 (3) subject to Subsection (d), by referring the  
24 property owner or the agent of the owner to a secure Internet  
25 website with user registration and authentication or to the exact  
26 Internet location or uniform resource locator (URL) address on an  
27 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           (1) must include a determination of the appraised or  
2 market value, as applicable, of the property that is the subject of  
3 the appeal;

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

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

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

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

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

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

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

25           (k) If the comptroller determines in the final  
26 certification of the study that the school district's local value  
27 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           (1) one of the following statements in 18-point or  
2 larger type that accurately describes the adopted budget:

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

10           (B) "This budget will raise less revenue from  
11 property taxes than last year's budget by an amount of (insert total  
12 dollar amount of decrease), which is a (insert percentage decrease)  
13 percent decrease 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)."; or

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

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

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

27           (A) the property tax rate;

- 1 (B) the no-new-revenue [~~effective~~] tax rate;
- 2 (C) the no-new-revenue [~~effective~~] maintenance  
3 and operations tax rate;
- 4 (D) the voter-approval [~~rollback~~] tax rate; and
- 5 (E) the debt rate; and
- 6 (4) the total amount of county debt obligations.

7 SECTION 82. Section [111.068\(c\)](#), Local Government Code, is  
8 amended to read as follows:

9 (c) An adopted budget must contain a cover page that  
10 includes:

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

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

20 (B) "This budget will raise less revenue from  
21 property taxes than last year's budget by an amount of (insert total  
22 dollar amount of decrease), which is a (insert percentage decrease)  
23 percent decrease 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)."; or

27 (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 the district adopts a combined debt service, operation  
6 and maintenance, and contract tax rate that would result in the  
7 taxes on the average residence homestead increasing [~~increase~~] by  
8 more than eight percent, [~~the qualified voters of the district by~~  
9 petition may require that] an election must be held to determine  
10 whether to approve [~~reduce~~] the operation and maintenance tax rate  
11 [~~to the rollback tax rate~~] under Section 49.23601 [~~49.236(d)~~],  
12 Water Code.";

13 (B) if the district is a district described by  
14 Section 49.23602:

15 "NOTICE OF VOTE ON TAX RATE

16 "If the district adopts a combined debt service, operation  
17 and maintenance, and contract tax rate that would result in the  
18 taxes on the average residence homestead increasing by more than  
19 3.5 percent, an election must be held to determine whether to  
20 approve the operation and maintenance tax rate under Section  
21 49.23602, Water Code."; or

22 (C) if the district is a district described by  
23 Section 49.23603:

24 "NOTICE OF TAXPAYERS' RIGHT TO ELECTION TO REDUCE TAX RATE

25 "If the district adopts a combined debt service, operation  
26 and maintenance, and contract tax rate that would result in the  
27 taxes on the average residence homestead increasing by more than

1 eight percent, the qualified voters of the district by petition may  
2 require that an election be held to determine whether to reduce the  
3 operation and maintenance tax rate to the voter-approval tax rate  
4 under Section 49.23603, Water Code."; and

5 (4) include 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 SECTION 89. Subchapter H, Chapter 49, Water Code, is  
10 amended by adding Sections 49.23601, 49.23602, and 49.23603 to read  
11 as follows:

12 Sec. 49.23601. AUTOMATIC ELECTION TO APPROVE TAX RATE FOR  
13 LOW TAX RATE DISTRICTS. (a) In this section, "voter-approval tax  
14 rate" means the rate equal to the sum of the following tax rates for  
15 the district:

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

25 (b) This section applies only to a district the board of  
26 which has adopted an operation and maintenance tax rate for the  
27 current tax year that is 2.5 cents or less per \$100 of taxable

1 value.

2 (c) If the board of a district adopts a combined debt  
3 service, contract, and operation and maintenance tax rate that  
4 would impose more than 1.08 times the amount of tax imposed by the  
5 district in the preceding year on a residence homestead appraised  
6 at the average appraised value of a residence homestead in the  
7 district in that year, disregarding any homestead exemption  
8 available only to disabled persons or persons 65 years of age or  
9 older, an election must be held in accordance with the procedures  
10 provided by Sections 26.07(c)-(g), Tax Code, to determine whether  
11 to approve the adopted tax rate. If the adopted tax rate is not  
12 approved at the election, the district's tax rate is the  
13 voter-approval tax rate.

14 Sec. 49.23602. AUTOMATIC ELECTION TO APPROVE TAX RATE FOR  
15 CERTAIN DEVELOPED DISTRICTS. (a) In this section:

16 (1) "Developed district" means a district that has  
17 financed, completed, and issued bonds to pay for all land, works,  
18 improvements, facilities, plants, equipment, and appliances  
19 necessary to serve at least 95 percent of the projected build-out of  
20 the district in accordance with the purposes for its creation or the  
21 purposes authorized by the constitution, this code, or any other  
22 law.

23 (2) "Mandatory tax election rate" means the rate equal  
24 to the sum of the following tax rates for the district:

25 (A) the rate that would impose 1.035 times the  
26 amount of tax imposed by the district in the preceding year on a  
27 residence homestead appraised at the average appraised value of a

1 residence homestead in the district in that year, disregarding any  
2 homestead exemption available only to disabled persons or persons  
3 65 years of age or older; and

4 (B) the unused increment rate.

5 (3) "Unused increment rate" has the meaning assigned  
6 by Section 26.013, Tax Code.

7 (4) "Voter-approval tax rate" means the rate equal to  
8 the sum of the following tax rates for the district:

9 (A) the current year's debt service tax rate;

10 (B) the current year's contract tax rate;

11 (C) the operation and maintenance tax rate that  
12 would impose 1.035 times the amount of the operation and  
13 maintenance tax imposed by the district in the preceding year on a  
14 residence homestead appraised at the average appraised value of a  
15 residence homestead in the district in that year, disregarding any  
16 homestead exemption available only to disabled persons or persons  
17 65 years of age or older; and

18 (D) the unused increment rate.

19 (b) This section applies only to a developed district that  
20 is not a district described by Section 49.23601.

21 (c) If the board of a district adopts a combined debt  
22 service, contract, and operation and maintenance tax rate that  
23 exceeds the district's mandatory tax election rate, an election  
24 must be held in accordance with the procedures provided by Sections  
25 26.07(c)-(g), Tax Code, to determine whether to approve the adopted  
26 tax rate. If the adopted tax rate is not approved at the election,  
27 the district's tax rate is the voter-approval tax rate.

1       (d) Notwithstanding any other provision of this section,  
2 the board of a district may give notice under Section  
3 49.236(a)(3)(A), determine whether an election is required to  
4 approve the adopted tax rate of the district in the manner provided  
5 for a district under Section 49.23601(c), and calculate the  
6 voter-approval tax rate of the district in the manner provided for a  
7 district under Section 49.23601(a) if any part of the district is  
8 located in an area declared a disaster area during the current tax  
9 year by the governor or by the president of the United States. The  
10 board may continue doing so until the earlier of:

11               (1) the second tax year in which the total taxable  
12 value of property taxable by the district as shown on the appraisal  
13 roll for the district submitted by the assessor for the district to  
14 the board exceeds the total taxable value of property taxable by the  
15 district on January 1 of the tax year in which the disaster  
16 occurred; or

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

19       Sec. 49.23603. PETITION ELECTION TO REDUCE TAX RATE FOR  
20 CERTAIN DISTRICTS. (a) In this section, "voter-approval tax rate"  
21 means the rate equal to the sum of the following tax rates for the  
22 district:

23               (1) the current year's debt service tax rate;  
24               (2) the current year's contract tax rate; and  
25               (3) the operation and maintenance tax rate that would  
26 impose 1.08 times the amount of the operation and maintenance tax  
27 imposed by the district in the preceding year on a residence



1 homestead appraised at the average appraised value of a residence  
2 homestead in the district in that year, disregarding any homestead  
3 exemption available only to disabled persons or persons 65 years of  
4 age or older.

5 (b) This section applies only to a district that is not  
6 described by Section 49.23601 or 49.23602.

7 (c) If the board of a district adopts a combined debt  
8 service, contract, and operation and maintenance tax rate that  
9 would impose more than 1.08 times the amount of tax imposed by the  
10 district in the preceding year on a residence homestead appraised  
11 at the average appraised value of a residence homestead in the  
12 district in that year, disregarding any homestead exemption  
13 available only to disabled persons or persons 65 years of age or  
14 older, the qualified voters of the district by petition may require  
15 that an election be held to determine whether to reduce the tax rate  
16 adopted for the current year to the voter-approval tax rate in  
17 accordance with the procedures provided by Sections 26.075 and  
18 26.081, Tax Code.

19 SECTION 90. Section 6B(f), Chapter 1472, Acts of the 77th  
20 Legislature, Regular Session, 2001, is amended to read as follows:

21 (f) The district may provide that payments required by any  
22 of the district's contracts, agreements, or leases may be payable  
23 from the sale of notes, taxes, or bonds, or any combination of  
24 notes, taxes, or bonds, or may be secured by a lien on or a pledge of  
25 any available funds, including proceeds of the district's  
26 maintenance tax, and may be payable subject to annual appropriation  
27 by the district. The district may pledge to impose and may impose a

1 maintenance tax in an amount sufficient to comply with the  
2 district's obligations under the district's contracts, leases, and  
3 agreements at a maximum aggregate rate not to exceed 10 cents for  
4 each \$100 valuation of taxable property in the district. Sections  
5 26.012, 26.04, 26.05, 26.07, and 26.075 [~~26.012~~], Tax Code, do not  
6 apply to maintenance taxes levied and collected for payments under  
7 a contract, agreement, lease, time warrant, or maintenance note  
8 issued or executed under this section.

9 SECTION 91. The following provisions are repealed:

- 10 (1) Sections 403.302(m-1) and (n), Government Code;
- 11 (2) Section 140.010, Local Government Code;
- 12 (3) Section 1063.255, Special District Local Laws  
13 Code;
- 14 (4) Sections 5.103(e) and (f), 6.412(e), 22.23(c),  
15 25.19(b-2), and 41A.06(c), Tax Code;
- 16 (5) Section 49.236, Water Code, as added by Chapter  
17 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,  
18 2003;
- 19 (6) Section 49.236(d), Water Code, as added by Chapter  
20 335 (S.B. 392), Acts of the 78th Legislature, Regular Session,  
21 2003; and
- 22 (7) Section 49.2361, Water Code.

23 SECTION 92. (a) Section 9, Chapter 481 (S.B. 1760), Acts  
24 of the 84th Legislature, Regular Session, 2015, which added Section  
25 42.23(i), Tax Code, effective January 1, 2020, is repealed.

26 (b) This section takes effect September 1, 2019.

27 SECTION 93. Section 5.041, Tax Code, as amended by this Act,

1 applies only to an appraisal review board member appointed to serve  
2 a term of office that begins on or after January 1, 2020.

3 SECTION 94. The comptroller of public accounts shall  
4 implement Section 5.043, Tax Code, as added by this Act, as soon as  
5 practicable after January 1, 2020.

6 SECTION 95. Sections 5.05, 5.102, 5.13, and 23.01, Tax  
7 Code, as amended by this Act, apply only to the appraisal of  
8 property for ad valorem tax purposes for a tax year beginning on or  
9 after January 1, 2020.

10 SECTION 96. (a) The comptroller of public accounts shall  
11 comply with Sections 5.07(f), (g), (h), and (i), Tax Code, as added  
12 by this Act, as soon as practicable after January 1, 2020.

13 (b) The comptroller of public accounts shall comply with  
14 Section 5.091, Tax Code, as amended by this Act, not later than:

15 (1) January 1, 2022, with regard to tax rate  
16 information related to a taxing unit located wholly or partly in a  
17 county with a population of 120,000 or more; and

18 (2) January 1, 2023, with regard to tax rate  
19 information related to a taxing unit located wholly in a county with  
20 a population of less than 120,000.

21 SECTION 97. Section 5.09, Tax Code, as amended by this Act,  
22 applies only to information submitted to the comptroller of public  
23 accounts that relates to a tax year beginning on or after January 1,  
24 2020.

25 SECTION 98. The comptroller of public accounts shall  
26 prepare and make available the survey and instructions for  
27 completing and submitting the survey required by Section 5.104, Tax

1 Code, as added by this Act, as soon as practicable after January 1,  
2 2020. An appraisal district is not required to provide the survey  
3 or instructions under a requirement of that section until the  
4 survey and instructions are prepared and made available by the  
5 comptroller of public accounts.

6 SECTION 99. Section 6.41(d-9), Tax Code, as amended by this  
7 Act, applies only to the appointment of appraisal review board  
8 members to terms beginning on or after January 1, 2021.

9 SECTION 100. Section 6.412, Tax Code, as amended by this  
10 Act, does not affect the eligibility of a person serving on an  
11 appraisal review board immediately before January 1, 2020, to  
12 continue to serve on the board for the term to which the member was  
13 appointed.

14 SECTION 101. Section 6.42(d), Tax Code, as added by this  
15 Act, applies only to a recommendation, determination, decision, or  
16 other action by an appraisal review board or a panel of such a board  
17 on or after January 1, 2020. A recommendation, determination,  
18 decision, or other action by an appraisal review board or a panel of  
19 such a board before January 1, 2020, is governed by the law as it  
20 existed immediately before that date, and that law is continued in  
21 effect for that purpose.

22 SECTION 102. Section 11.24, Tax Code, as amended by this  
23 Act, applies only to an exemption authorized by that section that is  
24 repealed or reduced on or after January 1, 2020.

25 SECTION 103. Sections 11.4391(a) and 22.23(d), Tax Code, as  
26 amended by this Act, apply only to ad valorem taxes imposed for a  
27 tax year beginning on or after January 1, 2020.

1 SECTION 104. Sections 25.192 and 25.193, Tax Code, as added  
2 by this Act, apply only to a notice for a tax year beginning on or  
3 after January 1, 2020.

4 SECTION 105. (a) An appraisal district established in a  
5 county with a population of 200,000 or more and each taxing unit  
6 located wholly or primarily in such an appraisal district shall  
7 comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and  
8 26.18, Tax Code, as added by this Act, beginning with the 2020 tax  
9 year.

10 (b) An appraisal district established in a county with a  
11 population of less than 200,000 and each taxing unit located wholly  
12 or primarily in such an appraisal district shall comply with  
13 Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax  
14 Code, as added by this Act, beginning with the 2021 tax year.

15 SECTION 106. (a) Not later than the 30th day after the date  
16 this section takes effect:

17 (1) the designated officer or employee of each taxing  
18 unit shall submit to the county assessor-collector for each county  
19 in which all or part of the territory of the taxing unit is located  
20 the worksheets used by the designated officer or employee to  
21 calculate the effective and rollback tax rates of the taxing unit  
22 for the 2015-2019 tax years; and

23 (2) the county assessor-collector for each county  
24 shall post the worksheets submitted to the county  
25 assessor-collector under Subdivision (1) of this subsection on the  
26 Internet website of the county.

27 (b) This section takes effect immediately if this Act

1 receives a vote of two-thirds of all the members elected to each  
2 house, as provided by Section 39, Article III, Texas Constitution.  
3 If this Act does not receive the vote necessary for immediate  
4 effect, this section takes effect on the 91st day after the last day  
5 of the legislative session.

6 SECTION 107. A taxing unit that does not own, operate, or  
7 control an Internet website is not required to comply with Sections  
8 26.05(b)(2) and 26.065(b), Tax Code, as amended by this Act, until  
9 the first tax year in which the taxing unit is required by law to  
10 maintain or have access to an Internet website.

11 SECTION 108. Section 33.08(b), Tax Code, as amended by this  
12 Act, applies only to taxes that become delinquent on or after  
13 January 1, 2020. Taxes that become delinquent before that date are  
14 governed by the law as it existed immediately before that date, and  
15 that law is continued in effect for that purpose.

16 SECTION 109. Section 41.03(a), Tax Code, as amended by this  
17 Act, applies only to a challenge under Chapter 41, Tax Code, for  
18 which a challenge petition is filed on or after January 1, 2020. A  
19 challenge under Chapter 41, Tax Code, for which a challenge  
20 petition was filed before January 1, 2020, is governed by the law in  
21 effect on the date the challenge petition was filed, and the former  
22 law is continued in effect for that purpose.

23 SECTION 110. Sections 41.45 and 41.66(k), Tax Code, as  
24 amended by this Act, and Section 41.66(k-1), Tax Code, as added by  
25 this Act, apply only to a protest filed under Chapter 41, Tax Code,  
26 on or after January 1, 2021. A protest filed under that chapter  
27 before January 1, 2021, is governed by the law in effect on the date

1 the protest was filed, and the former law is continued in effect for  
2 that purpose.

3 SECTION 111. Sections 41.46, 41.461, 41.47, 41.66(h), (i),  
4 and (j), and 41.67, Tax Code, as amended by this Act, and Sections  
5 41.66(j-1), (j-2), and (p), Tax Code, as added by this Act, apply  
6 only to a protest for which the notice of protest was filed by a  
7 property owner or the designated agent of the owner with the  
8 appraisal review board established for an appraisal district on or  
9 after January 1, 2020.

10 SECTION 112. Section 41.71, Tax Code, as amended by this  
11 Act, applies only to a hearing on a protest under Chapter 41, Tax  
12 Code, that is scheduled on or after January 1, 2020. A hearing on a  
13 protest under Chapter 41, Tax Code, that is scheduled before  
14 January 1, 2020, is governed by the law in effect on the date the  
15 hearing was scheduled, and that law is continued in effect for that  
16 purpose.

17 SECTION 113. Sections 41A.03 and 41A.07, Tax Code, as  
18 amended by this Act, apply only to a request for binding arbitration  
19 received by the comptroller of public accounts from an appraisal  
20 district on or after January 1, 2020.

21 SECTION 114. (a) A person who immediately before January  
22 1, 2020, serves as an arbitrator in binding arbitrations of appeals  
23 of appraisal review board orders must meet the requirements of  
24 Section 41A.06(b)(3), Tax Code, as added by this Act, not later than  
25 the 120th day after the date the comptroller of public accounts  
26 begins to provide the training required under Section 5.043, Tax  
27 Code, as added by this Act.

1           (b) This Act does not prohibit a person who is serving as an  
2 arbitrator on January 1, 2020, from renewing the person's agreement  
3 with the comptroller of public accounts to serve as an arbitrator if  
4 the person has the qualifications required for an arbitrator under  
5 the Tax Code as amended by this Act.

6           SECTION 115. Section 42.081, Tax Code, as added by this Act,  
7 applies only to an appeal under Chapter 42, Tax Code, that is filed  
8 on or after January 1, 2020.

9           SECTION 116. The first tax year that may be considered for  
10 purposes of the condition to the applicability of Section  
11 403.302(k-1), Government Code, as added by this Act, that the  
12 comptroller of public accounts has determined in a study under  
13 Section 403.302 of that code that a school district's local value as  
14 determined by the appraisal district that appraises property for  
15 the school district is not valid for three consecutive years is the  
16 2020 tax year.

17           SECTION 117. Section 49.057, Water Code, as amended by this  
18 Act, applies only to a budget adopted on or after January 1, 2020.

19           SECTION 118. (a) Not later than the 30th day after the date  
20 this section takes effect, the comptroller of public accounts shall  
21 provide a written notice to each appraisal district of:

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

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



1 (b) As soon as practicable after receipt of the notice  
2 provided by the comptroller of public accounts under Subsection (a)  
3 of this section, the chief appraiser of an appraisal district shall  
4 forward the notice to each assessor for a taxing unit located in the  
5 appraisal district.

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

12 SECTION 119. (a) In this section:

13 (1) "Compensation" includes a salary, wage, insurance  
14 benefit, retirement benefit, or similar benefit an employee  
15 receives as a condition of employment.

16 (2) "First responder" has the meaning assigned by  
17 Section 504.019, Labor Code.

18 (3) "Taxing unit" has the meaning assigned by Section  
19 1.04, Tax Code.

20 (b) This section applies only to the fiscal year of a taxing  
21 unit that begins in 2020.

22 (c) The governing body of a taxing unit may not adopt a  
23 budget for a fiscal year or take any other action that has the  
24 effect of decreasing the total compensation to which a first  
25 responder employed by the taxing unit was entitled in the preceding  
26 fiscal year of the taxing unit.

27 SECTION 120. This Act takes effect only if H.B. 3, 86th

1 Legislature, Regular Session, 2019, becomes law. If H.B. 3, 86th  
2 Legislature, Regular Session, 2019, does not become law, this Act  
3 has no effect.

4 SECTION 121. (a) Except as otherwise provided by this Act,  
5 this Act takes effect January 1, 2020.

6 (b) The following provisions take effect September 1, 2020:

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

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

11 (3) Section 6.414(d), Tax Code, as amended by this  
12 Act;

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

14 (5) Section 41.44(d), Tax Code, as amended by this  
15 Act;

16 (6) Section 41.45(d), Tax Code, as amended by this  
17 Act;

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

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

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

24 (c) The following provisions take effect January 1, 2021:

25 (1) Sections 25.19(b-3) and (b-4), Tax Code, as added  
26 by this Act;

27 (2) Sections 26.04(d-1), (d-2), (d-3), and (e-5), Tax

1 Code, as added by this Act;

2                   (3) Sections 26.04(e-1) and (g), Tax Code, as amended  
3 by this Act; and

4                   (4) Section 26.05(e), Tax Code, as amended by this  
5 Act.

6                   (d) Sections 25.19(b) and (i), Tax Code, as amended by this  
7 Act, take effect January 1, 2022.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 2 passed the Senate on April 15, 2019, by the following vote: Yeas 18, Nays 12, one present not voting; May 7, 2019, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 10, 2019, House granted request of the Senate; May 25, 2019, Senate adopted Conference Committee Report by the following vote: Yeas 21, Nays 9.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 2 passed the House, with amendments, on May 1, 2019, by the following vote: Yeas 109, Nays 36, two present not voting; May 10, 2019, House granted request of the Senate for appointment of Conference Committee; May 25, 2019, House adopted Conference Committee Report by the following vote: Yeas 88, Nays 50.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor