

By: Meyer, Shine, Button

H.B. No. 2723

Substitute the following for H.B. No. 2723:

By: Thierry

C.S.H.B. No. 2723

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to public notice of the availability on the Internet of  
3 property-tax-related information.

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

5 SECTION 1. Section 44.004(c), Education Code, is amended to  
6 read as follows:

7 (c) The notice of public meeting to discuss and adopt the  
8 budget and the proposed tax rate may not be smaller than one-quarter  
9 page of a standard-size or a tabloid-size newspaper, and the  
10 headline on the notice must be in 18-point or larger type. Subject  
11 to Subsection (d), the notice must:

12 (1) contain a statement in the following form:

13 "NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE  
14 "The (name of school district) will hold a public meeting at  
15 (time, date, year) in (name of room, building, physical location,  
16 city, state). The purpose of this meeting is to discuss the school  
17 district's budget that will determine the tax rate that will be  
18 adopted. Public participation in the discussion is invited." The  
19 statement of the purpose of the meeting must be in bold type. In  
20 reduced type, the notice must state: "The tax rate that is  
21 ultimately adopted at this meeting or at a separate meeting at a  
22 later date may not exceed the proposed rate shown below unless the  
23 district publishes a revised notice containing the same information  
24 and comparisons set out below and holds another public meeting to

1 discuss the revised notice." In addition, in reduced type, the  
2 notice must state: "Visit Texas.gov/PropertyTaxes to find a link to  
3 your local property tax database on which you can easily access  
4 information regarding your property taxes, including information  
5 about proposed tax rates and scheduled public hearings of each  
6 entity that taxes your property.";

7 (2) contain a section entitled "Comparison of Proposed  
8 Budget with Last Year's Budget," which must show the difference,  
9 expressed as a percent increase or decrease, as applicable, in the  
10 amounts budgeted for the preceding fiscal year and the amount  
11 budgeted for the fiscal year that begins in the current tax year for  
12 each of the following:

- 13 (A) maintenance and operations;  
14 (B) debt service; and  
15 (C) total expenditures;

16 (3) contain a section entitled "Total Appraised Value  
17 and Total Taxable Value," which must show the total appraised value  
18 and the total taxable value of all property and the total appraised  
19 value and the total taxable value of new property taxable by the  
20 district in the preceding tax year and the current tax year as  
21 calculated under Section 26.04, Tax Code;

22 (4) contain a statement of the total amount of the  
23 outstanding and unpaid bonded indebtedness of the school district;

24 (5) contain a section entitled "Comparison of Proposed  
25 Rates with Last Year's Rates," which must:

- 26 (A) show in rows the tax rates described by  
27 Subparagraphs (i)-(iii), expressed as amounts per \$100 valuation of

1 property, for columns entitled "Maintenance & Operations,"  
2 "Interest & Sinking Fund," and "Total," which is the sum of  
3 "Maintenance & Operations" and "Interest & Sinking Fund":

4 (i) the school district's "Last Year's  
5 Rate";

6 (ii) the "Rate to Maintain Same Level of  
7 Maintenance & Operations Revenue & Pay Debt Service," which:

8 (a) in the case of "Maintenance &  
9 Operations," is the tax rate that, when applied to the current  
10 taxable value for the district, as certified by the chief appraiser  
11 under Section 26.01, Tax Code, and as adjusted to reflect changes  
12 made by the chief appraiser as of the time the notice is prepared,  
13 would impose taxes in an amount that, when added to state funds to  
14 be distributed to the district under Chapter 48, would provide the  
15 same amount of maintenance and operations taxes and state funds  
16 distributed under Chapter 48 per student in average daily  
17 attendance for the applicable school year that was available to the  
18 district in the preceding school year; and

19 (b) in the case of "Interest & Sinking  
20 Fund," is the tax rate that, when applied to the current taxable  
21 value for the district, as certified by the chief appraiser under  
22 Section 26.01, Tax Code, and as adjusted to reflect changes made by  
23 the chief appraiser as of the time the notice is prepared, and when  
24 multiplied by the district's anticipated collection rate, would  
25 impose taxes in an amount that, when added to state funds to be  
26 distributed to the district under Chapter 46 and any excess taxes  
27 collected to service the district's debt during the preceding tax

1 year but not used for that purpose during that year, would provide  
2 the amount required to service the district's debt; and

3 (iii) the "Proposed Rate";

4 (B) contain fourth and fifth columns aligned with  
5 the columns required by Paragraph (A) that show, for each row  
6 required by Paragraph (A):

7 (i) the "Local Revenue per Student," which  
8 is computed by multiplying the district's total taxable value of  
9 property, as certified by the chief appraiser for the applicable  
10 school year under Section 26.01, Tax Code, and as adjusted to  
11 reflect changes made by the chief appraiser as of the time the  
12 notice is prepared, by the total tax rate, and dividing the product  
13 by the number of students in average daily attendance in the  
14 district for the applicable school year; and

15 (ii) the "State Revenue per Student," which  
16 is computed by determining the amount of state aid received or to be  
17 received by the district under Chapters 43, 46, and 48 and dividing  
18 that amount by the number of students in average daily attendance in  
19 the district for the applicable school year; and

20 (C) contain an asterisk after each calculation  
21 for "Interest & Sinking Fund" and a footnote to the section that, in  
22 reduced type, states "The Interest & Sinking Fund tax revenue is  
23 used to pay for bonded indebtedness on construction, equipment, or  
24 both. The bonds, and the tax rate necessary to pay those bonds, were  
25 approved by the voters of this district.";

26 (6) contain a section entitled "Comparison of Proposed  
27 Levy with Last Year's Levy on Average Residence," which must:

1 (A) show in rows the information described by  
2 Subparagraphs (i)-(iv), rounded to the nearest dollar, for columns  
3 entitled "Last Year" and "This Year":

4 (i) "Average Market Value of Residences,"  
5 determined using the same group of residences for each year;

6 (ii) "Average Taxable Value of Residences,"  
7 determined after taking into account the limitation on the  
8 appraised value of residences under Section 23.23, Tax Code, and  
9 after subtracting all homestead exemptions applicable in each year,  
10 other than exemptions available only to disabled persons or persons  
11 65 years of age or older or their surviving spouses, and using the  
12 same group of residences for each year;

13 (iii) "Last Year's Rate Versus Proposed  
14 Rate per \$100 Value"; and

15 (iv) "Taxes Due on Average Residence,"  
16 determined using the same group of residences for each year; and

17 (B) contain the following information: "Increase  
18 (Decrease) in Taxes" expressed in dollars and cents, which is  
19 computed by subtracting the "Taxes Due on Average Residence" for  
20 the preceding tax year from the "Taxes Due on Average Residence" for  
21 the current tax year;

22 (7) contain the following statement in bold print:  
23 "Under state law, the dollar amount of school taxes imposed on the  
24 residence of a person 65 years of age or older or of the surviving  
25 spouse of such a person, if the surviving spouse was 55 years of age  
26 or older when the person died, may not be increased above the amount  
27 paid in the first year after the person turned 65, regardless of

1 changes in tax rate or property value.";

2 (8) contain the following statement in bold print:

3 "Notice of Voter-Approval Rate: The highest tax rate the district  
4 can adopt before requiring voter approval at an election is (the  
5 school district voter-approval rate determined under Section  
6 [26.08](#), Tax Code). This election will be automatically held if the  
7 district adopts a rate in excess of the voter-approval rate of (the  
8 school district voter-approval rate)."; and

9 (9) contain a section entitled "Fund Balances," which  
10 must include the estimated amount of interest and sinking fund  
11 balances and the estimated amount of maintenance and operation or  
12 general fund balances remaining at the end of the current fiscal  
13 year that are not encumbered with or by corresponding debt  
14 obligation, less estimated funds necessary for the operation of the  
15 district before the receipt of the first payment under Chapter [48](#) in  
16 the succeeding school year.

17 SECTION 2. Section [25.19](#), Tax Code, is amended by adding  
18 Subsection (m) to read as follows:

19 (m) A notice required by Subsection (a) or (g) must include  
20 the following statement: "Beginning August 7th, visit  
21 Texas.gov/PropertyTaxes to find a link to your local property tax  
22 database on which you can easily access information regarding your  
23 property taxes, including information regarding the amount of taxes  
24 that each entity that taxes your property will impose if the entity  
25 adopts its proposed tax rate. Your local property tax database will  
26 be updated regularly during August and September as local elected  
27 officials propose and adopt the property tax rates that will

1 determine how much you pay in property taxes."

2 SECTION 3. Section 26.04, Tax Code, is amended by amending  
3 Subsection (e-2) and adding Subsection (e-6) to read as follows:

4 (e-2) Except as provided by Subsection (e-6), by [By] August  
5 7 or as soon thereafter as practicable, the chief appraiser of each  
6 appraisal district shall deliver by regular mail or e-mail to each  
7 owner of property located in the appraisal district a notice that  
8 the estimated amount of taxes to be imposed on the owner's property  
9 by each taxing unit in which the property is located may be found in  
10 the property tax database maintained by the appraisal district  
11 under Section 26.17. The notice must include:

12 (1) the following [a] statement: "Visit  
13 Texas.gov/PropertyTaxes to find a link to your local property tax  
14 database on which you can easily access information regarding your  
15 property taxes, including information regarding the amount of taxes  
16 that each entity that taxes your property will impose if the entity  
17 adopts its proposed tax rate. Your local property tax database will  
18 be updated regularly during August and September as local elected  
19 officials propose and adopt the property tax rates that will  
20 determine how much you pay in property taxes." [~~directing the~~  
21 ~~property owner to an Internet website from which the owner may~~  
22 ~~access information related to the actions taken or proposed to be~~  
23 ~~taken by each taxing unit in which the property is located that may~~  
24 ~~affect the taxes imposed on the owner's property~~];

25 (2) a statement that the property owner may request  
26 from the county assessor-collector for the county in which the  
27 property is located or, if the county assessor-collector does not

1 assess taxes for the county, the person who assesses taxes for the  
2 county under Section 6.24(b), contact information for the assessor  
3 for each taxing unit in which the property is located, who must  
4 provide the information described by this subsection to the owner  
5 on request; and

6 (3) the name, address, and telephone number of the  
7 county assessor-collector for the county in which the property is  
8 located or, if the county assessor-collector does not assess taxes  
9 for the county, the person who assesses taxes for the county under  
10 Section 6.24(b).

11 (e-6) Except as provided by this subsection, the chief  
12 appraiser is not required to deliver the notice required by  
13 Subsection (e-2) to a property owner who received a notice of  
14 appraised value under Section 25.19 for that tax year. The chief  
15 appraiser shall deliver the notice required by Subsection (e-2) by  
16 e-mail to a property owner if the owner has requested delivery of  
17 notices under Section 1.086 and the chief appraiser has confirmed  
18 that request under that section, regardless of whether the owner  
19 has received a notice of appraised value under Section 25.19 for  
20 that tax year.

21 SECTION 4. Section 26.052, Tax Code, is amended by adding  
22 Subsection (e-1) to read as follows:

23 (e-1) Public notice provided under Subsection (c) must  
24 include the following statement: "Visit Texas.gov/PropertyTaxes to  
25 find a link to your local property tax database on which you can  
26 easily access information regarding your property taxes, including  
27 information about proposed tax rates and scheduled public hearings

1 of each entity that taxes your property."

2 SECTION 5. Sections 26.06(b-1), (b-2), and (b-3), Tax Code,  
3 are amended to read as follows:

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

7 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

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

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

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

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

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

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

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

24 "The proposed tax rate is also greater than the  
25 voter-approval tax rate. If (name of taxing unit) adopts the  
26 proposed tax rate, (name of taxing unit) is required to hold an  
27 election so that the voters may accept or reject the proposed tax

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

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

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

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 "Visit [Texas.gov/PropertyTaxes](http://Texas.gov/PropertyTaxes) to find a link to your local  
15 property tax database on which you can easily access information  
16 regarding your property taxes, including information about  
17 proposed tax rates and scheduled public hearings of each entity  
18 that taxes your property.

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

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

26 "NOTICE OF PUBLIC HEARING ON TAX INCREASE  
27 "PROPOSED TAX RATE \$\_\_\_\_\_ per \$100

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

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

3 "The no-new-revenue tax rate is the tax rate for the (current  
4 tax year) tax year that will raise the same amount of property tax  
5 revenue for (name of taxing unit) from the same properties in both  
6 the (preceding tax year) tax year and the (current tax year) tax  
7 year.

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

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

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

16 "The proposed tax rate is not greater than the voter-approval  
17 tax rate. As a result, (name of taxing unit) is not required to  
18 hold an election at which voters may accept or reject the proposed  
19 tax rate. However, you may express your support for or opposition  
20 to the proposed tax rate by contacting the members of the (name of  
21 governing body) of (name of taxing unit) at their offices or by  
22 attending the public hearing mentioned above.

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

25 "Property tax amount = tax rate x taxable value of your  
26 property / 100

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

1 each voted on the proposal to consider the tax increase or, if one  
2 or more were absent, indicating the absences.)

3 "Visit Texas.gov/PropertyTaxes to find a link to your local  
4 property tax database on which you can easily access information  
5 regarding your property taxes, including information about  
6 proposed tax rates and scheduled public hearings of each entity  
7 that taxes your property.

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

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

"NOTICE OF PUBLIC HEARING ON TAX RATE

16 "PROPOSED TAX RATE \$\_\_\_\_\_ per \$100  
17 "NO-NEW-REVENUE TAX RATE \$\_\_\_\_\_ per \$100  
18 "VOTER-APPROVAL TAX RATE \$\_\_\_\_\_ per \$100

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

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

27 "The proposed tax rate is not greater than the no-new-revenue

1 tax rate. This means that (name of taxing unit) is not proposing to  
2 increase property taxes for the (current tax year) tax year.

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

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

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

17 "Property tax amount = tax rate x taxable value of your  
18 property / 100

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

22 "Visit [Texas.gov/PropertyTaxes](http://Texas.gov/PropertyTaxes) to find a link to your local  
23 property tax database on which you can easily access information  
24 regarding your property taxes, including information about  
25 proposed tax rates and scheduled public hearings of each entity  
26 that taxes your property.

27 "The 86th Texas Legislature modified the manner in which the

1 voter-approval tax rate is calculated to limit the rate of growth of  
2 property taxes in the state."

3 SECTION 6. Section 26.061(b), Tax Code, is amended to read  
4 as follows:

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

8 "NOTICE OF MEETING TO VOTE ON TAX RATE

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 not greater than the no-new-revenue  
21 tax rate. This means that (name of taxing unit) is not proposing to  
22 increase property taxes for the (current tax year) tax year.

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

25 "The proposed tax rate is also not greater than the  
26 voter-approval tax rate. As a result, (name of taxing unit) is not  
27 required to hold an election to seek voter approval of the

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 meeting mentioned above.

5 "Your taxes owed under any of the above rates can be  
6 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 proposed tax rate or, if one or more were absent,  
11 indicating the absences.)

12 "Visit [Texas.gov/PropertyTaxes](http://Texas.gov/PropertyTaxes) to find a link to your local  
13 property tax database on which you can easily access information  
14 regarding your property taxes, including information about  
15 proposed tax rates and scheduled public hearings of each entity  
16 that taxes your property.

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

20 SECTION 7. Chapter 26, Tax Code, is amended by adding  
21 Section 26.175 to read as follows:

22 Sec. 26.175. PROPERTY TAX DATABASE LOCATOR WEBSITE. (a) In  
23 this section, "property tax database" means a property tax database  
24 required to be created and maintained by a chief appraiser under  
25 Section 26.17.

26 (b) The Department of Information Resources shall develop  
27 and maintain an easily accessible Internet website that lists each

1 property tax database and includes a method to assist a property  
2 owner to identify the appropriate property tax database for the  
3 owner's property.

4 (c) The Internet website must provide a separate link to the  
5 Internet location of each property tax database.

6 (d) The address of the Internet website must be  
7 "Texas.gov/PropertyTaxes."

8 SECTION 8. Section 49.236(a), Water Code, is amended to  
9 read as follows:

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

15 (1) contain a statement in substantially the following  
16 form:

17 "NOTICE OF PUBLIC HEARING ON TAX RATE

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

1       "Visit Texas.gov/PropertyTaxes to find a link to your local  
2 property tax database on which you can easily access information  
3 regarding your property taxes, including information about  
4 proposed tax rates and scheduled public hearings of each entity  
5 that taxes your property.

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

9               (2) contain the following information:

10               (A) the district's total adopted tax rate for the  
11 preceding year and the proposed tax rate, expressed as an amount per  
12 \$100;

13               (B) the difference, expressed as an amount per  
14 \$100 and as a percent increase or decrease, as applicable, in the  
15 proposed tax rate compared to the adopted tax rate for the preceding  
16 year;

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

26               (D) the amount of tax that would have been  
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 that year, disregarding any homestead exemption  
3 available only to disabled persons or persons 65 years of age or  
4 older;

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

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

17 (G) if the proposed combined debt service,  
18 operation and maintenance, and contract tax rate requires or  
19 authorizes an election to approve or reduce the tax rate, as  
20 applicable, a description of the purpose of the proposed tax  
21 increase;

22 (3) contain a statement in substantially the following  
23 form, as applicable:

24 (A) if the district is a district described by  
25 Section [49.23601](#):

26 "NOTICE OF VOTE ON TAX RATE

27 "If the district adopts a combined debt service, operation

1 and maintenance, and contract tax rate that would result in the  
2 taxes on the average residence homestead increasing by more than  
3 eight percent, an election must be held to determine whether to  
4 approve the operation and maintenance tax rate under Section  
5 [49.23601](#), Water Code.";

6 (B) if the district is a district described by  
7 Section [49.23602](#):

8 "NOTICE OF VOTE ON TAX RATE

9 "If the district adopts a combined debt service, operation  
10 and maintenance, and contract tax rate that would result in the  
11 taxes on the average residence homestead increasing by more than  
12 3.5 percent, an election must be held to determine whether to  
13 approve the operation and maintenance tax rate under Section  
14 [49.23602](#), Water Code."; or

15 (C) if the district is a district described by  
16 Section [49.23603](#):

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

18 "If the district adopts a combined debt service, operation  
19 and maintenance, and contract tax rate that would result in the  
20 taxes on the average residence homestead increasing by more than  
21 eight percent, the qualified voters of the district by petition may  
22 require that an election be held to determine whether to reduce the  
23 operation and maintenance tax rate to the voter-approval tax rate  
24 under Section [49.23603](#), Water Code."; and

25 (4) include the following statement: "The 86th Texas  
26 Legislature modified the manner in which the voter-approval tax  
27 rate is calculated to limit the rate of growth of property taxes in

1 the state.".

2 SECTION 9. Not later than January 1, 2022, the Department of  
3 Information Resources shall develop the Internet website required  
4 by Section 26.175, Tax Code, as added by this Act.

5 SECTION 10. The changes in law made by this Act apply only  
6 to a notice required to be delivered for an ad valorem tax year that  
7 begins on or after January 1, 2022.

8 SECTION 11. This Act takes effect immediately if it  
9 receives a vote of two-thirds of all the members elected to each  
10 house, as provided by Section 39, Article III, Texas Constitution.  
11 If this Act does not receive the vote necessary for immediate  
12 effect, this Act takes effect September 1, 2021.