

By: Jetton

H.B. No. 962

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the inclusion of certain information about classroom
3 and student expenditures in the notice of the budget and proposed
4 tax rate meeting of the board of trustees of a school district.

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

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

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

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

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

1 and comparisons set out below and holds another public meeting to
2 discuss the revised notice." In addition, in reduced type, the
3 notice must state: "Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to
4 your local property tax database on which you can easily access
5 information regarding your property taxes, including information
6 about proposed tax rates and scheduled public hearings of each
7 entity that taxes your property.";

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

14 (A) maintenance and operations;

15 (B) debt service; and

16 (C) total expenditures;

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

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

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

27 (A) show in rows the tax rates described by

1 Subparagraphs (i)-(iii), expressed as amounts per \$100 valuation of
2 property, for columns entitled "Maintenance & Operations,"
3 "Interest & Sinking Fund," and "Total," which is the sum of
4 "Maintenance & Operations" and "Interest & Sinking Fund":

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

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

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

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

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

4 (iii) the "Proposed Rate";

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

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

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

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

27 (6) contain a section entitled "Comparison of Proposed

1 Levy with Last Year's Levy on Average Residence," which must:

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

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

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

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

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

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

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

1 paid in the first year after the person turned 65, regardless of
2 changes in tax rate or property value.";

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

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

18 (10) contain a section entitled "Funding for Classroom
19 and Student Expenditures," which must include:

20 (A) the amount budgeted by the district for
21 classroom and student expenditures for the fiscal year; and

22 (B) the amount under Paragraph (A) expressed as a
23 percentage of the amount budgeted for the district's total
24 expenditures for the fiscal year.

25 SECTION 2. The change in law made by this Act applies only
26 to notice of the budget and proposed tax rate meeting of the board
27 of trustees of a school district that is required to be provided on

1 or after the effective date of this Act. Notice of a meeting that
2 is required to be provided before the effective date of this Act is
3 governed by the law in effect when the notice is required to be
4 provided, and the former law is continued in effect for that
5 purpose.

6 SECTION 3. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2023.