

By: Harrison

H.B. No. 4852

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the form of a notice of public hearing on a proposed ad
3 valorem tax rate.

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

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

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

10 "NOTICE OF PUBLIC HEARING ON TAX INCREASE
11 "LAST YEAR'S TAX RATE \$_____ per \$100
12 "PROPOSED TAX RATE \$_____ per \$100
13 "NO-NEW-REVENUE TAX RATE \$_____ per \$100
14 "VOTER-APPROVAL TAX RATE \$_____ per \$100

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

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

23 "The proposed tax rate is greater than the no-new-revenue tax
24 rate. This means that (name of taxing unit) is proposing to

1 increase property taxes for the (current tax year) tax year.

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

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

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

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

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

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

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

6 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

7 "LAST YEAR'S TAX RATE \$_____ per \$100

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

1 to the proposed tax rate by contacting the members of the (name of
2 governing body) of (name of taxing unit) at their offices or by
3 attending the public hearing mentioned above.

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

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

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

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

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

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

23 "NOTICE OF PUBLIC HEARING ON TAX RATE

| | | |
|----|------------------------------|-------------------|
| 24 | <u>"LAST YEAR'S TAX RATE</u> | \$_____ per \$100 |
| 25 | "PROPOSED TAX RATE | \$_____ per \$100 |
| 26 | "NO-NEW-REVENUE TAX RATE | \$_____ per \$100 |
| 27 | "VOTER-APPROVAL TAX RATE | \$_____ per \$100 |

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

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

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

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

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

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

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

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

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

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

12 SECTION 2. Section [26.061\(b\)](#), Tax Code, is amended to read
13 as follows:

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

17 "NOTICE OF MEETING TO VOTE ON TAX RATE
18 "LAST YEAR'S TAX RATE \$_____ per \$100
19 "PROPOSED TAX RATE \$_____ per \$100
20 "NO-NEW-REVENUE TAX RATE \$_____ per \$100
21 "VOTER-APPROVAL TAX RATE \$_____ per \$100

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

27 "The voter-approval tax rate is the highest tax rate that

1 (name of taxing unit) may adopt without holding an election to seek
2 voter approval of the rate.

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

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

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

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

22 "Visit 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 3. Section 26.062, Tax Code, is amended by adding
4 Subsections (i), (j), (k), and (l) to read as follows:

5 (i) In addition to any other information required by law, a
6 notice required by Section 26.06(b-1), (b-2), or (b-3) or 26.061
7 must include, in a prominent location on the notice:

8 (1) a statement in the following form, followed by the
9 table described by Subsection (j):

10 "The following table compares the revenue generated by the
11 maintenance and operations rate and debt rate adopted by (name of
12 taxing unit) for the preceding tax year and the revenue that would
13 be generated by the maintenance and operations rate and debt rate
14 proposed to be adopted by (name of taxing unit) for the current tax
15 year.";

16 (2) a statement in the following form, followed by the
17 table described by Subsection (k):

18 "The following table compares the total taxable value of
19 property in the (name of taxing unit) in the preceding tax year and
20 the total taxable value of property in the (name of taxing unit) in
21 the current tax year."; and

22 (3) a statement in the following form, followed by the
23 table described by Subsection (l):

24 "Last year, (name of taxing unit) adopted a property tax rate
25 of (insert tax rate adopted by the taxing unit for the preceding tax
26 year), which generated (insert the amount computed by multiplying
27 the total taxable value of property in the taxing unit in the

1 preceding tax year by the tax rate adopted by the taxing unit for
2 the preceding tax year and dividing the product by 100) in tax
3 revenue for (name of taxing unit). The following table shows the
4 amounts of revenue that would be generated if (name of taxing unit)
5 adopted for the current tax year the no-new-revenue tax rate, the
6 voter-approval tax rate, and the proposed tax rate, respectively,
7 as calculated for that tax year."

8 (j) The table following the statement required by
9 Subsection (i)(1) must include three rows and four columns. The
10 first column of the first row must be left blank, the second column
11 of the first row must state the year corresponding to the preceding
12 tax year, the third column of the first row must state the year
13 corresponding to the current tax year, and the fourth column of the
14 first row must be entitled "Change". The first column of the second
15 row must be entitled "Maintenance and operations revenue", the
16 second column of the second row must state the amount of maintenance
17 and operations revenue attributable to ad valorem taxes imposed by
18 the taxing unit in the preceding tax year, the third column of the
19 second row must state the amount of the estimated maintenance and
20 operations revenue attributable to ad valorem taxes imposed by the
21 taxing unit in the current tax year, and the fourth column of the
22 second row must state the nominal difference between the amount of
23 maintenance and operations revenue attributable to ad valorem taxes
24 imposed by the taxing unit in the preceding tax year and the amount
25 of the estimated maintenance and operations revenue attributable to
26 ad valorem taxes imposed by the taxing unit in the current tax year.
27 The first column of the third row must be entitled "Debt

1 collections", the second column of the third row must state the
2 amount of revenue for debt service attributable to ad valorem taxes
3 imposed by the taxing unit in the preceding tax year, the third
4 column of the third row must state the estimated amount of revenue
5 for debt service attributable to ad valorem taxes imposed by the
6 taxing unit in the current tax year, and the fourth column of the
7 second row must state the nominal difference between the amount of
8 revenue for debt service attributable to ad valorem taxes imposed
9 by the taxing unit in the preceding tax year and the estimated
10 amount of revenue for debt service attributable to ad valorem taxes
11 imposed by the taxing unit in the current tax year.

12 (k) The table following the statement required by
13 Subsection (i)(2) must include two rows and four columns. The first
14 column of the first row must be left blank, the second column of the
15 first row must state the year corresponding to the preceding tax
16 year, the third column of the first row must state the year
17 corresponding to the current tax year, and the fourth column of the
18 first row must be entitled "Change". The first column of the second
19 row must be entitled "Total taxable value of property", the second
20 column of the second row must state the total taxable value of
21 property in the taxing unit in the preceding tax year, the third
22 column of the second row must state the total taxable value of
23 property in the taxing unit in the current tax year, and the fourth
24 column of the second row must state the nominal difference between
25 the total taxable value of property in the taxing unit in the
26 preceding tax year and the total taxable value of property in the
27 taxing unit in the current tax year.

1 (1) The table following the statement required by
2 Subsection (i)(3) must include two rows and four columns. The first
3 column of the first row must be left blank, the second column of the
4 first row must be entitled "No-new-revenue tax rate", the third
5 column of the first row must be entitled "Voter-approval tax rate",
6 and the fourth column of the first row must be entitled "Proposed
7 tax rate". The first column of the second row must be entitled
8 "Property tax revenue in current year", the second column of the
9 second row must state the amount computed by multiplying the total
10 taxable value of property in the taxing unit in the current tax year
11 by the no-new-revenue tax rate of the taxing unit for the current
12 tax year and dividing the product by 100, the third column of the
13 second row must state the amount computed by multiplying the total
14 taxable value of property in the taxing unit in the current tax year
15 by the voter-approval tax rate of the taxing unit for the current
16 tax year and dividing the product by 100, and the fourth column of
17 the second row must state the amount computed by multiplying the
18 total taxable value of property in the taxing unit in the current
19 tax year by the proposed tax rate of the taxing unit for the current
20 tax year and dividing the product by 100.

21 SECTION 4. The change in law made by this Act applies only
22 to a tax rate notice that is provided by a taxing unit on or after
23 the effective date of this Act. A tax rate notice that is provided
24 by a taxing unit before the effective date of this Act is governed
25 by the law in effect on the date the notice is provided, and the
26 former law is continued in effect for that purpose.

27 SECTION 5. This Act takes effect January 1, 2024.