

By: Harrison

H.B. No. 104

A BILL TO BE ENTITLED

AN ACT

relating to the vote required in an election to approve an ad valorem tax rate that exceeds a taxing unit's voter-approval tax rate; making conforming changes.

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

SECTION 1. Sections 281.124(d) and (f), Health and Safety Code, are amended to read as follows:

(d) If at least two-thirds ~~[a majority]~~ of the votes cast in the election favor the proposition, the tax rate for the specified tax year is the rate approved by the voters, and that rate is not subject to Section 26.07, Tax Code. The board shall adopt the tax rate as provided by Chapter 26, Tax Code.

(f) Notwithstanding any other law, if at least two-thirds ~~[a majority]~~ of the votes cast in the election favor the proposition, a governing body with approval authority over the district's budget or tax rate may not disapprove the tax rate approved by the voters or disapprove the budget based solely on the tax rate approved by the voters.

SECTION 2. Section 1101.254(f), Special District Local Laws Code, is amended to read as follows:

(f) This section does not affect the applicability of Section 26.07, Tax Code, to the district's tax rate, except that if at least two-thirds of the district voters approve a tax rate increase under this section, Section 26.07, Tax Code, does not

1 apply to the tax rate for that year.

2 SECTION 3. Sections 26.06(b-1) and (b-3), Tax Code, are
3 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. Unless at least two-thirds [~~If a majority~~] of the voters
2 accept [~~reject~~] the proposed tax rate, the tax rate of the (name of
3 taxing unit) will be the voter-approval tax rate. The election will
4 be held on (date of election). You may contact the (name of office
5 responsible for administering the election) for information about
6 voting locations. The hours of voting on election day are (voting
7 hours).

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

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

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

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

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

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

27 "NOTICE OF PUBLIC HEARING ON TAX RATE

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

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

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

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

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

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

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

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

27 "Your taxes owed under any of the tax rates mentioned above

1 can be calculated as follows:

2 "Property tax amount = tax rate x taxable value of your
3 property / 100

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

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

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 SECTION 4. Section 26.063(b), Tax Code, is amended to read
16 as follows:

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

21 (1) add the following to the end of the list of rates
22 included in the notice:

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

24 (2) substitute the following for the definition of
25 "voter-approval tax rate": "The voter-approval tax rate is the
26 highest tax rate that (name of taxing unit) may adopt without
27 holding an election to seek voter approval of the rate, unless the

1 de minimis rate for (name of taxing unit) exceeds the
2 voter-approval tax rate for (name of taxing unit).";

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

8 (4) substitute the following for the provision that
9 provides notice that an election is required: "The proposed tax
10 rate is greater than the voter-approval tax rate and the de minimis
11 rate. If (name of taxing unit) adopts the proposed tax rate, (name
12 of taxing unit) is required to hold an election so that the voters
13 may accept or reject the proposed tax rate. Unless at least
14 two-thirds [~~If a majority~~] of the voters accept [~~reject~~] the
15 proposed tax rate, the tax rate of the (name of taxing unit) will be
16 the voter-approval tax rate of the (name of taxing unit). The
17 election will be held on (date of election). You may contact the
18 (name of office responsible for administering the election) for
19 information about voting locations. The hours of voting on
20 election day are (voting hours).".

21 SECTION 5. Section 26.07(d), Tax Code, is amended to read as
22 follows:

23 (d) If at least two-thirds [~~a majority~~] of the votes cast in
24 the election favor the proposition, the tax rate for the current
25 year is the rate that was adopted by the governing body.

26 SECTION 6. Section 26.08(c), Tax Code, is amended to read as
27 follows:

1 (c) If at least two-thirds [~~a majority~~] of the votes cast in
2 the election favor the proposition, the tax rate for the current
3 year is the rate that was adopted by the governing body.

4 SECTION 7. The changes in law made by this Act apply only to
5 an election held on or after the effective date of this Act. An
6 election held before the effective date of this Act is governed by
7 the law in effect on the date the election was held, and that law is
8 continued in effect for that purpose.

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