

## **BILL ANALYSIS**

H.B. 939

By: Isett

Local Government Ways and Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in adopting their tax rate. These laws serve two purposes: 1) to make taxpayers aware of tax rate proposals, and 2) to allow taxpayers, in certain cases, to roll back or limit a tax increase. The goal of HB 939 is to further empower and better inform local taxpayers and change the process by which higher appraisals automatically provide new tax revenue to taxing entities.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

HB 939 moves the maintenance and operation rollback rate for all taxing units except school districts from 108% to 104%. Cities and counties that collect more than \$5 million in annual property tax revenue would be required to publish special notices and hold a public hearing before adopting a tax rate that exceeds the lower of the rollback rate or 100% of the effective rate.

### **EFFECTIVE DATE**

September 1, 2003. The change in law made applies to the ad valorem tax rate of a taxing unit beginning with the 2003 tax year, or if the governing body of a taxing unit has adopted an ad valorem tax rate for the taxing unit for the 2003 tax year before September 1, 2003, the change in law shall begin with the 2004 tax year.