

By: Isett

H.B. No. 59

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the calculation and imposition of ad valorem taxes by
3 certain taxing units and to certain limitations on the ad valorem
4 tax rates of certain taxing units.

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

6 SECTION 1. Section 25.19, Tax Code, is amended by adding
7 Subsection (b-1) to read as follows:

8 (b-1) For real property, in addition to the information
9 required by Subsection (b), the chief appraiser shall state in a
10 notice required to be delivered under Subsection (a) the
11 difference, expressed as a percent increase or decrease, as
12 applicable, in the appraised value of the property for the current
13 tax year as compared to the fifth tax year before the current tax
14 year.

15 SECTION 2. Section 26.04(c), Tax Code, is amended to read as
16 follows:

17 (c) An officer or employee designated by the governing body
18 shall calculate the effective tax rate and the rollback tax rate for
19 the unit, where:

20 (1) "Effective tax rate" means a rate expressed in
21 dollars per \$100 of taxable value calculated according to the
22 following formula:

23 EFFECTIVE TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY LEVY) /
24 (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

1 ; and

2 (2) "Rollback tax rate" means a rate expressed in
3 dollars per \$100 of taxable value calculated according to the
4 following formula:

5 ROLLBACK TAX RATE = (EFFECTIVE MAINTENANCE AND OPERATIONS RATE x
6 1.05 [~~1.08~~]) + CURRENT DEBT RATE

7 SECTION 3. Sections 26.041(a), (b), and (c), Tax Code, are
8 amended to read as follows:

9 (a) In the first year in which an additional sales and use
10 tax is required to be collected, the effective tax rate and rollback
11 tax rate for the unit are calculated according to the following
12 formulas:

13 EFFECTIVE TAX RATE = $\frac{[(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})]}{}$ - SALES TAX GAIN RATE

14 and

15 ROLLBACK RATE = (EFFECTIVE MAINTENANCE AND OPERATIONS RATE x 1.05
16 [~~1.08~~]) + CURRENT DEBT RATE - SALES TAX GAIN RATE

17 where "sales tax gain rate" means a number expressed in dollars per
18 \$100 of taxable value, calculated by dividing the revenue that will
19 be generated by the additional sales and use tax in the following
20 year as calculated under Subsection (d) [~~of this section~~] by the
21 current total value.

22 (b) Except as provided by Subsections (a) and (c) [~~of this~~
23 ~~section~~], in a year in which a taxing unit imposes an additional
24 sales and use tax, the rollback tax rate for the unit is calculated
25 according to the following formula, regardless of whether the unit
26 levied a property tax in the preceding year:
27

1 ROLLBACK RATE = [(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE X
 2 1.05 [~~1.08~~]) / ((~~TOTAL~~) CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] +
 3 (CURRENT DEBT RATE - SALES TAX REVENUE RATE)

4 where "last year's maintenance and operations expense" means the
 5 amount spent for maintenance and operations from property tax and
 6 additional sales and use tax revenues in the preceding year, and
 7 "sales tax revenue rate" means a number expressed in dollars per
 8 \$100 of taxable value, calculated by dividing the revenue that will
 9 be generated by the additional sales and use tax in the current year
 10 as calculated under Subsection (d) [~~of this section~~] by the current
 11 total value.

12 (c) In a year in which a taxing unit that has been imposing
 13 an additional sales and use tax ceases to impose an additional sales
 14 and use tax the effective tax rate and rollback tax rate for the
 15 unit are calculated according to the following formulas:

16 EFFECTIVE TAX RATE = [(LAST YEAR'S LEVY - LOST PROPERTY LEVY) /
 17 (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + SALES TAX LOSS RATE

18 and

19 ROLLBACK TAX RATE = [~~+~~] (LAST YEAR'S MAINTENANCE AND OPERATIONS
 20 EXPENSE X 1.05 [~~1.08~~]) / ((~~TOTAL~~) CURRENT TOTAL VALUE - NEW PROPERTY
 21 VALUE) [~~+~~] + CURRENT DEBT RATE

22 where "sales tax loss rate" means a number expressed in dollars per
 23 \$100 of taxable value, calculated by dividing the amount of sales
 24 and use tax revenue generated in the last four quarters for which
 25 the information is available by the current total value and "last
 26 year's maintenance and operations expense" means the amount spent
 27 for maintenance and operations from property tax and additional

1 sales and use tax revenues in the preceding year.

2 SECTION 4. Chapter 26, Tax Code, is amended by adding
3 Section 26.046 to read as follows:

4 Sec. 26.046. ROLLBACK RELIEF FOR UNFUNDED STATE MANDATE.

5 (a) In this section, "state mandate" means a statutory provision
6 that is enacted by the legislature, or a rule or order implementing
7 a state statute that is prescribed or issued by a state officer or
8 state agency in the executive branch of state government, and that
9 requires a taxing unit to establish, expand, or change an activity
10 in a way that requires an expenditure of revenue that would not have
11 been required in the absence of the statutory provision, rule, or
12 order.

13 (b) For purposes of this section, a state mandate is
14 considered to be unfunded during any period for which the state has
15 not provided, by legislative appropriation or otherwise, for the
16 affected taxing unit to receive state or federal funds in an amount
17 estimated to be sufficient to meet the cost of complying with or
18 implementing the mandate. If the legislature provides for funds by
19 authorizing or requiring an affected taxing unit to collect a
20 regulatory or user fee that the state will impose or that a taxing
21 unit is authorized to impose on persons who engage in an activity
22 that is the subject of or is directly connected to the subject of
23 the state mandate, the anticipated revenue from the fee is
24 considered for purposes of this section to be funds provided by the
25 state to pay for the costs of the state mandate.

26 (c) This section does not apply to:

27 (1) a state mandate the existence of which is

1 necessary for compliance with a requirement of the Texas
2 Constitution, a court order, or federal law, including a state
3 mandate that is necessary for continued participation in a federal
4 program;

5 (2) a state statute that creates a criminal offense or
6 changes the elements of a criminal offense; or

7 (3) a decision or order by a state officer or state
8 agency that requires a taxing unit to comply with, or that sanctions
9 the taxing unit for failure to comply with, a law, rule, or order
10 that is not an unfunded state mandate to which this section applies.

11 (d) For a county or municipality, the rollback tax rate
12 calculated under any other provision of this chapter is increased
13 by the rate that, if applied to current total value, would impose an
14 amount of taxes equal to the amount the county or municipality is
15 required to spend to comply with or implement an unfunded state
16 mandate in the budget year for which the taxes will be imposed. In
17 the formula for calculating the rollback tax rate under any other
18 provision of this chapter, the governing body of the county or
19 municipality may, at its option, substitute the sum of 1 plus the
20 consumer price index percentage change, if any, not to exceed eight
21 percent, for 1.05. For a county or municipality that elects to make
22 the substitution in the calculation of its rollback tax rate as
23 authorized by this subsection, notwithstanding Section
24 26.07(b)(2), a petition authorized by Section 26.07(a) is valid
25 only if it is signed by a number of registered voters of the county
26 or municipality equal to at least 10 percent of the number of
27 registered voters of the taxing unit according to the most recent

1 official list of registered voters. Not later than July 1 of each
2 year the state auditor shall determine the consumer price index
3 percentage change and publish that change in the Texas Register. In
4 this subsection:

5 (1) "Consumer price index" means the consumer price
6 index, as published by the Bureau of Labor Statistics of the United
7 States Department of Labor, that measures the average changes in
8 prices of goods and services purchased by urban wage earners and
9 clerical workers' families and single workers living alone (CPI-W:
10 Seasonally Adjusted U.S. City Average--All Items).

11 (2) "Consumer price index percentage change" means the
12 percentage increase or decrease in the consumer price index for the
13 most recent state fiscal year for which the information is
14 available, from the consumer price index for the state fiscal year
15 preceding that state fiscal year, as calculated by the state
16 auditor.

17 (e) In each subsequent year that a county or municipality
18 adopts a tax rate, if the amount the county or municipality is
19 required to spend to comply with or implement the unfunded state
20 mandate is greater than the amount required to be spent for the
21 mandate in the preceding year, the effective tax rate and the
22 rollback tax rate for the county or municipality are increased by
23 the rate that, if applied to current total value, would impose an
24 amount of taxes equal to the increase in the amount required to be
25 spent to comply with or implement the mandate in that year.

26 (f) A county or municipality shall include a notice of an
27 increase in the effective tax rate and the rollback tax rate made as

1 provided by this section, including a description of and the
2 estimated amount of the unfunded state mandate, in the information
3 published under Sections 26.04 and 26.06.

4 (g) On or before the September 1 following a regular session
5 of the legislature and on or before the 90th day after the last day
6 of a special session of the legislature, the Legislative Budget
7 Board shall publish a list of legislative mandates for which the
8 legislature has not provided reimbursement as provided by
9 Subsection (b) and that were enacted by the legislature during that
10 legislative session. By that same date the Legislative Budget
11 Board shall:

12 (1) remove from the list of legislative mandates from
13 a previous legislative session a legislative mandate:

14 (A) for which the legislature has provided
15 reimbursement as provided by Subsection (b); or

16 (B) that is no longer in effect; and

17 (2) add to the list a legislative mandate from a
18 previous legislative session for which reimbursement was provided
19 as provided by Subsection (b) in the previous session but for which
20 reimbursement was not provided in the most recent regular session
21 or in any subsequent special session.

22 (h) The Legislative Budget Board shall deliver the list
23 prepared under Subsection (g) to the secretary of state for
24 publication in the Texas Register.

25 (i) A county or municipality that believes it is subject to
26 an unfunded state mandate that is not listed by the Legislative
27 Budget Board under Subsection (g) must apply in writing to the

1 Legislative Budget Board for a determination as to whether the
2 county or municipality is subject to an unfunded state mandate. The
3 Legislative Budget Board shall make the determination as soon as
4 practicable and send a copy of the determination to the chief
5 executive officer of the county or municipality. If the
6 Legislative Budget Board determines that an unfunded mandate
7 exists, the Legislative Budget Board shall add the unfunded mandate
8 to the list published under Subsection (g) as soon as practicable
9 and deliver a notice of the addition to the secretary of state for
10 publication in the Texas Register.

11 SECTION 5. Section 26.05(b), Tax Code, as amended by Senate
12 Bill No. 18, Acts of the 79th Legislature, Regular Session, 2005, is
13 amended to read as follows:

14 (b) A taxing unit may not impose property taxes in any year
15 until the governing body has adopted a tax rate for that year, and
16 the annual tax rate must be set by ordinance, resolution, or order,
17 depending on the method prescribed by law for adoption of a law by
18 the governing body. The vote on the ordinance, resolution, or order
19 setting the tax rate must be separate from the vote adopting the
20 budget. The vote on the ordinance, resolution, or order setting a
21 tax rate that exceeds the effective tax rate must be a record vote.
22 A motion to adopt an ordinance, resolution, or order setting a tax
23 rate that exceeds the effective tax rate must be made in the
24 following form: "I move that property taxes be increased by the
25 adoption of a tax rate of (specify tax rate)." If the ordinance,
26 resolution, or order sets a tax rate that, if applied to the total
27 taxable value, will impose an amount of taxes to fund maintenance

1 and operation expenditures of the taxing unit that exceeds the
2 amount of taxes imposed for that purpose in the preceding year, the
3 taxing unit must:

4 (1) include in the ordinance, resolution, or order in
5 type larger than the type used in any other portion of the document:

6 (A) the following statement: "THIS TAX RATE WILL
7 RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S
8 TAX RATE BY (Insert appropriate percentage) PERCENT."; and

9 (B) if the tax rate exceeds the effective
10 maintenance and operations rate, the following statement: "THE TAX
11 RATE WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000
12 HOME BY APPROXIMATELY \$(Insert amount)."; and

13 (2) include on the home page of any Internet website
14 operated by the unit:

15 (A) the following statement: "(Insert name of
16 unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE
17 AND OPERATIONS THAN LAST YEAR'S TAX RATE BY (Insert appropriate
18 percentage) PERCENT"; and

19 (B) if the tax rate exceeds the effective
20 maintenance and operations rate, the following statement: "THE TAX
21 RATE WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000
22 HOME BY APPROXIMATELY \$(Insert amount)."

23 SECTION 6. Section 26.06(b), Tax Code, as amended by Senate
24 Bill Nos. 18 and 567, Acts of the 79th Legislature, Regular Session,
25 2005, is reenacted and amended to read as follows:

26 (b) The notice of each of the public hearings may not be
27 smaller than one-quarter page of a standard-size or a tabloid-size

1 newspaper, and the headline on the notice must be in 24-point or
2 larger type. The notice must[+]

3 [~~1~~] contain a statement in the following form:

4 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

5 "Last year, the (name of taxing unit) property tax rate was
6 \$(insert tax rate adopted in preceding tax year). That rate raised
7 \$(insert total amount of taxes imposed in the preceding tax year), a
8 portion of which was used to fund operations such as (insert sample
9 descriptions of unit's operations).

10 "This year, (name of taxing unit) is proposing a property tax
11 rate of \$(insert proposed tax rate). That rate would raise \$(insert
12 total amount of taxes that would be imposed), which is \$(insert
13 appropriate amount) more than the taxes imposed last year.

14 "There will be two public hearings to consider that increase.
15 The first public hearing will be held on (date and time) at (meeting
16 place). The second hearing will be held on (date and time) at
17 (meeting place).

18 "You have a right to attend the hearings and make comments.
19 You are encouraged to attend and make comments if you wish."

20 [~~"The (name of the taxing unit) will hold a public hearing on
21 a proposal to increase total tax revenues from properties on the tax
22 roll in the preceding tax year by (percentage by which proposed tax
23 rate exceeds lower of rollback tax rate or effective tax rate
24 calculated under this chapter) percent. Your individual taxes may
25 increase at a greater or lesser rate, or even decrease, depending on
26 the change in the taxable value of your property in relation to the
27 change in taxable value of all other property and the tax rate that~~

1 is adopted.

2 ~~["The public hearing will be held on (date and time) at~~
3 ~~(meeting place)."~~

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

7 ~~[(2) contain the following information:~~

8 ~~[(A) 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 ~~amount budgeted in 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 ~~[(i) maintenance and operations,~~

15 ~~[(ii) debt service, and~~

16 ~~[(iii) total expenditures,~~

17 ~~[(B) 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 ~~unit in the preceding tax year and the current tax year as~~
22 ~~calculated under Section 26.04,~~

23 ~~[(C) the total amount of the outstanding and~~
24 ~~unpaid bonded indebtedness of the taxing unit,~~

25 ~~[(D) the unit's adopted tax rate for the~~
26 ~~preceding tax year and the proposed tax rate, expressed as an amount~~
27 ~~per \$100,~~

1 ~~[(E) the difference, expressed as an amount per~~
2 ~~\$100 and as a percent increase or decrease, as applicable, in the~~
3 ~~proposed tax rate compared to the adopted tax rate for the preceding~~
4 ~~tax year;~~

5 ~~[(F) the average appraised value of a residence~~
6 ~~homestead in the taxing unit in the preceding tax year and in the~~
7 ~~current tax year; the unit's homestead exemption, other than an~~
8 ~~exemption available only to disabled persons or persons 65 years of~~
9 ~~age or older, applicable to that appraised value in each of those~~
10 ~~years; and the average taxable value of a residence homestead in the~~
11 ~~unit in each of those years, disregarding any homestead exemption~~
12 ~~available only to disabled persons or persons 65 years of age or~~
13 ~~older;~~

14 ~~[(G) the amount of tax that would have been~~
15 ~~imposed by the unit in the preceding tax year on a residence~~
16 ~~homestead appraised at the average appraised value of a residence~~
17 ~~homestead in that year, disregarding any homestead exemption~~
18 ~~available only to disabled persons or persons 65 years of age or~~
19 ~~older;~~

20 ~~[(H) the amount of tax that would be imposed by~~
21 ~~the unit in the current tax year on a residence homestead appraised~~
22 ~~at the average appraised value of a residence homestead in the~~
23 ~~current tax year, disregarding any homestead exemption available~~
24 ~~only to disabled persons or persons 65 years of age or older, if the~~
25 ~~proposed tax rate is adopted; and~~

26 ~~[(I) the difference between the amounts of tax~~
27 ~~calculated under Paragraphs (G) and (H), expressed in dollars and~~

1 ~~cents and described as the annual increase or decrease, as~~
2 ~~applicable, in the tax to be imposed by the unit on the average~~
3 ~~residence homestead in the unit in the current tax year if the~~
4 ~~proposed tax rate is adopted.]~~

5 SECTION 7. The heading to Section 26.07, Tax Code, is
6 amended to read as follows:

7 Sec. 26.07. ELECTION TO REPEAL INCREASE OF TAXING UNIT
8 OTHER THAN SCHOOL DISTRICT.

9 SECTION 8. Section 26.07(b), Tax Code, as amended by Senate
10 Bill No. 18, Acts of the 79th Legislature, Regular Session, 2005, is
11 amended to read as follows:

12 (b) A petition is valid only if:

13 (1) it states that it is intended to require an
14 election in the taxing unit on the question of reducing the tax rate
15 for the current year;

16 (2) it is signed by a number of registered voters of
17 the taxing unit equal to at least:

18 (A) seven percent of the number of [~~registered~~]
19 voters of the taxing unit who voted in [~~according to~~] the most
20 recent gubernatorial election [~~list of registered voters~~] if the
21 tax rate adopted for the current tax year would impose taxes for
22 maintenance and operations in an amount of at least \$5 million; or

23 (B) 10 percent of the number of [~~registered~~]
24 voters of the taxing unit who voted in [~~according to~~] the most
25 recent gubernatorial election [~~official list of registered voters~~]
26 if the tax rate adopted for the current tax year would impose taxes
27 for maintenance and operations in an amount of less than \$5 million;

1 and

2 (3) it is submitted to the governing body on or before
3 the 90th day after the date on which the governing body adopted the
4 tax rate for the current year.

5 SECTION 9. Chapter 26, Tax Code, is amended by adding
6 Section 26.071 to read as follows:

7 Sec. 26.071. ELECTION TO REPEAL INCREASE OF TAX RATE IN
8 CERTAIN TAXING UNITS. (a) This section applies only to:

9 (1) a junior college district; or

10 (2) a county or municipality for which the adopted tax
11 rate to impose taxes for maintenance and operations expenditures
12 for the current tax year would impose taxes in an amount that does
13 not exceed \$5 million when applied to the current total value for
14 the county or municipality.

15 (b) Sections 26.07 and 26.08 do not apply to a taxing unit to
16 which this section applies.

17 (c) In a formula provided by this chapter for the
18 calculation of the rollback tax rate of a county or municipality to
19 which this section applies, 1.08 shall be substituted for 1.05.

20 (d) If the governing body of a taxing unit adopts a tax rate
21 that exceeds the rollback tax rate calculated as provided by this
22 chapter, the qualified voters of the taxing unit by petition may
23 require that an election be held to determine whether to reduce the
24 tax rate adopted for the current year to the rollback tax rate
25 calculated as provided by this chapter.

26 (e) A petition is valid only if:

27 (1) it states that it is intended to require an

1 election in the taxing unit on the question of reducing the tax rate
2 for the current year;

3 (2) it is signed by a number of registered voters of
4 the district equal to at least 10 percent of the number of
5 registered voters of the taxing unit according to the most recent
6 official list of registered voters; and

7 (3) it is submitted to the governing body on or before
8 the 90th day after the date on which the governing body adopted the
9 tax rate for the current year.

10 (f) Not later than the 20th day after the day a petition is
11 submitted, the governing body shall determine whether the petition
12 is valid and pass a resolution stating its finding. If the
13 governing body fails to act within the time allowed, the petition is
14 treated as if it had been found valid.

15 (g) If the governing body finds that the petition is valid
16 (or fails to act within the time allowed), it shall order that an
17 election be held in the taxing unit on a date not less than 30 or
18 more than 90 days after the last day on which it could have acted to
19 approve or disapprove the petition. A state law requiring local
20 elections to be held on a specified date does not apply to the
21 election unless a specified date falls within the time permitted by
22 this section. At the election, the ballots shall be prepared to
23 permit voting for or against the proposition: "Reducing the tax
24 rate in (name of taxing unit) for the current year from (the rate
25 adopted) to (the rollback tax rate calculated as provided by this
26 chapter)."

27 (h) If a majority of the qualified voters voting on the

1 question in the election favor the proposition, the tax rate for the
2 taxing unit for the current year is the rollback tax rate calculated
3 as provided by this chapter; otherwise, the tax rate for the current
4 year is the one adopted by the governing body.

5 (i) If the tax rate is reduced by an election called under
6 this section after tax bills for the unit are mailed, the assessor
7 for the taxing unit shall prepare and mail corrected tax bills. The
8 collector shall include with the bill a brief explanation of the
9 reason for and effect of the corrected bill. The date on which the
10 taxes become delinquent for the year is extended by a number of days
11 equal to the number of days between the date the first tax bills
12 were sent and the date the corrected tax bills were sent.

13 (j) If a property owner pays taxes calculated using the
14 higher tax rate when the rate is reduced by an election called under
15 this section, the taxing unit shall refund the difference between
16 the amount of taxes paid and the amount due under the reduced rate
17 if the difference between the amount of taxes paid and the amount
18 due under the reduced rate is \$1 or more. If the difference between
19 the amount of taxes paid and the amount due under the reduced rate
20 is less than \$1, the taxing unit shall refund the difference on
21 request of the taxpayer. An application for a refund of less than
22 \$1 must be made within 90 days after the date the refund becomes due
23 or the taxpayer forfeits the right to the refund.

24 (k) Section 33.08(b) applies to a tax bill sent under
25 Subsection (i).

26 (l) Sections 31.12(a) and (b) apply to a refund due under
27 Subsection (j). Liability for the refund arises on the date the

1 election is canvassed.

2 SECTION 10. Section 31.01(c), Tax Code, as amended by
3 Senate Bill No. 18, Acts of the 79th Legislature, Regular Session,
4 2005, and Section 31.01(c-1), Tax Code, as added by that bill, are
5 amended to read as follows:

6 (c) The tax bill or a separate statement accompanying the
7 tax bill shall:

8 (1) identify the property subject to the tax;

9 (2) state the appraised value, assessed value, and
10 taxable value of the property;

11 (3) if the property is land appraised as provided by
12 Subchapter C, D, E, or H, Chapter 23, state the market value and the
13 taxable value for purposes of deferred or additional taxation as
14 provided by Section 23.46, 23.55, 23.76, or 23.9807, as applicable;

15 (4) state the assessment ratio for the unit;

16 (5) state the type and amount of any partial exemption
17 applicable to the property, indicating whether it applies to
18 appraised or assessed value;

19 (6) state the total tax rate for the unit;

20 (7) state the amount of tax due, the due date, and the
21 delinquency date;

22 (8) explain the payment option and discounts provided
23 by Sections 31.03 and 31.05, if available to the unit's taxpayers,
24 and state the date on which each of the discount periods provided by
25 Section 31.05 concludes, if the discounts are available;

26 (9) state the rates of penalty and interest imposed
27 for delinquent payment of the tax;

1 (10) include the name and telephone number of the
2 assessor for the unit and, if different, of the collector for the
3 unit;

4 (11) ~~[for real property, state for the current tax~~
5 ~~year and each of the preceding five tax years:]~~

6 ~~[(A) the appraised value and taxable value of the~~
7 ~~property];~~

8 ~~[(B) the total tax rate for the unit];~~

9 ~~[(C) the amount of taxes imposed on the property~~
10 ~~by the unit; and~~

11 ~~[(D) the difference, expressed as a percent~~
12 ~~increase or decrease, as applicable, in the amount of taxes imposed~~
13 ~~on the property by the unit compared to the amount imposed for the~~
14 ~~preceding tax year];~~

15 ~~[(12)]~~ for real property, state the differences,
16 expressed as a percent increase or decrease, as applicable, in the
17 following for the current tax year as compared to the fifth tax year
18 before that tax year:

19 (A) the appraised value ~~[and taxable value]~~ of
20 the property; and

21 (B) ~~[the total tax rate for the unit; and~~

22 ~~[(C)]~~ the amount of taxes imposed on the property
23 by the unit; and

24 (12) ~~[(13)]~~ include any other information required by
25 the comptroller.

26 (c-1) If ~~[for]~~ any ~~[of the preceding six tax years any]~~
27 information required by Subsection (c)(11) ~~[or (12)]~~ to be included

1 in a tax bill or separate statement is unavailable, the tax bill or
2 statement must state that the information is not available for that
3 year. This subsection expires December 31, 2011.

4 SECTION 11. Section 49.236, Water Code, as added by
5 Chapters 248 and 335, Acts of the 78th Legislature, Regular
6 Session, 2003, is reenacted and amended to read as follows:

7 Sec. 49.236. NOTICE OF TAX HEARING. (a) Before the board
8 adopts an ad valorem tax rate for the district for debt service,
9 operation and maintenance purposes, or contract purposes, the board
10 shall give notice of each meeting of the board at which the adoption
11 of a tax rate will be considered. The notice must:

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

14 "NOTICE OF PUBLIC HEARING ON TAX RATE
15 "The (name of the district) will hold a public hearing on a
16 proposed tax rate for the tax year (year of tax levy) on (date and
17 time) at (meeting place). Your individual taxes may increase or
18 decrease, depending on the change in the taxable value of your
19 property in relation to the change in taxable value of all other
20 property and the tax rate that is adopted.

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

24 (2) contain the following information:

25 (A) the district's total adopted tax rate for the
26 preceding year and the proposed tax rate, expressed as an amount per
27 \$100;

1 (B) the difference, expressed as an amount per
2 \$100 and as a percent increase or decrease, as applicable, in the
3 proposed tax rate compared to the adopted tax rate for the preceding
4 year;

5 (C) the average appraised value of a residence
6 homestead in the district in the preceding year and in the current
7 year; the district's total homestead exemption, other than an
8 exemption available only to disabled persons or persons 65 years of
9 age or older, applicable to that appraised value in each of those
10 years; and the average taxable value of a residence homestead in the
11 district in each of those years, disregarding any homestead
12 exemption available only to disabled persons or persons 65 years of
13 age or older;

14 (D) the amount of tax that would have been
15 imposed by the district in the preceding year on a residence
16 homestead appraised at the average appraised value of a residence
17 homestead in that year, disregarding any homestead exemption
18 available only to disabled persons or persons 65 years of age or
19 older;

20 (E) the amount of tax that would be imposed by the
21 district in the current year on a residence homestead appraised at
22 the average appraised value of a residence homestead in that year,
23 disregarding any homestead exemption available only to disabled
24 persons or persons 65 years of age or older, if the proposed tax
25 rate is adopted; and

26 (F) the difference between the amounts of tax
27 calculated under Paragraphs (D) and (E), expressed in dollars and

1 cents and described as the annual percentage increase or decrease,
2 as applicable, in the tax to be imposed by the district on the
3 average residence homestead in the district in the current year if
4 the proposed tax rate is adopted; and

5 (3) contain a statement in substantially the following
6 form:

7 "NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

8 "If taxes on the average residence homestead increase by more
9 than five [~~eight~~] percent, the qualified voters of the district by
10 petition may require that an election be held to determine whether
11 to reduce the operation and maintenance tax rate to the rollback tax
12 rate under Section 49.236(d), Water Code."

13 (b) Notice of the hearing shall be:

14 (1) published at least once in a newspaper having
15 general circulation in the district at least seven days before the
16 date of the hearing; or

17 (2) mailed to each owner of taxable property in the
18 district, at the address for notice shown on the most recently
19 certified tax roll of the district, at least 10 days before the date
20 of the hearing.

21 (c) The notice provided under this section may not be
22 smaller than one-quarter page of a standard-size or tabloid-size
23 newspaper of general circulation, and the headline on the notice
24 must be in 18-point or larger type.

25 (d) If the governing body of a district adopts a combined
26 debt service, operation and maintenance, and contract tax rate that
27 would impose more than 1.05 [~~1.08~~] times the amount of tax imposed

1 by the district in the preceding year on a residence homestead
2 appraised at the average appraised value of a residence homestead
3 in the district in that year, disregarding any homestead exemption
4 available only to disabled persons or persons 65 years of age or
5 older, the qualified voters of the district by petition may require
6 that an election be held to determine whether [~~or not~~] to reduce the
7 tax rate adopted for the current year to the rollback tax rate in
8 accordance with the procedures provided by Section 26.07 [~~Sections~~
9 ~~26.07(b)-(g) and 26.081~~], Tax Code. For purposes of Section 26.07,
10 Tax Code, [~~Sections 26.07(b)-(g)~~] and this subsection, the rollback
11 tax rate is the current year's debt service and contract tax rates
12 plus the operation and maintenance tax rate that would impose 1.05
13 [~~1.08~~] times the amount of the operation and maintenance tax
14 imposed by the district in the preceding year on a residence
15 homestead appraised at the average appraised value of a residence
16 homestead in the district in that year, disregarding any homestead
17 exemption available only to disabled persons or persons 65 years of
18 age or older.

19 SECTION 12. House Bill No. 1984, Acts of the 79th
20 Legislature, Regular Session, 2005, is repealed and does not take
21 effect.

22 SECTION 13. The change in law made by this Act applies to
23 the ad valorem tax rate of a taxing unit beginning with the 2006 tax
24 year.

25 SECTION 14. This Act takes effect January 1, 2006.