

Amend the floor substitute for **CSHB 1006** as follows:

1. Strike Section 3 of the floor substitute, and replace it with the following:

SECTION 3. Section 26.05, Tax Code, is amended to read as follows:

Section 26.05. TAX RATE. (a) The governing body of each taxing unit, before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, shall adopt a tax rate for the current tax year and shall notify the assessor for the unit of the rate adopted. The tax rate consists of two components, each of which must be approved separately. The components are:

(1) the rate that, if applied to the total taxable value, will impose the total amount published under Section 26.04(e) (3) (C), less any amount of additional sales and use tax revenue that will be used to pay debt service; and

(2) the rate that, if applied to the total taxable value, will impose the amount of taxes imposed to fund maintenance and operation expenditures for the unit in the prior year ~~needed to fund maintenance and operation expenditures of the unit for the next year~~. A unit may not impose taxes that exceed the taxes levied to fund maintenance and operation expenditures for the prior year unless the unit does each of the following:

(i) Includes in its order, ordinance, or resolution, in type larger than all other elements of the instrument, the following statement: "THIS TAX RATE RAISES MORE TAXES THAN LAST YEAR'S TAX RATE. THE PROPOSED RATE WOULD RAISE TAXES ON A \$100,000 HOME BY [Insert amount]."

(ii) Includes on the home page of any Internet Web site operated by the unit the following statement: "[Insert name of unit] ADOPTED A TAX RATE THAT RAISES MORE TAXES THAN LAST YEAR'S TAX RATE. THE PROPOSED RATE RAISES TAXES ON A \$100,000 HOME BY APPROXIMATELY [Insert amount]."

(b) A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by

the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget. The vote that adopts a rate that exceeds the effective rate must be a record vote.

(c) If the governing body of a taxing unit does not adopt a tax rate before the date required by Subsection (a), the tax rate for the taxing unit for that tax year is the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. A tax rate established by this subsection is treated as an adopted tax rate. Before the fifth day after the establishment of a tax rate by this subsection, the governing body of the taxing unit must ratify the applicable tax rate in the manner required by Subsection (b).

(d) The governing body of a taxing district other than a school district may not adopt a tax rate that exceeds the lower of the rollback tax rate or ~~[103 percent of]~~ the effective tax rate calculated as provided by this chapter until the governing body has held two ~~[a]~~ public hearings on the proposed tax rate and has otherwise complied with Section 26.06 and 26.065. The governing body of a taxing unit shall reduce a tax rate set by law or by vote of the electorate to the lower of the rollback rate or ~~[103 percent of]~~ the effective tax rate and may not adopt a higher rate unless it first complies with Section 26.06.

(e) A person who owns taxable property is entitled to an injunction restraining the collection of taxes by a taxing unit in which the property is taxable if the taxing unit has not complied with the requirements of this section and the failure to comply was not in good faith. An action to enjoin the collection of taxes must be filed prior to the date a taxing unit delivers substantially all of its tax bills.

(f) Except as required by the law under which an obligation was created, the governing body may not apply any tax revenues generated by the rate described in Subsection (a) (1) of this section for any purpose other than the retirement of debt.

2. Strike Section 4 of the floor substitute, and replace it with the following:

SECTION 4. Section 26.06, Tax Code, is amended as follows:

Section 26.06. NOTICE, HEARING, AND VOTE ON TAX INCREASE.

(a) ~~[A-p]~~ Public hearings required by Section 26.05 may not be held before the seventh day after the date the notice of the public hearings on the proposed tax increase is given. The second hearing must take place no sooner than three days after the first hearing. The hearings must be held inside the boundaries of the unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. At the hearings, the governing body must afford adequate opportunity for proponents and opponents of the tax increase to present their views.

(b) The notice of the ~~[a]~~ public hearings may not be smaller than one-quarter page of a standard-size or a tabloid-size newspaper, and the headline on the notice must be in 18-point or larger type. The notice must:

(1) contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"Last year, the [name of taxing unit] property tax rate was \$ [insert rate]. That rate raised \$ [insert amount] which was used to fund operations such as [insert sample descriptions of unit's operations]."

"This year, [name of taxing unit] is proposing a property tax rate of \$ [insert rate]. This rate would raise \$ [insert amount] (which is \$ [insert amount] more than last year)."

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

"You have a right to attend this meeting and make comments. You are encouraged to attend and you have a right to testify."

~~The (name of the taxing unit) will hold a public hearing on a proposal to increase total tax revenues from properties on the tax role in the preceding year by (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax rate calculated under this chapter) percent. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in~~

~~taxable value of all other property and the tax rate that is adopted.~~

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

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

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

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

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

~~(C) the average appraised value of a residence homestead in the taxing unit in the preceding year and in the current year, the unit's homestead exemption, other than an exemption available only to disabled persons or persons 65 years of age or older, applicable to that appraised value and each of those years, and average taxable value of a residence homestead in the unit in each of those years, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older,~~

~~(D) the amount of tax that would have been imposed by the unit in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older,~~

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

~~(F) the difference between the amounts of tax calculated under Paragraphs (D) and (E), expressed in dollars and cents and described as the annual increase or decrease, as~~

~~applicable, in the tax to be imposed by the unit on the average residence homestead in the unit in the current year if the proposed tax rate is adopted.~~

(c) The notice may be delivered by mail to each property owner in the unit, or it may be published in a newspaper. If the notice is published in a newspaper, it may not be in the part of the paper in which legal notices and classified advertisements appear. If the unit operates an Internet Web site, the notice shall appear on that site from the beginning of the first publication until the second hearing is concluded.

(d) At the public hearing the governing body shall announce the date, time, and place of the meeting at which it will vote on the proposed tax rate. After the hearing the governing body shall give notice of the meeting at which it will vote on the proposed tax rate and the notice shall be in the same form as prescribed by Subsections (b) and (c), except that it must state the following:

"NOTICE OF VOTE ON TAX RATE"

"The (name of taxing unit) conducted public hearingss on a proposal to increase the total tax revenues of the (name of the taxing unit) from properties on the tax roll in the preceding year by (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax rate calculated under this chapter) percent on (date and timess public hearings were ~~was~~ conducted).

"The (governing body of the taxing unit) is scheduled to vote on the tax rate that will result in that tax increase at a public meeting to be held on (date and time) at (meeting place)."

(e) The meeting to vote on the tax increase may not be earlier than the third day or later than the 14th date of the last public hearing. The meeting must be held inside the boundaries of the taxing unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. If the governing body does not adopt a tax rate that exceeds the lower of the rollback tax rate or ~~[103 percent of]~~ the effective tax rate by the 14th day, it must give a new notice under Subsection (d) before it may adopt a rate that exceeds the lower of the rollback tax rate or 103 percent of the effective tax rate. The vote that adopts a rate that exceeds the

effective rate must be a record vote.

(f) The comptroller by rule shall prescribe the language and format to be used in the part of the notice required by Subsection (b) (2). A notice under Subsection (b) is not valid if it does not substantially conform to the language and format prescribed by the comptroller under this subsection.

(g) This section does not apply to a school district. A school district shall provide notice of a public hearing on a tax increase as required by Section 44.004, Education Code.

3. Add the following new section to the floor substitute, and renumber the other sections appropriately:

SECTION____. Section 31.01, Tax Code, is amended by amending Subsection (c) and adding Subsection (c-1) to read as follows:

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

- (1) identify the property subject to the tax;
- (2) state the appraised value, assessed value, and taxable value of the property;
- (3) if the property is land appraised as provided by Subchapter C, D, E, or H, Chapter 23, state the market value and the taxable value for purpose of deferred or additional taxation as provided by Section 23.46, 23.55, 23.76, or 23.9807, as applicable;
- (4) state the assessment ratio for the unit;
- (5) state the type and amount of any partial exemption applicable to the property, indicating whether it applies to appraised or assessed value;
- (6) state the local tax rate for the unit;
- (7) state the amount of tax due, the due date, and delinquency date;
- (8) explain the payment option and discounts provided by Sections 31.03 and 31.05, if available to the unit's tax payers, and state the date on which each of the discount periods provided by Section 31.05 concludes, if the discounts are available;
- (9) state the rates of penalty and interest imposed for delinquent payment of the tax;
- (10) include the name and telephone number of the assessor for the unit and, if different, of the collector for the

unit; ~~and~~]

(11) for real property, state for the current tax year and each of the preceding five tax years:

(A) the appraised value and taxable value of property;

(B) the total tax rate for the unit;

(C) the amount of taxes imposed on the property by the unit; and

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

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

(A) the appraised value and taxable value of property;

(B) the total tax rate for the unit; and

(C) the amount of taxes imposed on the property by the unit; and

(13) include any other information required by the comptroller.

(c-1) If for any of the preceding six tax years any information required by Subsection (c) (11) or (12) to be included in a tax bill or separate statement is unavailable, the tax bill or statement must state that the information is not available for that year.