

By: Baxter

H.B. No. 1043

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the procedures for adoption of an ad valorem tax rate by
3 a taxing unit other than a school district.

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

5 SECTION 1. Section 26.05(d), Tax Code, is amended to read as
6 follows:

7 (d) The governing body of a taxing unit other than a school
8 district may not adopt a tax rate that exceeds the lower of the
9 rollback tax rate or [~~103 percent of~~] the effective tax rate
10 calculated as provided by this chapter until the governing body has
11 held a public hearing on the proposed tax rate and has otherwise
12 complied with Sections [~~Section~~] 26.06 and [~~Section~~] 26.065. The
13 governing body of a taxing unit to which this subsection applies
14 shall reduce a tax rate set by law or by vote of the electorate to
15 the lower of the rollback tax rate or [~~103 percent of~~] the effective
16 tax rate and may not adopt a higher rate unless it first complies
17 with Section 26.06.

18 SECTION 2. Section 26.06(e), Tax Code, is amended to read as
19 follows:

20 (e) The meeting to vote on the tax increase may not be
21 earlier than the third day or later than the 14th day after the date
22 of the public hearing. The meeting must be held inside the
23 boundaries of the taxing unit in a publicly owned building or, if a
24 suitable publicly owned building is not available, in a suitable

1 building to which the public normally has access. If the governing
2 body does not adopt a tax rate that exceeds the lower of the
3 rollback tax rate or [~~103 percent of~~] the effective tax rate by the
4 14th day, it must give a new notice under Subsection (d) before it
5 may adopt a rate that exceeds the lower of the rollback tax rate or
6 [~~103 percent of~~] the effective tax rate.

7 SECTION 3. (a) The change in law made by this Act applies to
8 the ad valorem tax rate of a taxing unit beginning with the 2005 tax
9 year, except as provided by Subsection (b) of this section.

10 (b) If the governing body of a taxing unit has adopted an ad
11 valorem tax rate for the taxing unit for the 2005 tax year before
12 the effective date of this Act, the change in law made by this Act
13 applies to the ad valorem tax rate of that taxing unit beginning
14 with the 2006 tax year, and the law in effect when the tax rate was
15 adopted applies to the 2005 tax year with respect to that taxing
16 unit.

17 SECTION 4. If any provision of this Act or its application
18 to any person or circumstance is held invalid, the invalidity does
19 not affect other provisions or applications of this Act that can be
20 given effect without the invalid provision or application, and to
21 this end the provisions of this Act are severable.

22 SECTION 5. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect September 1, 2005.