

BILL ANALYSIS

H.B. 3495

By: Otto

Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, governing bodies of a taxing unit are required by Section 26.06 of the Tax Code to make public their intent to hold a public hearing on a tax increase. They can either make this notice by mail to each property owner in the unit or publish it in the newspaper. If the taxing unit operates a website, they are required to post the notice there as well.

At this public hearing on the tax increase, the governing body is to announce the date, time, and place of the meeting at which it will vote on the proposed tax rate and are required to make that information public in the same manner prescribed for the tax hearing, as described above.

While the intent of the published public notice on a tax rate is to help the taxpayer more clearly understand the intent and eventual outcome (in real dollar costs) of the taxing unit's decisions, often times the public notices which appear in the newspaper are complicated to read and difficult to understand. It may not be clear to the taxpayer in terms of real dollars what the net effect of these proposed tax changes are.

HB 3495 amends Section 26.06(d) of the Tax Code by changing the required language in the "Notice of Vote on Tax Rate," which this bill calls the "Notice of Tax Revenue Increase."

These changes will help the taxpayer better understand what their costs will be, in real dollars, if the proposed changes go into effect, and informs them of the date, time and mailing address of the location where the taxing entity will make their vote on the proposed changes.

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

SECTION 1: Amends the language to appear on the published notice of the meeting at which the governing body of a taxing unit will vote on the proposed tax rate.

The title of the notice is changed from "NOTICE OF VOTE ON TAX RATE" to "NOTICE OF TAX REVENUE INCREASE."

Amends the first paragraph of the tax revenue increase notice by adding the date of the first public hearing and the date of the second public hearing the taxing entity held to discuss a proposed tax rate change. It strikes the current language which announced the dates and times the public hearings were conducted.

Adds a new paragraph which changes the tax revenue increase notice to show the total tax revenue raised last year at last year's tax rate (which is inserted) for each \$100 of taxable value.

Adds a new paragraph which changes the tax revenue increase notice to show the total tax revenue proposed to be raised this year at the proposed tax rate (which is inserted) for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll for the current year.

Adds a new paragraph which changes the tax revenue increase notice to show the total tax revenue proposed to be raised this year at the proposed tax rate (which is inserted) for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll for the current year.

Amends the last paragraph of the tax revenue increase notice to add the "physical address" of the location of the meeting to be held where the governing body of the taxing entity will vote on a tax rate increase. It also rewords slightly the language to clarify the date and time language required by statute and refers to the date and time of the meeting where the governing body of the taxing entity will vote on a tax rate increase.

SECTION 2: States this act only applies to an ad valorem tax rate adopted for a tax year beginning on or after the effective date of the Act.

SECTION 3. State the effective date of this Act is January 1, 2008.

EFFECTIVE DATE

January 1, 2008.