

1-1 By: Janek S.B. No. 1758
1-2 (In the Senate - Filed March 9, 2007; March 21, 2007, read
1-3 first time and referred to Committee on Finance; April 4, 2007,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 11, Nays 0; April 4, 2007, sent to printer.)

1-6 COMMITTEE SUBSTITUTE FOR S.B. No. 1758 By: Janek

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the adoption of an ad valorem tax rate by a school
1-10 district.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 26.05, Tax Code, is amended by amending
1-13 Subsection (b) and adding Subsection (b-1) to read as follows:

1-14 (b) A taxing unit may not impose property taxes in any year
1-15 until the governing body has adopted a tax rate for that year, and
1-16 the annual tax rate must be set by ordinance, resolution, or order,
1-17 depending on the method prescribed by law for adoption of a law by
1-18 the governing body. The vote on the ordinance, resolution, or order
1-19 setting the tax rate must be separate from the vote adopting the
1-20 budget. The vote on the ordinance, resolution, or order setting a
1-21 tax rate that exceeds the effective tax rate must be a record vote.
1-22 Except as provided by Subsection (b-1), a [A] motion to adopt an
1-23 ordinance, resolution, or order setting a tax rate that exceeds the
1-24 effective tax rate must be made in the following form: "I move that
1-25 property taxes be increased by the adoption of a tax rate of
1-26 (specify tax rate)." If the ordinance, resolution, or order sets a
1-27 tax rate that, if applied to the total taxable value, will impose an
1-28 amount of taxes to fund maintenance and operation expenditures of
1-29 the taxing unit that exceeds the amount of taxes imposed for that
1-30 purpose in the preceding year, the taxing unit must:

1-31 (1) include in the ordinance, resolution, or order in
1-32 type larger than the type used in any other portion of the document:

1-33 (A) the following statement: "THIS TAX RATE WILL
1-34 RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S
1-35 TAX RATE."; and

1-36 (B) if the tax rate exceeds the effective
1-37 maintenance and operations rate, the following statement: "THE TAX
1-38 RATE WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000
1-39 HOME BY APPROXIMATELY \$(Insert amount)."; and

1-40 (2) include on the home page of any Internet website
1-41 operated by the unit:

1-42 (A) the following statement: "(Insert name of
1-43 unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE
1-44 AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and

1-45 (B) if the tax rate exceeds the effective
1-46 maintenance and operations rate, the following statement: "THE TAX
1-47 RATE WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000
1-48 HOME BY APPROXIMATELY \$(Insert amount)."

1-49 (b-1) A motion to adopt a resolution or order setting a tax
1-50 rate for a school district is not required to be made in the form
1-51 prescribed by Subsection (b) if the amount of taxes due on the
1-52 average residence in the district under the proposed tax rate will
1-53 not exceed the amount of taxes due on the average residence in the
1-54 district under the tax rate for the preceding year as determined
1-55 under Section 44.004(c), Education Code.

1-56 SECTION 2. This Act applies only to ad valorem taxes imposed
1-57 for a tax year beginning on or after January 1, 2008.

1-58 SECTION 3. This Act takes effect January 1, 2008.

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