

BILL ANALYSIS

Senate Research Center

H.B. 2291
By: Gattis et al. (Ogden)
Finance
5/15/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 2291 would make it easier for property owners to know when a taxing unit is raising taxes. The bill requires that taxing units use particular wording in public meetings and on publications when a taxing unit increases taxes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 26.05(b), Tax Code, as follows:

(b) Requires that a motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the effective tax rate to be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate) taxes which is effectively a (insert percentage by which the proposed tax rate exceeds the effective tax rate) percent increase in the tax rate." Deletes existing text requiring that the form read: "I move that property taxes be increased by the adoption of a tax rate of (specify tax rate)." Requires that the taxing unit, if the ordinance, resolution, or order sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the taxing unit that exceeds the amount of taxes imposed for that purpose in the preceding year, to:

(1) include in the ordinance, resolution, or order in type larger than the type used in any other portion of the document if the tax rate exceeds the effective maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$ (Insert amount)."; and

(2) Makes a conforming change.

SECTION 2. (a) Provides that the change in law made by this Act applies to the ad valorem tax rate of a taxing unit beginning with the 2009 tax year, except as provided by Subsection (b) of this section.

(b) Provides that if the governing body of a taxing unit adopted an ad valorem tax rate for the taxing unit for the 2009 tax year before the effective date of this Act, the change in law made by this Act applies to the ad valorem tax rate of that taxing unit beginning with the 2010 tax year, and the law in effect when the tax rate was adopted applies to the 2009 tax year with respect to that taxing unit.

SECTION 3. Effective date: upon passage or September 1, 2009.