

By: Howard of Fort Bend

H.B. No. 1221

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the provision of information by tax officials related
3 to ad valorem tax rates.

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

5 SECTION 1. Sections 25.19(b) and (i), Tax Code, are amended
6 to read as follows:

7 (b) The chief appraiser shall separate real from personal
8 property and include in the notice for each:

9 (1) a list of the taxing units in which the property is
10 taxable;

11 (2) the appraised value of the property in the
12 preceding year;

13 (3) the taxable value of the property in the preceding
14 year for each taxing unit taxing the property;

15 (4) the appraised value of the property for the
16 current year and the kind and amount of each partial exemption, if
17 any, approved for the current year;

18 (5) ~~[if the appraised value is greater than it was in~~
19 ~~the preceding year, the amount of tax that would be imposed on the~~
20 ~~property on the basis of the tax rate for the preceding year,~~

21 ~~(6)~~ in italic typeface, the following
22 statement: "The Texas Legislature does not set the amount of your
23 local taxes. Your property tax burden is decided by your locally
24 elected officials, and all inquiries concerning your taxes should

1 be directed to those officials";

2 (6) [~~(7)~~] a detailed explanation of the time and
3 procedure for protesting the value;

4 (7) [~~(8)~~] the date and place the appraisal review
5 board will begin hearing protests; and

6 (8) [~~(9)~~] a brief explanation that the governing body
7 of each taxing unit decides whether or not taxes on the property
8 will increase and the appraisal district only determines the value
9 of the property.

10 (i) Delivery with a notice required by Subsection (a) or (g)
11 of a copy of the pamphlet published by the comptroller under Section
12 5.06 or a copy of the notice published by the chief appraiser under
13 Section 41.70 is sufficient to comply with the requirement that the
14 notice include the information specified by Subsection (b)(6)
15 [~~(b)(7)~~] or (g)(3), as applicable.

16 SECTION 2. Section 26.04, Tax Code, is amended by amending
17 Subsections (b), (c), and (e) and adding Subsection (e-2) to read as
18 follows:

19 (b) The assessor shall submit the appraisal roll for the
20 unit showing the total appraised, assessed, and taxable values of
21 all property and the total taxable value of new property to the
22 governing body of the unit not later than the 21st day after the
23 date the appraisal roll is certified to the assessor. On or before
24 the 21st day after the date the appraisal roll is certified to the
25 assessor [~~by August 1 or as soon thereafter as practicable. By~~
26 ~~August 1 or as soon thereafter as practicable~~], the taxing unit's
27 collector shall certify an estimate of the collection rate for the

1 current year to the governing body. If the collector certified an
 2 anticipated collection rate in the preceding year and the actual
 3 collection rate in that year exceeded the anticipated rate, the
 4 collector shall also certify the amount of debt taxes collected in
 5 excess of the anticipated amount in the preceding year.

6 (c) Not later than the 30th day after the date the appraisal
 7 roll is certified to the assessor, an ~~[An]~~ officer or employee
 8 designated by the governing body shall calculate the effective tax
 9 rate and the rollback tax rate for the unit, where:

10 (1) "Effective tax rate" means a rate expressed in
 11 dollars per \$100 of taxable value calculated according to the
 12 following formula:

13 EFFECTIVE TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY LEVY)/
 14 (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

15 ; and

16 (2) "Rollback tax rate" means a rate expressed in
 17 dollars per \$100 of taxable value calculated according to the
 18 following formula:

19 ROLLBACK TAX RATE = (EFFECTIVE MAINTENANCE AND OPERATIONS RATE
 20 x 1.08) + CURRENT DEBT RATE

21 (e) Not later than the fifth day after the date the
 22 designated officer or employee completes the calculations required
 23 by Subsections (c) and (d) ~~[By August 7 or as soon thereafter as~~
 24 ~~practicable]~~, the designated officer or employee shall submit the
 25 rates to the governing body and shall provide to the chief
 26 appraiser ~~[. He shall deliver by mail to each property owner in the~~
 27 ~~unit or publish in a newspaper]~~ in the form prescribed by the

1 comptroller:

2 (1) the effective tax rate, the rollback tax rate, and
3 an explanation of how they were calculated;

4 (2) the estimated amount of interest and sinking fund
5 balances and the estimated amount of maintenance and operation or
6 general fund balances remaining at the end of the current fiscal
7 year that are not encumbered with or by corresponding existing debt
8 obligation;

9 (3) a schedule of the unit's debt obligations showing:

10 (A) the amount of principal and interest that
11 will be paid to service the unit's debts in the next year from
12 property tax revenue, including payments of lawfully incurred
13 contractual obligations providing security for the payment of the
14 principal of and interest on bonds and other evidences of
15 indebtedness issued on behalf of the unit by another political
16 subdivision and, if the unit is created under Section 52, Article
17 III, or Section 59, Article XVI, Texas Constitution, payments on
18 debts that the unit anticipates to incur in the next calendar year;

19 (B) the amount by which taxes imposed for debt
20 are to be increased because of the unit's anticipated collection
21 rate; and

22 (C) the total of the amounts listed in Paragraphs
23 (A)-(B), less any amount collected in excess of the previous year's
24 anticipated collections certified as provided in Subsection (b);

25 (4) the amount of additional sales and use tax revenue
26 anticipated in calculations under Section 26.041;

27 (5) a statement that the adoption of a tax rate equal

1 to the effective tax rate would result in an increase or decrease,
2 as applicable, in the amount of taxes imposed by the unit as
3 compared to last year's levy, and the amount of the increase or
4 decrease;

5 (6) in the year that a taxing unit calculates an
6 adjustment under Subsection (i) or (j), a schedule that includes
7 the following elements:

8 (A) the name of the unit discontinuing the
9 department, function, or activity;

10 (B) the amount of property tax revenue spent by
11 the unit listed under Paragraph (A) to operate the discontinued
12 department, function, or activity in the 12 months preceding the
13 month in which the calculations required by this chapter are made;
14 and

15 (C) the name of the unit that operates a distinct
16 department, function, or activity in all or a majority of the
17 territory of a taxing unit that has discontinued operating the
18 distinct department, function, or activity; and

19 (7) in the year following the year in which a taxing
20 unit raised its rollback rate as required by Subsection (j), a
21 schedule that includes the following elements:

22 (A) the amount of property tax revenue spent by
23 the unit to operate the department, function, or activity for which
24 the taxing unit raised the rollback rate as required by Subsection
25 (j) for the 12 months preceding the month in which the calculations
26 required by this chapter are made; and

27 (B) the amount included in the schedule provided

1 to the chief appraiser [~~published~~] by the unit in the preceding tax
2 year under Subdivision (6)(B).

3 (e-2) Not later than the 10th day after the date the chief
4 appraiser receives the information provided under Subsection (e),
5 the chief appraiser shall deliver a clear and understandable
6 written notice to each owner of property in the taxing unit
7 containing the following information:

8 (1) a list of the taxing units other than school
9 districts in which the property is taxable;

10 (2) the appraised value of the property for the
11 current year and the kind and amount of each partial exemption, if
12 any, approved for the current year;

13 (3) the amount of tax that would be imposed on the
14 property on the basis of the effective tax rate and the rollback
15 rate provided to the chief appraiser;

16 (4) the information described by Subsections
17 (e)(2)-(7);

18 (5) a detailed explanation of the procedures by which
19 a taxpayer may provide input on the adoption of the tax rate; and

20 (6) a brief explanation that the governing body of the
21 taxing unit decides whether taxes on the property will increase,
22 and the appraisal district only determines the value of the
23 property.

24 SECTION 3. Section 26.05, Tax Code, is amended by amending
25 Subsections (a), (c), and (d) and adding Subsection (d-1) to read as
26 follows:

27 (a) The governing body of each taxing unit, before the later

1 of September 30 or the 90th [~~60th~~] day after the date the certified
2 appraisal roll is received by the taxing unit, shall adopt a tax
3 rate for the current tax year and shall notify the assessor for the
4 unit of the rate adopted. The tax rate consists of two components,
5 each of which must be approved separately. The components are:

6 (1) for a taxing unit other than a school district, the
7 rate that, if applied to the total taxable value, will impose the
8 total amount published under Section 26.04(e)(3)(C), less any
9 amount of additional sales and use tax revenue that will be used to
10 pay debt service, or, for a school district, the rate published
11 under Section 44.004(c)(5)(A)(ii)(b), Education Code; and

12 (2) the rate that, if applied to the total taxable
13 value, will impose the amount of taxes needed to fund maintenance
14 and operation expenditures of the unit for the next year.

15 (c) If the designated officer or employee [~~governing body of~~
16 ~~a taxing unit~~] does not comply with Section 26.04(e) by the date
17 required by that section and the failure to comply was caused by
18 circumstances beyond the designated officer's or employee's
19 control, such as a natural disaster [~~adopt a tax rate before the~~
20 ~~date required by Subsection (a)~~], the tax rate for the taxing unit
21 for that tax year is the lower of the effective tax rate calculated
22 for that tax year or the tax rate adopted by the taxing unit for the
23 preceding tax year. A tax rate established by this subsection is
24 treated as an adopted tax rate. Before the fifth day after the
25 establishment of a tax rate by this subsection, the governing body
26 of the taxing unit must ratify the applicable tax rate in the manner
27 required by Subsection (b).

1 (d) The governing body of a taxing unit other than a school
2 district may not adopt a tax rate that exceeds the lower of the
3 rollback tax rate or the effective tax rate calculated as provided
4 by this chapter until the chief appraiser has delivered the notice
5 required by Section 26.04(e-2) and the governing body has complied
6 with Subsection (d-1) of this section and has held two public
7 hearings on the proposed tax rate and [~~has~~] otherwise complied with
8 Section 26.06 and Section 26.065. The governing body of a taxing
9 unit shall reduce a tax rate set by law or by vote of the electorate
10 to the lower of the rollback tax rate or the effective tax rate and
11 may not adopt a higher rate unless it first complies with Section
12 26.06.

13 (d-1) Before giving notice of the public hearings on the
14 proposed tax rate under Section 26.06, the governing body of a
15 taxing unit that is required to comply with that section must take a
16 record vote on a proposal to place consideration of an increase in
17 taxes on the agenda for the meeting at which the governing body will
18 adopt the tax rate. The motion for the vote must be made in the
19 following form: "I move that a proposal to increase property taxes
20 by the adoption of a tax rate of (specify tax rate) be placed on the
21 agenda for the meeting to be held on (date at which the governing
22 body anticipates adopting the tax rate)."

23 SECTION 4. This Act applies only to a tax year beginning on
24 or after the effective date of this Act.

25 SECTION 5. This Act takes effect January 1, 2010.