

By: Gattis

H.B. No. 2291

A BILL TO BE ENTITLED

AN ACT

relating to the adoption of an ad valorem tax rate by a taxing unit other than a school district.

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

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

(b-1) Notwithstanding the other provisions of this section, the tax rate of a taxing unit other than a school district for the current tax year is the unit's effective tax rate and that tax rate is treated as the unit's adopted tax rate unless the governing body of the unit adopts a tax rate that is higher or lower than the unit's effective tax rate. If the governing body of the taxing unit elects to adopt a tax rate that is higher or lower than the unit's effective tax rate, the governing body must comply with the procedure for adoption of a tax rate specified by Subsection (b), including the procedure specified by that subsection for setting a tax rate that exceeds the unit's effective tax rate, if applicable. The meeting at which the vote is taken on the ordinance, resolution, or order setting the tax rate must be an open meeting as required by Chapter 551, Government Code. If the governing body of the taxing unit elects to adopt a tax rate that exceeds the lower of the unit's rollback tax rate or effective tax rate calculated as provided by this chapter, the governing body must hold two public hearings on the tax rate and otherwise comply with Sections 26.06 and 26.065 as

1 required by Subsection (d) of this section.

2 (c) If the governing body of a school district [~~taxing unit~~]
3 does not adopt a tax rate before the date required by Subsection
4 (a), the tax rate for the school district [~~taxing unit~~] for that tax
5 year is the lower of the effective tax rate calculated for that tax
6 year or the tax rate adopted by the school district [~~taxing unit~~]
7 for the preceding tax year. A tax rate established by this
8 subsection is treated as an adopted tax rate. Before the fifth day
9 after the establishment of a tax rate by this subsection, the
10 governing body of the school district [~~taxing unit~~] must ratify the
11 applicable tax rate in the manner required by Subsection (b).

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

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

22 SECTION 3. 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, 2009.