

1-1 By: Gattis, et al. (Senate Sponsor - Ogden) H.B. No. 2291  
1-2 (In the Senate - Received from the House May 11, 2009;  
1-3 May 11, 2009, read first time and referred to Committee on Finance;  
1-4 May 25, 2009, reported favorably by the following vote: Yeas 12,  
1-5 Nays 0; May 25, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the procedure to be used by a taxing unit in adopting an  
1-9 ad valorem tax rate.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 26.05(b), Tax Code, is amended to read as  
1-12 follows:

1-13 (b) A taxing unit may not impose property taxes in any year  
1-14 until the governing body has adopted a tax rate for that year, and  
1-15 the annual tax rate must be set by ordinance, resolution, or order,  
1-16 depending on the method prescribed by law for adoption of a law by  
1-17 the governing body. The vote on the ordinance, resolution, or order  
1-18 setting the tax rate must be separate from the vote adopting the  
1-19 budget. The vote on the ordinance, resolution, or order setting a  
1-20 tax rate that exceeds the effective tax rate must be a record vote.  
1-21 A motion to adopt an ordinance, resolution, or order setting a tax  
1-22 rate that exceeds the effective tax rate must be made in the  
1-23 following form: "I move that the property tax rate [~~taxes~~] be  
1-24 increased by the adoption of a tax rate of (specify tax rate), which  
1-25 is effectively a (insert percentage by which the proposed tax rate  
1-26 exceeds the effective tax rate) percent increase in the tax rate."  
1-27 If the ordinance, resolution, or order sets a tax rate that, if  
1-28 applied to the total taxable value, will impose an amount of taxes  
1-29 to fund maintenance and operation expenditures of the taxing unit  
1-30 that exceeds the amount of taxes imposed for that purpose in the  
1-31 preceding year, the taxing unit must:

1-32 (1) include in the ordinance, resolution, or order in  
1-33 type larger than the type used in any other portion of the document:

1-34 (A) the following statement: "THIS TAX RATE WILL  
1-35 RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S  
1-36 TAX RATE."; and

1-37 (B) if the tax rate exceeds the effective  
1-38 maintenance and operations rate, the following statement: "THE TAX  
1-39 RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE  
1-40 TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE)  
1-41 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A  
1-42 \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."; and

1-43 (2) include on the home page of any Internet website  
1-44 operated by the unit:

1-45 (A) the following statement: "(Insert name of  
1-46 unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE  
1-47 AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and

1-48 (B) if the tax rate exceeds the effective  
1-49 maintenance and operations rate, the following statement: "THE TAX  
1-50 RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE  
1-51 TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE)  
1-52 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A  
1-53 \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

1-54 SECTION 2. (a) The change in law made by this Act applies to  
1-55 the ad valorem tax rate of a taxing unit beginning with the 2009 tax  
1-56 year, except as provided by Subsection (b) of this section.

1-57 (b) If the governing body of a taxing unit adopted an ad  
1-58 valorem tax rate for the taxing unit for the 2009 tax year before  
1-59 the effective date of this Act, the change in law made by this Act  
1-60 applies to the ad valorem tax rate of that taxing unit beginning  
1-61 with the 2010 tax year, and the law in effect when the tax rate was  
1-62 adopted applies to the 2009 tax year with respect to that taxing  
1-63 unit.

1-64 SECTION 3. This Act takes effect immediately if it receives

2-1 a vote of two-thirds of all the members elected to each house, as  
2-2 provided by Section 39, Article III, Texas Constitution. If this  
2-3 Act does not receive the vote necessary for immediate effect, this  
2-4 Act takes effect September 1, 2009.

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