

By: Taylor

H.B. No. 4413

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the required notice of a public hearing on the adoption
3 of an ad valorem tax rate by the governing body of a taxing unit.

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

5 SECTION 1. Section 26.05(d), Tax Code, is amended to read as
6 follows:

7 (d) The governing body of a taxing unit other than a school
8 district may not adopt a tax rate that exceeds the [~~lower of the~~
9 ~~rollback tax rate or the~~] effective tax rate calculated as provided
10 by this chapter until the governing body has held two public
11 hearings on the proposed tax rate and has otherwise complied with
12 Section 26.06 and Section 26.065. The governing body of a taxing
13 unit shall reduce a tax rate set by law or by vote of the electorate
14 to the lower of the rollback tax rate or the effective tax rate and
15 may not adopt a higher rate unless it first complies with Section
16 26.06.

17 SECTION 2. Section 26.06(b), Tax Code, is amended to read as
18 follows:

19 (b) The notice of a public hearing may not be smaller than
20 one-quarter page of a standard-size or a tabloid-size newspaper,
21 and the headline on the notice must be in 24-point or larger type.
22 The notice must contain a statement in the following form:

23 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

24 "The (name of the taxing unit) will hold two public hearings

1 on a proposal to increase total tax revenues from properties on the
2 tax roll in the preceding tax year by (percentage by which proposed
3 tax rate exceeds [~~lower of rollback tax rate or~~] effective tax rate
4 calculated under this chapter) percent. Your individual taxes may
5 increase at a greater or lesser rate, or even decrease, depending on
6 the change in the taxable value of your property in relation to the
7 change in taxable value of all other property and the tax rate that
8 is adopted.

9 "The first public hearing will be held on (date and time) at
10 (meeting place).

11 "The second public hearing will be held on (date and time) at
12 (meeting place).

13 "(Names of all members of the governing body, showing how
14 each voted on the proposal to consider the tax increase or, if one
15 or more were absent, indicating the absences.)

16 [~~"The average taxable value of a residence homestead in (name
17 of taxing unit) last year was \$ (average taxable value of a
18 residence homestead in the taxing unit for the preceding tax year,
19 disregarding residence homestead exemptions available only to
20 disabled persons or persons 65 years of age or older). Based on
21 last year's tax rate of \$ (preceding year's adopted tax rate) per
22 \$100 of taxable value, the amount of taxes imposed last year on the
23 average home was \$ (tax on average taxable value of a residence
24 homestead in the taxing unit for the preceding tax year,
25 disregarding residence homestead exemptions available only to
26 disabled persons or persons 65 years of age or older).~~

27 [~~"The average taxable value of a residence homestead in (name~~

1 ~~of taxing unit) this year is \$ (average taxable value of a~~
2 ~~residence homestead in the taxing unit for the current tax year,~~
3 ~~disregarding residence homestead exemptions available only to~~
4 ~~disabled persons or persons 65 years of age or older). If the~~
5 ~~governing body adopts the effective tax rate for this year of~~
6 ~~\$ (effective tax rate) per \$100 of taxable value, the amount of~~
7 ~~taxes imposed this year on the average home would be \$ (tax on~~
8 ~~average taxable value of a residence homestead in the taxing unit~~
9 ~~for the current tax year, disregarding residence homestead~~
10 ~~exemptions available only to disabled persons or persons 65 years~~
11 ~~of age or older).~~

12 ~~["If the governing body adopts the proposed tax rate of~~
13 ~~\$ (proposed tax rate) per \$100 of taxable value, the amount of~~
14 ~~taxes imposed this year on the average home would be \$ (tax on~~
15 ~~the average taxable value of a residence in the taxing unit for the~~
16 ~~current year disregarding residence homestead exemptions available~~
17 ~~only to disabled persons or persons 65 years of age or older)."]~~

18 "Members of the public are encouraged to attend the hearings
19 and express their views."

20 SECTION 3. Section 26.06(d), Tax Code, as amended by
21 Chapters 1105 (H.B. 3495) and 1112 (H.B. 3630), Acts of the 80th
22 Legislature, Regular Session, 2007, is reenacted and amended to
23 read as follows:

24 (d) At the public hearings the governing body shall announce
25 the date, time, and place of the meeting at which it will vote on the
26 proposed tax rate. After each hearing the governing body shall give
27 notice of the meeting at which it will vote on the proposed tax rate

1 and the notice shall be in the same form as prescribed by
2 Subsections (b) and (c), except that it must state the following:

3 "NOTICE OF TAX REVENUE INCREASE

4 "The (name of the taxing unit) conducted public hearings on
5 (date of first hearing) and (date of second hearing) on a proposal
6 to increase the total tax revenues of the (name of the taxing unit)
7 from properties on the tax roll in the preceding year by (percentage
8 by which proposed tax rate exceeds [~~lower of rollback tax rate or~~
9 effective tax rate calculated under this chapter) percent.

10 [~~"The total tax revenue proposed to be raised last year at
11 last year's tax rate of (insert tax rate for the preceding year) for
12 each \$100 of taxable value was (insert total amount of taxes imposed
13 in the preceding year).~~

14 [~~"The total tax revenue proposed to be raised this year at the
15 proposed tax rate of (insert proposed tax rate) for each \$100 of
16 taxable value, excluding tax revenue to be raised from new property
17 added to the tax roll this year, is (insert amount computed by
18 multiplying proposed tax rate by the difference between current
19 total value and new property value).]~~

20 "The total tax revenue proposed to be raised this year at the
21 proposed tax rate of (insert proposed tax rate) for each \$100 of
22 taxable value, including tax revenue to be raised from new property
23 added to the tax roll this year, is (insert amount computed by
24 multiplying proposed tax rate by current total value).

25 "The amount of the interest and sinking fund balances of the
26 (name of taxing unit) at the end of the preceding two tax years were
27 \$ _____ for (preceding tax year) and \$ _____ for

1 (year before preceding tax year).

2 "The amount of the general fund balances of the (name of
3 taxing unit) at the end of the preceding two tax years were
4 \$ _____ for (preceding tax year) and \$ _____ for
5 (year before preceding tax year).

6 "The amount of the interest and sinking fund balance of the
7 (name of taxing unit) at the end of the current tax year is
8 estimated to be \$ _____.

9 "The amount of the general fund balance of the (name of taxing
10 unit) at the end of the current tax year is estimated to be
11 \$ _____.

12 "The (governing body of the taxing unit) is scheduled to vote
13 on the tax rate that will result in that tax increase at a public
14 meeting to be held on (date of meeting) at (location of meeting,
15 including mailing address) at (time of meeting)."

16 SECTION 4. To the extent of any conflict, this Act prevails
17 over another Act of the 81st Legislature, Regular Session, 2009,
18 relating to nonsubstantive additions to and corrections in enacted
19 codes.

20 SECTION 5. This Act applies only to an ad valorem tax year
21 that begins on or after the effective date of this Act.

22 SECTION 6. This Act takes effect January 1, 2010.