

BILL ANALYSIS

C.S.H.B. 2338
By: Paxton
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties observe that the Texas Constitution prohibits the total amount of property taxes imposed by a political subdivision in any year from exceeding the total amount of property taxes imposed by that subdivision in the preceding year unless the subdivision's governing body gives notice of its intent to consider increasing taxes and holds a public hearing on the subject prior to the increase. Those parties contend that truth-in-taxation laws were adopted to provide taxpayers notice of the hearings and to provide information regarding the current and subsequent years' property taxes. According to those parties, many political subdivisions currently publish their annual property tax rate on their Internet website. C.S.H.B. 2338 seeks to require the posting of a truth-in-taxation summary regarding property tax rates on certain Internet websites.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 2338 amends the Tax Code to require the county assessor-collector for each county that maintains an Internet website to post on the website of the county the following information for the most recent five tax years beginning with the 2012 tax year for each taxing unit all or part of the territory of which is located in the county: the adopted tax rate; the maintenance and operations rate; the debt rate; the effective tax rate; the effective maintenance and operations rate; and the rollback tax rate. The bill requires each taxing unit all or part of the territory of which is located in the county to provide such information pertaining to the taxing unit to the county assessor-collector annually following the adoption of a tax rate by the taxing unit for the current tax year and authorizes the chief appraiser of the appraisal district established in the county to assist the county assessor-collector in identifying the taxing units required to provide such information. The bill requires this information to be presented in the form of a table under the heading "Truth in Taxation Summary." The bill requires the county assessor-collector to post immediately below the table a description of each tax rate using language specified by the bill.

C.S.H.B. 2338 requires the comptroller of public accounts by rule to prescribe the manner in which the tax rate information is required to be presented.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2338 differs from the original by requiring the county assessor-collector for each county that maintains an Internet website to post certain tax rate information on the website, whereas the original requires the county assessor-collector for each county that maintains an

Internet website and, if the appraisal district established for the county maintains an Internet website, the chief appraiser of an appraisal district to post the same tax rate information, as appropriate. The substitute contains a specification not included in the original that the most recent five tax years of tax rate information required to be posted on the county's website begin with the 2012 tax year. The substitute differs from the original by requiring the tax rate information to be posted for each taxing unit all or part of the territory of which is located in the county, whereas the original requires the tax rate information to be posted for each taxing unit that imposes taxes in the county in the current tax year.

C.S.H.B. 2338 contains provisions not included in the original requiring each taxing unit all or part of the territory of which is located in the county to provide the tax rate information pertaining to the taxing unit to the county assessor-collector annually at a specified time and authorizing the chief appraiser of the appraisal district established in the county to assist the county assessor-collector in identifying the taxing units required to provide such information. The substitute differs from the original by including language in the statement describing each tax rate that the county is providing a table of property tax rate information as a service to the residents of the county and that each individual taxing unit is responsible for calculating the property tax rates listed in the table pertaining to that taxing unit and providing that information to the county, whereas the original contains no such language. The substitute differs from the original in nonsubstantive ways.