

By: Shelton

H.B. No. 1833

A BILL TO BE ENTITLED

AN ACT

relating to notice requirements for certain hearings and meetings of the board of trustees of a school district.

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

SECTION 1. Subchapter D, Chapter 11, Education Code, is amended by adding Section 11.179 to read as follows:

Sec. 11.179. UNIFORM NOTICE FOR CERTAIN BOARD HEARINGS AND MEETINGS. (a) The board of trustees of a school district shall provide notice of a hearing under Sections 39.083 and 39.306 and a meeting under Section 44.004 by:

(1) sending the notice through e-mail to media serving the district;

(2) prominently posting the entire notice, in addition to any required documents or summaries, on the district's Internet website;

(3) making the notice, in addition to any required documents or summaries, available for public inspection at the district's central administrative office; and

(4) making the notice, in addition to any required documents or summaries, available for public inspection at each campus in the district.

(b) In addition to providing notice as required by Subsection (a), the board may also provide notice as permitted by Section 39.083, 39.306, or 44.004, as applicable.

1 SECTION 2. Section 39.083(d), Education Code, is amended to
2 read as follows:

3 (d) The board of trustees of each school district shall hold
4 a public hearing on the report. The board shall give notice of the
5 hearing to owners of real property in the district and to parents of
6 district students. In addition to other notice required by law,
7 notice of the hearing:

8 (1) may ~~must~~ be provided~~+~~
9 ~~(1)~~ to a newspaper of general circulation in the
10 district; and

11 (2) must be provided as prescribed by Section
12 11.179(a) ~~[through electronic mail to media serving the district]~~.

13 SECTION 3. Section 39.306(c), Education Code, is amended to
14 read as follows:

15 (c) The board of trustees shall hold a hearing for public
16 discussion of the report. The board of trustees shall give notice
17 of the hearing to property owners in the district and parents of and
18 other persons standing in parental relation to a district student.
19 The notification may ~~must~~ include notice to a newspaper of
20 general circulation in the district and must include notice as
21 prescribed by Section 11.179(a) ~~[to electronic media serving the~~
22 ~~district]~~. After the hearing the report shall be widely
23 disseminated within the district in a manner to be determined under
24 rules adopted by the commissioner.

25 SECTION 4. Sections 44.004(b), (c), (i), and (j), Education
26 Code, are amended to read as follows:

27 (b) The president shall provide for ~~[the publication of]~~

1 notice of the budget and proposed tax rate meeting as prescribed by
2 Section 11.179(a) and may provide for publication of the notice in a
3 daily, weekly, or biweekly newspaper published in the district. If
4 no daily, weekly, or biweekly newspaper is published in the
5 district, the president may [~~shall~~] provide for the publication of
6 notice in at least one newspaper of general circulation in the
7 county in which the district's central administrative office is
8 located. Notice under this subsection shall be provided [~~published~~]
9 not earlier than the 30th day or later than the 10th day before the
10 date of the meeting [~~hearing~~].

11 (c) A [~~The~~] notice of public meeting to discuss and adopt
12 the budget and the proposed tax rate published in a newspaper under
13 Subsection (b) may not be smaller than one-quarter page of a
14 standard-size or a tabloid-size newspaper, and the headline on the
15 notice must be in 18-point or larger type. Subject to Subsection
16 (d), [~~the~~] notice required under this section must:

17 (1) contain a statement in the following form:

18 "NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE
19 "The (name of school district) will hold a public meeting at
20 (time, date, year) in (name of room, building, physical location,
21 city, state). The purpose of this meeting is to discuss the school
22 district's budget that will determine the tax rate that will be
23 adopted. Public participation in the discussion is invited." The
24 statement of the purpose of the meeting must be in bold type. In
25 reduced type, the notice must state: "The tax rate that is
26 ultimately adopted at this meeting or at a separate meeting at a
27 later date may not exceed the proposed rate shown below unless the

1 district provides [~~publishes a~~] revised notice containing the same
2 information and comparisons set out below and holds another public
3 meeting to discuss the revised notice.";

4 (2) contain a section entitled "Comparison of Proposed
5 Budget with Last Year's Budget," which must show the difference,
6 expressed as a percent increase or decrease, as applicable, in the
7 amounts budgeted for the preceding fiscal year and the amount
8 budgeted for the fiscal year that begins in the current tax year for
9 each of the following:

10 (A) maintenance and operations;

11 (B) debt service; and

12 (C) total expenditures;

13 (3) contain a section entitled "Total Appraised Value
14 and Total Taxable Value," which must show the total appraised value
15 and the total taxable value of all property and the total appraised
16 value and the total taxable value of new property taxable by the
17 district in the preceding tax year and the current tax year as
18 calculated under Section 26.04, Tax Code;

19 (4) contain a statement of the total amount of the
20 outstanding and unpaid bonded indebtedness of the school district;

21 (5) contain a section entitled "Comparison of Proposed
22 Rates with Last Year's Rates," which must:

23 (A) show in rows the tax rates described by
24 Subparagraphs (i)-(iii), expressed as amounts per \$100 valuation of
25 property, for columns entitled "Maintenance & Operations,"
26 "Interest & Sinking Fund," and "Total," which is the sum of
27 "Maintenance & Operations" and "Interest & Sinking Fund":

1 (i) the school district's "Last Year's
2 Rate";

3 (ii) the "Rate to Maintain Same Level of
4 Maintenance & Operations Revenue & Pay Debt Service," which:

5 (a) in the case of "Maintenance &
6 Operations," is the tax rate that, when applied to the current
7 taxable value for the district, as certified by the chief appraiser
8 under Section 26.01, Tax Code, and as adjusted to reflect changes
9 made by the chief appraiser as of the time the notice is prepared,
10 would impose taxes in an amount that, when added to state funds to
11 be distributed to the district under Chapter 42, would provide the
12 same amount of maintenance and operations taxes and state funds
13 distributed under Chapter 42 per student in average daily
14 attendance for the applicable school year that was available to the
15 district in the preceding school year; and

16 (b) in the case of "Interest & Sinking
17 Fund," is the tax rate that, when applied to the current taxable
18 value for the district, as certified by the chief appraiser under
19 Section 26.01, Tax Code, and as adjusted to reflect changes made by
20 the chief appraiser as of the time the notice is prepared, and when
21 multiplied by the district's anticipated collection rate, would
22 impose taxes in an amount that, when added to state funds to be
23 distributed to the district under Chapter 46 and any excess taxes
24 collected to service the district's debt during the preceding tax
25 year but not used for that purpose during that year, would provide
26 the amount required to service the district's debt; and

27 (iii) the "Proposed Rate";

1 (B) contain fourth and fifth columns aligned with
2 the columns required by Paragraph (A) that show, for each row
3 required by Paragraph (A):

4 (i) the "Local Revenue per Student," which
5 is computed by multiplying the district's total taxable value of
6 property, as certified by the chief appraiser for the applicable
7 school year under Section 26.01, Tax Code, and as adjusted to
8 reflect changes made by the chief appraiser as of the time the
9 notice is prepared, by the total tax rate, and dividing the product
10 by the number of students in average daily attendance in the
11 district for the applicable school year; and

12 (ii) the "State Revenue per Student," which
13 is computed by determining the amount of state aid received or to be
14 received by the district under Chapters 42, 43, and 46 and dividing
15 that amount by the number of students in average daily attendance in
16 the district for the applicable school year; and

17 (C) contain an asterisk after each calculation
18 for "Interest & Sinking Fund" and a footnote to the section that, in
19 reduced type, states "The Interest & Sinking Fund tax revenue is
20 used to pay for bonded indebtedness on construction, equipment, or
21 both. The bonds, and the tax rate necessary to pay those bonds,
22 were approved by the voters of this district.";

23 (6) contain a section entitled "Comparison of Proposed
24 Levy with Last Year's Levy on Average Residence," which must:

25 (A) show in rows the information described by
26 Subparagraphs (i)-(iv), rounded to the nearest dollar, for columns
27 entitled "Last Year" and "This Year":

1 (i) "Average Market Value of Residences,"
2 determined using the same group of residences for each year;

3 (ii) "Average Taxable Value of Residences,"
4 determined after taking into account the limitation on the
5 appraised value of residences under Section 23.23, Tax Code, and
6 after subtracting all homestead exemptions applicable in each year,
7 other than exemptions available only to disabled persons or persons
8 65 years of age or older or their surviving spouses, and using the
9 same group of residences for each year;

10 (iii) "Last Year's Rate Versus Proposed
11 Rate per \$100 Value"; and

12 (iv) "Taxes Due on Average Residence,"
13 determined using the same group of residences for each year; and

14 (B) contain the following information: "Increase
15 (Decrease) in Taxes" expressed in dollars and cents, which is
16 computed by subtracting the "Taxes Due on Average Residence" for
17 the preceding tax year from the "Taxes Due on Average Residence" for
18 the current tax year;

19 (7) contain the following statement in bold print:
20 "Under state law, the dollar amount of school taxes imposed on the
21 residence of a person 65 years of age or older or of the surviving
22 spouse of such a person, if the surviving spouse was 55 years of age
23 or older when the person died, may not be increased above the amount
24 paid in the first year after the person turned 65, regardless of
25 changes in tax rate or property value.";

26 (8) contain the following statement in bold print:
27 "Notice of Rollback Rate: The highest tax rate the district can

1 adopt before requiring voter approval at an election is (the school
2 district rollback rate determined under Section 26.08, Tax
3 Code). This election will be automatically held if the district
4 adopts a rate in excess of the rollback rate of (the school district
5 rollback rate)."; and

6 (9) contain a section entitled "Fund Balances," which
7 must include the estimated amount of interest and sinking fund
8 balances and the estimated amount of maintenance and operation or
9 general fund balances remaining at the end of the current fiscal
10 year that are not encumbered with or by corresponding debt
11 obligation, less estimated funds necessary for the operation of the
12 district before the receipt of the first payment under Chapter 42 in
13 the succeeding school year.

14 (i) A school district that uses a certified estimate, as
15 authorized by Subsection (h), may adopt a budget at the public
16 meeting designated in the notice prepared using the estimate, but
17 the district may not adopt a tax rate before the district receives
18 the certified appraisal roll for the district required by Section
19 26.01(a), Tax Code. After receipt of the certified appraisal roll,
20 the district must provide [~~publish a~~] revised notice and hold
21 another public meeting before the district may adopt a tax rate that
22 exceeds:

23 (1) the rate proposed in the notice prepared using the
24 estimate; or

25 (2) the district's rollback rate determined under
26 Section 26.08, Tax Code, using the certified appraisal roll.

27 (j) Notwithstanding Subsections (g), (h), and (i), a school

1 district may adopt a budget after the district adopts a tax rate for
2 the tax year in which the fiscal year covered by the budget begins
3 if the district elects to adopt a tax rate before receiving the
4 certified appraisal roll for the district as provided by Section
5 26.05(g), Tax Code. If a school district elects to adopt a tax rate
6 before adopting a budget, the district must provide [~~publish~~]
7 notice and hold a meeting for the purpose of discussing the proposed
8 tax rate as provided by this section. Following adoption of the
9 tax rate, the district must provide [~~publish~~] notice and hold
10 another public meeting before the district may adopt a budget. The
11 comptroller shall prescribe the language and format to be used in
12 the notices. The school district may use the certified estimate of
13 taxable value in preparing a notice under this subsection.

14 SECTION 5. The changes in law made by this Act apply only to
15 notice for a hearing or meeting for which notice is required to be
16 provided on or after the effective date of this Act. A notice for a
17 hearing or meeting for which notice is required to be provided
18 before the effective date of this Act is governed by the law in
19 effect when the notice is required to be provided, and the former
20 law is continued in effect for that purpose.

21 SECTION 6. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2011.