

BILL ANALYSIS

Senate Research Center

S.B. 1510
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Intergovernmental Relations
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1510 amends the Local Government Code to place into statute a mechanism for tax assessor-collectors to provide the public an easier method for understanding property tax rate notices for counties and municipalities.

S.B. 1510 amends current law relating to the public notice required to be provided by certain taxing units before adopting an ad valorem tax rate.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 140, Local Government Code, by adding Section 140.010, as follows:

Sec. 140.010. PROPOSED PROPERTY TAX RATE NOTICE FOR COUNTIES AND MUNICIPALITIES. (a) Provides that, in this section, "effective tax rate" and "rollback tax rate" mean the effective tax rate and rollback tax rate of a county or municipality, as applicable, as calculated under Chapter 26 (Assessment), Tax Code.

(b) Requires each county and municipality, except as provided by this subsection, to provide notice of the county's or municipality's proposed property tax rate in the manner provided by this section. Authorizes a county or municipality to which Section 26.052 (Simplified Tax Rate Notice for Taxing Units With Low Tax Levies), Tax Code, applies to provide notice of the county's or municipality's proposed property tax rate in the manner provided by this section or in the manner provided by Section 26.052, Tax Code.

(c) Provides that a county or municipality that provides notice of the county's or municipality's proposed property tax rate in the manner provided by this section is exempt from the notice and publication requirements of Sections 26.04(e) (relating to requiring the designated officer or employee to submit rates to the governing body), 26.052, and 26.06 (Notice, Hearing, and Vote on Tax Increase), Tax Code, as applicable, and is not subject to an injunction for failure to comply with those requirements.

(d) Requires a county or municipality that proposes a property tax rate that does not exceed the lower of the effective tax rate or the rollback tax rate to provide a notice in certain language.

(e) Requires a county or municipality that proposes a property tax rate that exceeds the lower of the effective tax rate or the rollback tax rate to provide a notice in certain language.

(f) Requires a county or municipality to:

(1) provide the notice required by Subsection (d) or (e), as applicable, not later than September 1 by:

(A) publishing the notice in a newspaper having general circulation in the county, in the case of notice published by a county, or the county in which the municipality is located or primarily located, in the case of notice published by a municipality; or

(B) mailing the notice to each property owner in the county, in the case of notice provided by a county, or the municipality, in the case of notice provided by a municipality; and

(2) post the notice on the Internet website of the county or municipality, if applicable, beginning not later than September 1 and continuing until the county or municipality adopts a tax rate.

(g) Provides that if the notice required by Subsection (d) or (e) is published in a newspaper:

(1) the notice is prohibited from being smaller than one-quarter page of a standard-size or a tabloid-size newspaper; and

(2) the headline on the notice is required to be in 24-point or larger type.

(h) Requires a county or municipality that publishes notice under this section to on request provide any information described by Sections 26.04(e)(1) (relating to requiring the designated officer or employee to deliver by mail to each property owner in the unit or publish in a newspaper the effective tax rate, the rollback tax rate, and an explanation of how they were calculated), (2) (relating to requiring the designated officer or employee to deliver by mail to each property owner in the unit or publish in a newspaper the estimated amount of interest and sinking fund balances and the estimated amount of maintenance and operation or general fund balances remaining at the end of the current fiscal year), (3) (relating to requiring the designated officer or employee to deliver by mail to each property owner in the unit or publish in a newspaper a schedule of the unit's debt obligations), (4) (relating to requiring the designated officer or employee to deliver by mail to each property owner in the unit or publish in a newspaper the amount of additional sales and use tax revenue anticipated in calculations), (5) (relating to requiring the designated officer or employee to deliver by mail to each property owner in the unit or publish in a newspaper a statement that the adoption of a tax rate equal to the effective tax rate would result in an increase or decrease in the amount of taxes imposed by the unit), (6) (relating to requiring the designated officer or employee to deliver by mail to each property owner in the unit or publish in a newspaper in the year that a taxing unit calculates an adjustment, a schedule that includes certain information), and (7) (relating to requiring the designated officer or employee to deliver by mail to each property owner in the unit or publish in a newspaper in the year following the year in which a taxing unit raised its rollback rate, a schedule that includes certain information), Tax Code, regarding the county or municipality, as applicable.

SECTION 2. Provides that this Act applies only to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2014.