

By: Paxton

S.B. No. 657

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to procedural requirements for adopting and filing a  
3 school district budget and voting requirements for setting a  
4 property tax rate by the governing body of a taxing unit, including  
5 a school district.

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

7 SECTION 1. Section 44.004(f), Education Code, is amended to  
8 read as follows:

9 (f) The board of trustees, at the meeting called for that  
10 purpose, shall adopt a budget to cover all expenditures for the  
11 school district for the next succeeding fiscal year. A vote to  
12 adopt the budget must be a record vote. Any taxpayer of the  
13 district may be present and participate in the meeting.

14 SECTION 2. Section 44.005, Education Code, is amended to  
15 read as follows:

16 Sec. 44.005. [~~FILING OF~~] ADOPTED BUDGET. (a) On or before  
17 a date set by the State Board of Education, the budget must be filed  
18 with the agency according to the rules established by the State  
19 Board of Education.

20 (b) The filed budget must contain a cover page that  
21 includes:

22 (1) if the budget requires raising more revenue from  
23 property taxes than in the previous year, the following statement  
24 in 18-point or larger type: "This budget will raise more total

1 property taxes than last year's budget by (insert total dollar  
2 amount of increase and percentage increase), and of that amount  
3 (insert amount computed by multiplying the proposed tax rate by the  
4 value of new property added to the roll) is tax revenue to be raised  
5 from new property added to the tax roll this year.";

6 (2) the school district property tax rates for the  
7 preceding and current fiscal years, including:

8 (A) the adopted property tax rate;

9 (B) the effective tax rate;

10 (C) the effective maintenance and operations tax  
11 rate;

12 (D) the rollback tax rate; and

13 (E) the debt rate;

14 (3) the total amount of bonds and other debt  
15 obligations owed by the district as of the date of the adoption of  
16 the budget;

17 (4) a list of district expenditures comparing the  
18 preceding and current fiscal year expenditures for the following  
19 categories:

20 (A) total per student expenditures;

21 (B) per student expenditures for classroom  
22 instruction activities;

23 (C) per student expenditures for administrative  
24 and instructional support activities;

25 (D) per student expenditures for district  
26 operations; and

27 (E) per student expenditures for debt service

1 requirements; and

2 (5) the record vote of each member of the board of  
3 trustees by name voting on:

4 (A) the adoption of the budget; and

5 (B) the setting of the property tax rate for the  
6 current fiscal year, if the vote has been taken.

7 (c) The district shall take action to ensure that the cover  
8 page of the budget is amended to include the record vote of each  
9 member of the board of trustees by name following the vote on the  
10 setting of the property tax rate for the current fiscal year, if the  
11 information is not included on the cover page.

12 (d) On or before the date described by Subsection (a), the  
13 school district shall post a copy of the adopted budget, including  
14 the required cover page, on the district's Internet website, if the  
15 district operates an Internet website, and maintain the information  
16 for at least three consecutive fiscal years.

17 SECTION 3. Section 26.05(b), Tax Code, is amended to read as  
18 follows:

19 (b) A taxing unit may not impose property taxes in any year  
20 until the governing body has adopted a tax rate for that year, and  
21 the annual tax rate must be set by ordinance, resolution, or order,  
22 depending on the method prescribed by law for adoption of a law by  
23 the governing body. The vote on the ordinance, resolution, or order  
24 setting the tax rate must be separate from the vote adopting the  
25 budget. The vote on the ordinance, resolution, or order setting a  
26 tax rate [~~that exceeds the effective tax rate~~] must be a record  
27 vote. A motion to adopt an ordinance, resolution, or order setting

1 a tax rate that exceeds the effective tax rate must be made in the  
2 following form: "I move that the property tax rate be increased by  
3 the adoption of a tax rate of (specify tax rate), which is  
4 effectively a (insert percentage by which the proposed tax rate  
5 exceeds the effective tax rate) percent increase in the tax rate."  
6 If the ordinance, resolution, or order sets a tax rate that, if  
7 applied to the total taxable value, will impose an amount of taxes  
8 to fund maintenance and operation expenditures of the taxing unit  
9 that exceeds the amount of taxes imposed for that purpose in the  
10 preceding year, the taxing unit must:

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

13 (A) the following statement: "THIS TAX RATE WILL  
14 RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S  
15 TAX RATE."; and

16 (B) if the tax rate exceeds the effective  
17 maintenance and operations rate, the following statement: "THE TAX  
18 RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE  
19 TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE)  
20 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A  
21 \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."; and

22 (2) include on the home page of any Internet website  
23 operated by the unit:

24 (A) the following statement: "(Insert name of  
25 unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE  
26 AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and

27 (B) if the tax rate exceeds the effective

1 maintenance and operations rate, the following statement: "THE TAX  
2 RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE  
3 TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE)  
4 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A  
5 \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

6 SECTION 4. This Act applies only to a budget adopted, or a  
7 vote taken on a fiscal matter, for a fiscal year beginning on or  
8 after the effective date of this Act. A budget adopted, or a vote  
9 taken on a fiscal matter, for a fiscal year beginning before the  
10 effective date of this Act is governed by the law in effect when the  
11 budget was adopted or the vote was taken, and that law is continued  
12 in effect for that purpose.

13 SECTION 5. This Act takes effect September 1, 2013.