

By: Isaac

H.B. No. 1086

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the form of a motion to adopt an ordinance, resolution,
3 or order setting an ad valorem tax rate that exceeds the effective
4 tax rate.

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

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

8 (b) A taxing unit may not impose property taxes in any year
9 until the governing body has adopted a tax rate for that year, and
10 the annual tax rate must be set by ordinance, resolution, or order,
11 depending on the method prescribed by law for adoption of a law by
12 the governing body. The vote on the ordinance, resolution, or order
13 setting the tax rate must be separate from the vote adopting the
14 budget. The vote on the ordinance, resolution, or order setting a
15 tax rate that exceeds the effective tax rate must be a record vote.
16 A motion to adopt an ordinance, resolution, or order setting a tax
17 rate that exceeds the effective tax rate must be made in the
18 following form: "I move that [~~the property tax rate be increased by~~
19 ~~the adoption of~~] a tax rate of (specify tax rate) be adopted, which
20 exceeds the effective tax rate by [~~is effectively a~~] (insert
21 percentage by which the proposed tax rate exceeds the effective tax
22 rate) percent [~~increase in the tax rate~~]." If the ordinance,
23 resolution, or order sets a tax rate that, if applied to the total
24 taxable value, will impose an amount of taxes to fund maintenance

1 and operation expenditures of the taxing unit that exceeds the
2 amount of taxes imposed for that purpose in the preceding year, the
3 taxing unit must:

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

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

9 (B) if the tax rate exceeds the effective
10 maintenance and operations rate, the following statement: "THE TAX
11 RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE
12 TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE)
13 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A
14 \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."; and

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

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

20 (B) if the tax rate exceeds the effective
21 maintenance and operations rate, the following statement: "THE TAX
22 RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE
23 TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE)
24 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A
25 \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

26 SECTION 2. (a) The change in law made by this Act applies to
27 the ad valorem tax rate of a taxing unit beginning with the 2015 tax

1 year, except as provided by Subsection (b) of this section.

2 (b) If the governing body of a taxing unit adopted an ad
3 valorem tax rate for the taxing unit for the 2015 tax year before
4 the effective date of this Act, the change in law made by this Act
5 applies to the ad valorem tax rate of that taxing unit beginning
6 with the 2016 tax year, and the law in effect when the tax rate was
7 adopted applies to the 2015 tax year with respect to that taxing
8 unit.

9 SECTION 3. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2015.