

By: Creighton

S.B. No. 1760

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the transparent and equitable application of ad valorem
3 taxation procedures.

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

5 SECTION 1. Sections [1.111](#)(f) and (j), Tax Code, are amended
6 to read as follows:

7 (f) A property owner in writing filed with the appraisal
8 district may direct the appraisal district, appraisal review board,
9 and each taxing unit participating in the appraisal district to
10 deliver all notices, tax bills, refunds, orders, and other
11 communications relating to one or more specified items of the
12 owner's property to a specified person instead of to the property
13 owner. The instrument must clearly identify the person by name and
14 give the person's address to which all notices, tax bills, refunds,
15 orders, and other communications are to be delivered. The property
16 owner may but is not required to designate the person's agent for
17 other tax matters designated under Subsection (a) as the person to
18 receive all notices, tax bills, refunds, orders, and other
19 communications. The designation of an agent for other tax matters
20 under Subsection (a) may also provide that the agent is the person
21 to whom notices, tax bills, refunds, orders, and other
22 communications are to be delivered under this subsection.

23 (j) An individual exempt from registration as a property tax
24 consultant under Section [1152.002](#), Occupations Code, who is not

1 supervised, directed, or compensated by a person required to
2 register as a property tax consultant under that chapter and who
3 files a protest with the appraisal review board on behalf of the
4 property owner is entitled to receive all notices from the
5 appraisal district and appraisal review board regarding the
6 property subject to the protest until the authority is revoked by
7 the property owner as provided by this section. An individual to
8 which this subsection applies who is not designated by the property
9 owner to receive notices, tax bills, refunds, orders, and other
10 communications as provided by Subsection (f) or Section 1.11 shall
11 file a statement with the protest that includes:

- 12 (1) the individual's name and address;
- 13 (2) a statement that the individual is acting on
14 behalf of the property owner; and
- 15 (3) a statement of the basis for the individual's
16 exemption from registration under Section 1152.002, Occupations
17 Code.

18 SECTION 2. Chapter 5, Tax Code, is amended by adding Section
19 5.091 to read as follows:

20 Sec. 5.091. STATEWIDE LIST OF TAX RATES. (a) Each year the
21 comptroller shall prepare a list that includes the total tax rate
22 imposed by each taxing unit in this state, other than a school
23 district, if the tax rate is reported to the comptroller, for the
24 year preceding the year in which the list is prepared. The
25 comptroller shall list the tax rates in descending order.

26 (b) Not later than December 31 of each year, the comptroller
27 shall publish on the comptroller's Internet website the list

1 required by Subsection (a).

2 SECTION 3. Section 11.431(b), Tax Code, is amended to read
3 as follows:

4 (b) If a late application is approved after approval of the
5 appraisal records by the appraisal review board, the chief
6 appraiser shall notify the collector for each unit in which the
7 residence is located. The collector shall deduct from the person's
8 tax bill the amount of tax imposed on the exempted amount if the tax
9 has not been paid. If the tax has been paid, the collector shall
10 refund the amount of tax imposed on the exempted amount. A person
11 is not required to apply for a refund under this subsection to
12 receive the refund.

13 SECTION 4. Section 26.05(b), Tax Code, is amended to read as
14 follows:

15 (b) A taxing unit may not impose property taxes in any year
16 until the governing body has adopted a tax rate for that year, and
17 the annual tax rate must be set by ordinance, resolution, or order,
18 depending on the method prescribed by law for adoption of a law by
19 the governing body. The vote on the ordinance, resolution, or order
20 setting the tax rate must be separate from the vote adopting the
21 budget. The vote on the ordinance, resolution, or order setting a
22 tax rate that exceeds the effective tax rate must be a record vote,
23 and at least 60 percent of the members of the governing body must
24 vote in favor of the ordinance, resolution, or order. A motion to
25 adopt an ordinance, resolution, or order setting a tax rate that
26 exceeds the effective tax rate must be made in the following form:
27 "I move that the property tax rate be increased by the adoption of a

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

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

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

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

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

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

25 (B) if the tax rate exceeds the effective
26 maintenance and operations rate, the following statement: "THE TAX
27 RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE

1 TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE)
2 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A
3 \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

4 SECTION 5. Section 26.06(d), Tax Code, is amended to read as
5 follows:

6 (d) At the public hearings the governing body shall announce
7 the date, time, and place of the meeting at which it will vote on the
8 proposed tax rate. After each hearing the governing body shall give
9 notice of the meeting at which it will vote on the proposed tax rate
10 and the notice shall be in the same form as prescribed by
11 Subsections (b) and (c), except that it must state the following:

12 "NOTICE OF TAX REVENUE INCREASE

13 "The (name of the taxing unit) conducted public hearings on
14 (date of first hearing) and (date of second hearing) on a proposal
15 to increase the total tax revenues of the (name of the taxing unit)
16 from properties on the tax roll in the preceding year by (percentage
17 by which proposed tax rate exceeds lower of rollback tax rate or
18 effective tax rate calculated under this chapter) percent.

19 "The total tax revenue proposed to be raised last year at last
20 year's tax rate of (insert tax rate for the preceding year) for each
21 \$100 of taxable value was (insert total amount of taxes imposed in
22 the preceding year).

23 "The total tax revenue proposed to be raised this year at the
24 proposed tax rate of (insert proposed tax rate) for each \$100 of
25 taxable value, excluding tax revenue to be raised from new property
26 added to the tax roll this year, is (insert amount computed by
27 multiplying proposed tax rate by the difference between current

1 total value and new property value).

2 "The total tax revenue proposed to be raised this year at the
3 proposed tax rate of (insert proposed tax rate) for each \$100 of
4 taxable value, including tax revenue to be raised from new property
5 added to the tax roll this year, is (insert amount computed by
6 multiplying proposed tax rate by current total value).

7 "The (governing body of the taxing unit) is scheduled to vote
8 on the tax rate that will result in that tax increase at a public
9 meeting to be held on (date of meeting) at (location of meeting,
10 including mailing address) at (time of meeting).

11 "The (governing body of the taxing unit) proposes to use the
12 increase in total tax revenue for the purpose of (description of
13 purpose of increase)."

14 SECTION 6. Section 26.15(f), Tax Code, is amended to read as
15 follows:

16 (f) If a correction that decreases the tax liability of a
17 property owner is made after the owner has paid the tax, the taxing
18 unit shall refund to the property owner the difference between the
19 tax paid and the tax legally due, except as provided by Section
20 25.25(n). A property owner is not required to apply for a refund
21 under this subsection to receive the refund.

22 SECTION 7. Section 26.08(b), Tax Code, is amended to read as
23 follows:

24 (b) The governing body shall order that the election be held
25 in the school district on a date not less than 30 or more than 90
26 days after the day on which it adopted the tax rate. Section
27 41.001, Election Code, does not apply to the election unless a date

1 specified by that section falls within the time permitted by this
2 section. At the election, the ballots shall be prepared to permit
3 voting for or against the proposition: "Approving the ad valorem
4 tax rate of \$_____ per \$100 valuation in (name of school district)
5 for the current year, a rate that is \$_____ higher per \$100
6 valuation than the school district rollback tax rate, for the
7 purpose of (description of purpose of increase)." The ballot
8 proposition must include the adopted tax rate and the difference
9 between that rate and the rollback tax rate in the appropriate
10 places.

11 SECTION 8. Section [42.23](#), Tax Code, is amended by adding
12 Subsection (i) to read as follows:

13 (i) When an appraisal district employee testifies as to the
14 value of real property in an appeal under Section [42.25](#) or [42.26](#),
15 the court may give preference to an employee who is a person
16 authorized to perform an appraisal of real estate under Section
17 [1103.201](#), Occupations Code.

18 SECTION 9. Section [42.43](#)(b), Tax Code, is amended to read as
19 follows:

20 (b) For a refund made under this section, the taxing unit
21 shall include with the refund interest on the amount refunded
22 calculated at an annual rate of 9.5 [~~that is equal to the sum of two~~
23 ~~percent and the most recent prime rate quoted and published by the~~
24 ~~Federal Reserve Board as of the first day of the month in which the~~
25 ~~refund is made, but not more than a total of eight] percent,
26 calculated from the delinquency date for the taxes until the date
27 the refund is made.~~

1 SECTION 10. Sections 140.010(e) and (f), Local Government
2 Code, are amended to read as follows:

3 (e) A county or municipality that proposes a property tax
4 rate that exceeds the lower of the effective tax rate or the
5 rollback tax rate shall provide the following notice:

6 "NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX
7 RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)

8 "A tax rate of \$_____ per \$100 valuation has been proposed for
9 adoption by the governing body of (insert name of county or
10 municipality). This rate exceeds the lower of the effective or
11 rollback tax rate, and state law requires that two public hearings
12 be held by the governing body before adopting the proposed tax rate.
13 The governing body of (insert name of county or municipality)
14 proposes to use revenue attributable to the tax rate increase for
15 the purpose of (description of purpose of increase).

16	PROPOSED TAX RATE	\$_____ per \$100
17	PRECEDING YEAR'S TAX RATE	\$_____ per \$100
18	EFFECTIVE TAX RATE	\$_____ per \$100
19	ROLLBACK TAX RATE	\$_____ per \$100

20 "The effective tax rate is the total tax rate needed to raise the
21 same amount of property tax revenue for (insert name of county or
22 municipality) from the same properties in both the (insert
23 preceding tax year) tax year and the (insert current tax year) tax
24 year.

25 "The rollback tax rate is the highest tax rate that (insert name of
26 county or municipality) may adopt before voters are entitled to
27 petition for an election to limit the rate that may be approved to

1 the rollback rate.

2 "YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS

3 FOLLOWS:

$$4 \text{ property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) /$$

$$5 \qquad \qquad \qquad 100$$

6 "For assistance or detailed information about tax calculations,
7 please contact:

- 8 (insert name of county or municipal tax assessor-collector)
- 9 (insert name of county or municipality) tax
- 10 assessor-collector
- 11 (insert address)
- 12 (insert telephone number)
- 13 (insert e-mail address)
- 14 (insert Internet website address, if applicable)

15 "You are urged to attend and express your views at the following
16 public hearings on the proposed tax rate:

17 First Hearing: (insert date and time) at (insert location of
18 meeting).

19 Second Hearing: (insert date and time) at (insert location
20 of meeting)."

21 (f) A county or municipality shall:

- 22 (1) provide the notice required by Subsection (d) or
- 23 (e), as applicable, by the earlier of October [~~not later than~~
- 24 ~~September~~] 1 or the 30th day after the date the taxing unit's
- 25 appraisal roll is certified by:

26 (A) publishing the notice in a newspaper having
27 general circulation in:

1 (i) the county, in the case of notice
2 published by a county; or

3 (ii) the county in which the municipality
4 is located or primarily located, in the case of notice published by
5 a municipality; or

6 (B) mailing the notice to each property owner in:

7 (i) the county, in the case of notice
8 provided by a county; or

9 (ii) the municipality, in the case of
10 notice provided by a municipality; and

11 (2) post the notice on the Internet website of the
12 county or municipality, if applicable, beginning by the earlier of
13 October [not later than September] 1 or the 30th day after the date
14 the taxing unit's appraisal roll is certified and continuing until
15 the county or municipality adopts a tax rate.

16 SECTION 11. Subchapter H, Chapter 49, Water Code, is
17 amended by adding Section 49.2361 to read as follows:

18 Sec. 49.2361. ADDITIONAL NOTICE FOR CERTAIN TAX INCREASES.
19 If a district proposes to adopt a combined tax rate that would
20 authorize the qualified voters of the district by petition to
21 require a rollback election to be held in the district, the notice
22 required by Section 49.236 must include a description of the
23 purpose of the proposed tax increase.

24 SECTION 12. (a) Except as provided by Subsection (b), the
25 changes in law made by this Act apply only to an ad valorem tax year
26 that begins on or after the effective date of this Act.

27 (b) The change in law made by this Act to a provision of

1 Title 1, Tax Code, that affects the amount or rate of any penalty or
2 interest due applies only to penalties and interest that accrue on
3 or after the effective date of this Act. Penalties and interest
4 that accrued before the effective date of this Act are governed by
5 the law in effect when the penalties and interest accrued, and that
6 law is continued in effect for that purpose.

7 SECTION 13. (a) Except as provided by Subsection (b) of
8 this section, this Act takes effect January 1, 2016.

9 (b) Section [42.23\(i\)](#), Tax Code, as added by this Act, takes
10 effect January 1, 2020.