

By: Bonnen of Brazoria

H.B. No. 3

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem taxation; authorizing fees.

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

ARTICLE 1. SHORT TITLE

SECTION 1.01. This Act may be cited as the Property Tax Payer Empowerment Act of 2017.

ARTICLE 2. ADMINISTRATION OF AD VALOREM TAX SYSTEM

SECTION 2.01. Section 1.085(a), Tax Code, is amended to read as follows:

(a) Notwithstanding any other provision in this title and except as provided by this section, any notice, rendition, application form, or completed application, or information requested under Section 41.461(a)(2), that is required or permitted by this title to be delivered between a chief appraiser, an appraisal district, an appraisal review board, or any combination of those persons and a property owner or ~~[between a chief appraiser, an appraisal district, an appraisal review board, or any combination of those persons and]~~ a person designated by a property owner under Section 1.111(f) may be delivered in an electronic format if the chief appraiser and the property owner or person designated by the owner agree under this section.

SECTION 2.02. Chapter 5, Tax Code, is amended by adding Section 5.01 to read as follows:

Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD.

1 (a) The comptroller shall appoint the property tax administration  
2 advisory board to advise the comptroller with respect to the  
3 division or divisions within the office of the comptroller with  
4 primary responsibility for state administration of property  
5 taxation and state oversight of appraisal districts and local tax  
6 offices. The advisory board may make recommendations to the  
7 comptroller regarding improving the effectiveness and efficiency  
8 of the property tax system, best practices, and complaint  
9 resolution procedures. The comptroller shall post the  
10 recommendations of the advisory board on the comptroller's Internet  
11 website.

12 (b) The advisory board is composed of at least six members  
13 appointed by the comptroller. The members of the board should  
14 include:

15 (1) representatives of property tax payers, appraisal  
16 districts, and school districts; and

17 (2) a person who has knowledge or experience in  
18 conducting ratio studies.

19 (c) The members of the advisory board serve at the pleasure  
20 of the comptroller.

21 (d) Any advice to the comptroller relating to a matter  
22 described by Subsection (a) that is provided by a member of the  
23 advisory board must be provided at a meeting called by the  
24 comptroller.

25 (e) Chapter 2110, Government Code, does not apply to the  
26 advisory board.

27 SECTION 2.03. Sections 5.041(b), (c), and (e-1), Tax Code,

1 are amended to read as follows:

2 (b) A member of the appraisal review board established for  
3 an appraisal district must complete the course established under  
4 Subsection (a). The course must provide at least eight hours of  
5 classroom training and education. A member of the appraisal review  
6 board may not participate in a hearing conducted by the board unless  
7 the person has completed the course established under Subsection  
8 (a) and received a certificate of course completion.

9 (c) The comptroller may contract with service providers to  
10 assist with the duties imposed under Subsection (a), but the course  
11 required may not be provided by an appraisal district, the chief  
12 appraiser or another employee of an appraisal district, a member of  
13 the board of directors of an appraisal district, a member of an  
14 appraisal review board, or a taxing unit. The comptroller may  
15 assess a fee to recover a portion of the costs incurred for the  
16 training course, but the fee may not exceed \$50 per person trained.  
17 If the training is provided to an individual other than a member of  
18 an appraisal review board, the comptroller may assess a fee not to  
19 exceed \$50 per person trained.

20 (e-1) In addition to the course established under  
21 Subsection (a), the comptroller shall approve curricula and provide  
22 materials for use in a continuing education course for members of an  
23 appraisal review board. The course must provide at least four hours  
24 of classroom training and education. The curricula and materials  
25 must include information regarding:

26 (1) the cost, income, and market data comparison  
27 methods of appraising property;

- 1 (2) the appraisal of business personal property;
- 2 (3) the determination of capitalization rates for  
3 property appraisal purposes;
- 4 (4) the duties of an appraisal review board;
- 5 (5) the requirements regarding the independence of an  
6 appraisal review board from the board of directors and the chief  
7 appraiser and other employees of the appraisal district;
- 8 (6) the prohibitions against ex parte communications  
9 applicable to appraisal review board members;
- 10 (7) the Uniform Standards of Professional Appraisal  
11 Practice;
- 12 (8) the duty of the appraisal district to substantiate  
13 the district's determination of the value of property;
- 14 (9) the requirements regarding the equal and uniform  
15 appraisal of property;
- 16 (10) the right of a property owner to protest the  
17 appraisal of the property as provided by Chapter 41; and
- 18 (11) a detailed explanation of each of the actions  
19 described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413,  
20 41.42, and 41.43 so that members are fully aware of each of the  
21 grounds on which a property appraisal can be appealed.

22 SECTION 2.04. Chapter 5, Tax Code, is amended by adding  
23 Section 5.043 to read as follows:

24 Sec. 5.043. TRAINING OF ARBITRATORS. (a) This section  
25 applies only to persons who have agreed to serve as arbitrators  
26 under Chapter 41A.

27 (b) The comptroller shall:

1           (1) approve curricula and provide an arbitration  
2 manual and other materials for use in training and educating  
3 arbitrators;

4           (2) make all materials for use in training and  
5 educating arbitrators freely available online; and

6           (3) establish and supervise a training program on  
7 property tax law for the training and education of arbitrators.

8           (c) The training program must:

9           (1) emphasize the requirements regarding the equal and  
10 uniform appraisal of property; and

11           (2) be at least four hours in length.

12           (d) The training program may be provided online. The  
13 comptroller by rule may prescribe the manner by which the  
14 comptroller may verify that a person taking the training program  
15 online has taken and completed the program.

16           (e) The comptroller may contract with service providers to  
17 assist with the duties imposed under Subsection (b), but the  
18 training program may not be provided by an appraisal district, the  
19 chief appraiser or another employee of an appraisal district, a  
20 member of the board of directors of an appraisal district, a member  
21 of an appraisal review board, or a taxing unit. The comptroller may  
22 assess a fee to recover a portion of the costs incurred for the  
23 training program, but the fee may not exceed \$50 for each person  
24 trained.

25           (f) The comptroller shall prepare an arbitration manual for  
26 use in the training program. The manual shall be updated regularly  
27 and may be revised on request, in writing, to the comptroller. The

1 revised language must be approved by the unanimous agreement of a  
2 committee selected by the comptroller and representing, equally,  
3 taxpayers and chief appraisers. The person requesting the revision  
4 must pay the costs of mediation if the comptroller determines that  
5 mediation is required.

6 SECTION 2.05. Section 5.07, Tax Code, is amended by adding  
7 Subsections (f), (g), (h), and (i) to read as follows:

8 (f) In conjunction with prescribing a uniform record system  
9 to be used by all appraisal districts as required by Subsection (c),  
10 the comptroller shall prescribe tax rate calculation forms to be  
11 used by the designated officer or employee of each:

12 (1) taxing unit other than a school district to  
13 calculate and submit the no-new-revenue tax rate and the rollback  
14 tax rate for the unit as required by Chapter 26; and

15 (2) school district to calculate and submit the  
16 no-new-revenue tax rate, the rollback tax rate, and the rate to  
17 maintain the same amount of state and local revenue per weighted  
18 student that the district received in the school year beginning in  
19 the preceding tax year as required by Chapter 26.

20 (g) The forms described by Subsection (f) must be in an  
21 electronic format and:

22 (1) have blanks that can be filled in electronically;

23 (2) be capable of being certified by the designated  
24 officer or employee after completion as accurately calculating the  
25 applicable tax rates and using values that are the same as the  
26 values shown in the taxing unit's certified appraisal roll; and

27 (3) be capable of being submitted electronically to

1 the chief appraiser of each appraisal district in which the taxing  
2 unit is located.

3 (h) For purposes of Subsections (f) and (g), the comptroller  
4 shall use the forms published on the comptroller's Internet website  
5 as of January 1, 2017, as modified as necessary to comply with the  
6 requirements of those subsections. The forms may be updated at the  
7 discretion of the comptroller to reflect any statutory change in  
8 the values used to calculate a tax rate or to reflect formatting or  
9 other nonsubstantive changes.

10 (i) The comptroller may revise the forms to reflect  
11 statutory changes other than those described by Subsection (h) or  
12 on receipt of a request in writing. A revision under this  
13 subsection must be approved by the agreement of a majority of the  
14 members of a committee selected by the comptroller who are present  
15 at a committee meeting at which a quorum is present. The members of  
16 the committee must represent, equally, taxpayers and either taxing  
17 units or persons designated by taxing units. In the case of a  
18 revision for which the comptroller receives a request in writing,  
19 the person requesting the revision shall pay the costs of mediation  
20 if the comptroller determines that mediation is required.

21 SECTION 2.06. Section 5.091, Tax Code, is amended to read as  
22 follows:

23 Sec. 5.091. STATEWIDE LIST OF TAX RATES. (a) Each year the  
24 comptroller shall prepare a list that includes the total tax rate  
25 imposed by each taxing unit in this state, as ~~[other than a school~~  
26 ~~district, if the tax rate is]~~ reported to the comptroller by each  
27 appraisal district, for the year ~~[preceding the year]~~ in which the

1 list is prepared. The comptroller shall:

2 (1) prescribe the manner in which and deadline by  
3 which appraisal districts are required to submit the tax rates to  
4 the comptroller; and

5 (2) list the tax rates alphabetically according to:

6 (A) the county or counties in which each taxing  
7 unit is located; and

8 (B) the name of each taxing unit [in descending  
9 order].

10 (b) Not later than January 1 [~~December 31~~] of the following  
11 [~~each~~] year, the comptroller shall publish on the comptroller's  
12 Internet website the list required by Subsection (a).

13 SECTION 2.07. Section 5.102(a), Tax Code, is amended to  
14 read as follows:

15 (a) At least once every two years, the comptroller shall  
16 review the governance of each appraisal district, taxpayer  
17 assistance provided, and the operating and appraisal standards,  
18 procedures, and methodology used by each appraisal district, to  
19 determine compliance with generally accepted standards,  
20 procedures, and methodology. After consultation with the property  
21 tax administration advisory board [~~committee created under Section~~  
22 ~~403.302, Government Code~~], the comptroller by rule may establish  
23 procedures and standards for conducting and scoring the review.

24 SECTION 2.08. Chapter 5, Tax Code, is amended by adding  
25 Section 5.104 to read as follows:

26 Sec. 5.104. APPRAISAL REVIEW BOARD SURVEY; REPORT. (a) The  
27 comptroller shall prepare:



1           (1) an appraisal review board survey form that allows  
2 an individual described by Subsection (b) to submit comments and  
3 suggestions to the comptroller regarding an appraisal review board;  
4 and

5           (2) instructions for completing and submitting the  
6 form.

7           (b) The following individuals may complete and submit a  
8 survey form under this section:

9           (1) a property owner who files a motion under Section  
10 25.25 to correct the appraisal roll or a protest under Chapter 41;

11           (2) the designated agent of the property owner; or

12           (3) a designated representative of the appraisal  
13 district in which the motion or protest is filed who attends the  
14 hearing on the motion or protest.

15           (c) The survey form must allow an individual to submit  
16 comments and suggestions regarding:

17           (1) the matters listed in Section 5.103(b); and

18           (2) any other matter related to the fairness and  
19 efficiency of the appraisal review board.

20           (d) An appraisal district must provide the survey form and  
21 the instructions for completing and submitting the form to each  
22 property owner or designated agent of the owner:

23           (1) at or before each hearing conducted under Section  
24 25.25 or Chapter 41 by the appraisal review board established for  
25 the appraisal district or by a panel of the board; and

26           (2) with each order under Section 25.25 or 41.47  
27 determining a motion or protest, as applicable, delivered by the

1 board or by a panel of the board.

2 (e) An individual who elects to submit the survey form must  
3 submit the form to the comptroller as provided by this section. An  
4 appraisal district may not accept a survey form submitted under  
5 this section. An individual may submit only one survey form for  
6 each motion or protest.

7 (f) The comptroller shall allow an individual to submit a  
8 survey form to the comptroller in the following manner:

9 (1) in person;

10 (2) by mail;

11 (3) by electronic mail; or

12 (4) through a web page on the comptroller's Internet  
13 website that allows the individual to complete and submit the form.

14 (g) An appraisal district may not require a property owner  
15 or the designated agent of the owner to complete a survey form at  
16 the appraisal office in order to be permitted to submit the form to  
17 the comptroller.

18 (h) A property owner or the designated agent of the owner  
19 who elects to submit a survey form provided to the owner or agent  
20 under Subsection (d)(1) or (2) must submit the form not later than  
21 the earlier of the 45th day after the date:

22 (1) the form is sent to the owner or agent under  
23 Subsection (d)(2); or

24 (2) the matter that is the subject of the protest is  
25 finally resolved if the protest is settled or otherwise resolved in  
26 a manner that does not require the issuance of an order described by  
27 Subsection (d)(2).

1       (i) A designated representative of an appraisal district  
2 who elects to submit a survey form following a hearing conducted  
3 under Section 25.25 or Chapter 41 must submit the form not later  
4 than the 45th day after the date the form is sent to the property  
5 owner or designated agent of the owner under Subsection (d)(2)  
6 following that hearing.

7       (j) The comptroller shall issue an annual report that  
8 summarizes the information included in the survey forms submitted  
9 during the preceding year. The report may not disclose the identity  
10 of an individual who submitted a survey form.

11       (k) The comptroller may adopt rules necessary to implement  
12 this section.

13       SECTION 2.09. Section 6.41, Tax Code, is amended by  
14 amending Subsections (b) and (d-9) and adding Subsections (b-1),  
15 (b-2), and (d-10) to read as follows:

16       (b) Except as provided by Subsection (b-1) or (b-2), an  
17 appraisal review [The] board consists of three members.

18       (b-1) An appraisal [However, the] district board of  
19 directors by resolution of a majority of the board's [its] members  
20 may increase the size of the district's appraisal review board to  
21 the number of members the board of directors considers appropriate.

22       (b-2) An appraisal district board of directors for a  
23 district established in a county with a population of one million or  
24 more by resolution of a majority of the board's members shall  
25 increase the size of the district's appraisal review board to the  
26 number of members the board of directors considers appropriate to  
27 manage the duties of the appraisal review board, including the

1 duties of each special panel established under Section 6.425.

2 (d-9) In selecting individuals who are to serve as members  
3 of the appraisal review board, the local administrative district  
4 judge shall select an adequate number of qualified individuals to  
5 permit the chairman of the appraisal review board to fill the  
6 positions on each special panel established under Section 6.425.

7 (d-10) Upon selection of the individuals who are to serve as  
8 members of the appraisal review board, the local administrative  
9 district judge shall enter an appropriate order designating such  
10 members and setting each member's respective term of office, as  
11 provided elsewhere in this section.

12 SECTION 2.10. Sections 6.412(a) and (d), Tax Code, are  
13 amended to read as follows:

14 (a) An individual is ineligible to serve on an appraisal  
15 review board if the individual:

16 (1) is related within the second degree by  
17 consanguinity or affinity, as determined under Chapter 573,  
18 Government Code, to an individual who is engaged in the business of  
19 appraising property for compensation for use in proceedings under  
20 this title or of representing property owners for compensation in  
21 proceedings under this title in the appraisal district for which  
22 the appraisal review board is established;

23 (2) owns property on which delinquent taxes have been  
24 owed to a taxing unit for more than 60 days after the date the  
25 individual knew or should have known of the delinquency unless:

26 (A) the delinquent taxes and any penalties and  
27 interest are being paid under an installment payment agreement

1 under Section 33.02; or

2 (B) a suit to collect the delinquent taxes is  
3 deferred or abated under Section 33.06 or 33.065; or

4 (3) is related within the third degree by  
5 consanguinity or within the second degree by affinity, as  
6 determined under Chapter 573, Government Code, to a member of:

7 (A) the appraisal district's board of directors;  
8 or

9 (B) the appraisal review board.

10 (d) A person is ineligible to serve on the appraisal review  
11 board of an appraisal district established for a county described  
12 by Section 6.41(d-1) [~~having a population of more than 100,000~~] if  
13 the person:

14 (1) is a former member of the board of directors,  
15 former officer, or former employee of the appraisal district;

16 (2) served as a member of the governing body or officer  
17 of a taxing unit for which the appraisal district appraises  
18 property, until the fourth anniversary of the date the person  
19 ceased to be a member or officer; [~~or~~]

20 (3) appeared before the appraisal review board for  
21 compensation during the two-year period preceding the date the  
22 person is appointed; or

23 (4) served for all or part of three previous terms as a  
24 board member or auxiliary board member on the appraisal review  
25 board.

26 SECTION 2.11. Section 6.414(d), Tax Code, is amended to  
27 read as follows:

1 (d) An auxiliary board member may hear taxpayer protests  
2 before the appraisal review board. An auxiliary board member may  
3 not hear taxpayer protests before a special panel established under  
4 Section 6.425 unless the member is eligible to be appointed to the  
5 special panel. If one or more auxiliary board members sit on a  
6 panel established under Section 6.425 or 41.45 to conduct a protest  
7 hearing, the number of regular appraisal review board members  
8 required by that section to constitute the panel is reduced by the  
9 number of auxiliary board members sitting. An auxiliary board  
10 member sitting on a panel is considered a regular board member for  
11 all purposes related to the conduct of the hearing.

12 SECTION 2.12. Section 6.42, Tax Code, is amended by  
13 amending Subsection (a) and adding Subsection (d) to read as  
14 follows:

15 (a) A majority of the appraisal review board constitutes a  
16 quorum. The local administrative district judge under Subchapter  
17 D, Chapter 74, Government Code, in the county in which [~~board of~~  
18 ~~directors of~~] the appraisal district is established [~~by resolution~~]  
19 shall select a chairman and a secretary from among the members of  
20 the appraisal review board. The judge [~~board of directors of the~~  
21 ~~appraisal district~~] is encouraged to select as chairman [~~of the~~  
22 ~~appraisal review board~~] a member of the appraisal review board, if  
23 any, who has a background in law and property appraisal.

24 (d) The concurrence of a majority of the members of the  
25 appraisal review board or a panel of the board present at a meeting  
26 of the board or panel is sufficient for a recommendation,  
27 determination, decision, or other action by the board or panel, and

1 the concurrence of more than a majority of the members of the board  
2 or panel may not be required.

3 SECTION 2.13. Subchapter C, Chapter 6, Tax Code, is amended  
4 by adding Section 6.425 to read as follows:

5 Sec. 6.425. SPECIAL APPRAISAL REVIEW BOARD PANELS IN  
6 CERTAIN DISTRICTS. (a) This section applies only to the appraisal  
7 review board for an appraisal district described by Section  
8 6.41(b-2).

9 (b) The appraisal review board shall establish special  
10 panels to conduct protest hearings under Chapter 41 relating to  
11 property that:

12 (1) has an appraised value of \$50 million or more as  
13 determined by the appraisal district; and

14 (2) is included in one of the following  
15 classifications:

16 (A) commercial real and personal property;

17 (B) real and personal property of utilities;

18 (C) industrial and manufacturing real and  
19 personal property; and

20 (D) multifamily residential real property.

21 (c) Each special panel described by this section consists of  
22 three members of the appraisal review board appointed by the  
23 chairman of the board.

24 (d) To be eligible to be appointed to a special panel  
25 described by this section, a member of the appraisal review board  
26 must:

27 (1) hold a juris doctor or equivalent degree;

1           (2) hold a master of business administration degree;

2           (3) be licensed as a certified public accountant under  
3 Chapter 901, Occupations Code;

4           (4) be accredited by the American Society of  
5 Appraisers as an accredited senior appraiser;

6           (5) possess an MAI professional designation from the  
7 Appraisal Institute;

8           (6) possess a Certified Assessment Evaluator (CAE)  
9 professional designation from the International Association of  
10 Assessing Officers;

11           (7) have at least 20 years of experience in property  
12 tax appraisal or consulting; or

13           (8) be licensed as a real estate broker or sales agent  
14 under Chapter 1101, Occupations Code.

15           (e) Notwithstanding Subsection (d), the chairman of the  
16 appraisal review board may appoint to a special panel described by  
17 this section a member of the appraisal review board who does not  
18 meet the qualifications prescribed by that subsection if:

19           (1) the number of persons appointed to the board by the  
20 local administrative district judge who meet those qualifications  
21 is not sufficient to fill the positions on each special panel; and

22           (2) the board member being appointed to the panel  
23 holds a bachelor's degree in any field.

24           (f) In addition to conducting protest hearings relating to  
25 property described by Subsection (b) of this section, a special  
26 panel may conduct protest hearings under Chapter 41 relating to  
27 property not described by Subsection (b) of this section as



1 assigned by the chairman of the appraisal review board.

2 SECTION 2.14. Effective January 1, 2019, Section 25.19, Tax  
3 Code, is amended by adding Subsections (b-3) and (b-4) to read as  
4 follows:

5 (b-3) This subsection applies only to an appraisal district  
6 described by Section 6.41(b-2). In addition to the information  
7 required by Subsection (b), the chief appraiser shall state in a  
8 notice of appraised value of property described by Section 6.425(b)  
9 that the property owner has the right to have a protest relating to  
10 the property heard by a special panel of the appraisal review board.

11 (b-4) Subsection (b)(5) applies only to a notice of  
12 appraised value required to be delivered by the chief appraiser of  
13 an appraisal district established in a county with a population of  
14 less than 120,000. This subsection expires January 1, 2020.

15 SECTION 2.15. (a) This section takes effect only if Article  
16 3 of this Act does not take effect.

17 (b) Effective January 1, 2020, Sections 25.19(b) and (i),  
18 Tax Code, are amended to read as follows:

19 (b) The chief appraiser shall separate real from personal  
20 property and include in the notice for each:

21 (1) a list of the taxing units in which the property is  
22 taxable;

23 (2) the appraised value of the property in the  
24 preceding year;

25 (3) the taxable value of the property in the preceding  
26 year for each taxing unit taxing the property;

27 (4) the appraised value of the property for the

1 current year, the kind and amount of each exemption and partial  
2 exemption, if any, approved for the property for the current year  
3 and for the preceding year, and, if an exemption or partial  
4 exemption that was approved for the preceding year was canceled or  
5 reduced for the current year, the amount of the exemption or partial  
6 exemption canceled or reduced;

7 (5) ~~[if the appraised value is greater than it was in~~  
8 ~~the preceding year, the amount of tax that would be imposed on the~~  
9 ~~property on the basis of the tax rate for the preceding year;~~

10 ~~[(6)]~~ in italic typeface, the following  
11 statement: "The Texas Legislature does not set the amount of your  
12 local taxes. Your property tax burden is decided by your locally  
13 elected officials, and all inquiries concerning your taxes should  
14 be directed to those officials";

15 (6) ~~[(7)]~~ a detailed explanation of the time and  
16 procedure for protesting the value;

17 (7) ~~[(8)]~~ the date and place the appraisal review  
18 board will begin hearing protests; and

19 (8) ~~[(9)]~~ a brief explanation that the governing body  
20 of each taxing unit decides whether or not taxes on the property  
21 will increase and the appraisal district only determines the value  
22 of the property.

23 (i) Delivery with a notice required by Subsection (a) or (g)  
24 of a copy of the pamphlet published by the comptroller under Section  
25 5.06 or a copy of the notice published by the chief appraiser under  
26 Section 41.70 is sufficient to comply with the requirement that the  
27 notice include the information specified by Subsection (b)(6)

1 ~~[(b)(7)]~~ or (g)(3), as applicable.

2 SECTION 2.16. Section 25.25(c), Tax Code, is amended to  
3 read as follows:

4 (c) The appraisal review board, on motion of the chief  
5 appraiser or of a property owner, may direct by written order  
6 changes in the appraisal roll for any of the five preceding years to  
7 correct:

8 (1) clerical errors that affect a property owner's  
9 liability for a tax imposed in that tax year;

10 (2) multiple appraisals of a property in that tax  
11 year;

12 (3) the inclusion of property that does not exist in  
13 the form or at the location described in the appraisal roll; ~~[or]~~

14 (4) an error in which property is shown as owned by a  
15 person who did not own the property on January 1 of that tax year; or

16 (5) an error in the square footage of a property  
17 described in the appraisal roll and any error in the appraised value  
18 of the property that resulted from that error.

19 SECTION 2.17. Section 26.012(9), Tax Code, is redesignated  
20 as Section 26.012(18), Tax Code, and amended to read as follows:

21 (18) "No-new-revenue ~~[(9) — "Effective]~~ maintenance  
22 and operations rate" means a rate expressed in dollars per \$100 of  
23 taxable value and calculated according to the following formula:

24 NO-NEW-REVENUE ~~[EFFECTIVE]~~ MAINTENANCE AND OPERATIONS  
25 RATE = (LAST YEAR'S LEVY - LAST YEAR'S DEBT LEVY - LAST  
26 YEAR'S JUNIOR COLLEGE LEVY) / (CURRENT TOTAL VALUE -  
27 NEW PROPERTY VALUE)

1 SECTION 2.18. The heading to Section 26.04, Tax Code, is  
2 amended to read as follows:

3 Sec. 26.04. SUBMISSION OF ROLL TO GOVERNING BODY;  
4 NO-NEW-REVENUE [~~EFFECTIVE~~] AND ROLLBACK TAX RATES.

5 SECTION 2.19. Section 26.04, Tax Code, is amended by  
6 amending Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and  
7 (j) and adding Subsections (d-1), (d-2), (e-2), (e-3), and (e-4) to  
8 read as follows:

9 (b) The assessor shall submit the appraisal roll for the  
10 unit showing the total appraised, assessed, and taxable values of  
11 all property and the total taxable value of new property to the  
12 governing body of the unit by August 1 or as soon thereafter as  
13 practicable. By August 1 or as soon thereafter as practicable, the  
14 taxing unit's collector shall certify [~~an estimate of~~] the  
15 anticipated collection rate, as defined by Subsection (h), for the  
16 current year to the governing body. If the collector certified an  
17 anticipated collection rate in the preceding year and the actual  
18 collection rate in that year exceeded the anticipated rate, the  
19 collector shall also certify the amount of debt taxes collected in  
20 excess of the anticipated amount in the preceding year.

21 (c) After the assessor for the unit submits the appraisal  
22 roll for the unit to the governing body of the unit as required by  
23 Subsection (b), an [~~An~~] officer or employee designated by the  
24 governing body shall calculate the no-new-revenue [~~effective~~] tax  
25 rate and the rollback tax rate for the unit, where:

26 (1) "No-new-revenue [~~Effective~~] tax rate" means a rate  
27 expressed in dollars per \$100 of taxable value calculated according

1 to the following formula:

2 NO-NEW-REVENUE [~~EFFECTIVE~~] TAX RATE = (LAST YEAR'S  
3 LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE -  
4 NEW PROPERTY VALUE)

5 ; and

6 (2) "Rollback tax rate" means a rate expressed in  
7 dollars per \$100 of taxable value calculated according to the  
8 following formula:

9 ROLLBACK TAX RATE = (NO-NEW-REVENUE [~~EFFECTIVE~~] MAINTENANCE  
10 AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE

11 (d) The no-new-revenue [~~effective~~] tax rate for a county is  
12 the sum of the no-new-revenue [~~effective~~] tax rates calculated for  
13 each type of tax the county levies and the rollback tax rate for a  
14 county is the sum of the rollback tax rates calculated for each type  
15 of tax the county levies.

16 (d-1) The designated officer or employee shall use the tax  
17 rate calculation forms prescribed by the comptroller under Section  
18 5.07 in calculating the no-new-revenue tax rate and the rollback  
19 tax rate.

20 (d-2) The designated officer or employee may not submit the  
21 no-new-revenue tax rate and the rollback tax rate to the governing  
22 body of the taxing unit and the unit may not adopt a tax rate until  
23 the designated officer or employee certifies on the tax rate  
24 calculation forms that the designated officer or employee has  
25 accurately calculated the tax rates and has used values that are the  
26 same as the values shown in the unit's certified appraisal roll in  
27 performing the calculations.

1 (e) By August 7 or as soon thereafter as practicable, the  
2 designated officer or employee shall submit the rates to the  
3 governing body. The designated officer or employee [~~He~~] shall  
4 deliver by mail to each property owner in the unit or publish in a  
5 newspaper and may post prominently on the home page of the unit's  
6 Internet website, if applicable, in the form prescribed by the  
7 comptroller:

8 (1) the no-new-revenue [~~effective~~] tax rate, the  
9 rollback tax rate, and an explanation of how they were calculated;

10 (2) the estimated amount of interest and sinking fund  
11 balances and the estimated amount of maintenance and operation or  
12 general fund balances remaining at the end of the current fiscal  
13 year that are not encumbered with or by corresponding existing debt  
14 obligation;

15 (3) a schedule of the unit's debt obligations showing:

16 (A) the amount of principal and interest that  
17 will be paid to service the unit's debts in the next year from  
18 property tax revenue, including payments of lawfully incurred  
19 contractual obligations providing security for the payment of the  
20 principal of and interest on bonds and other evidences of  
21 indebtedness issued on behalf of the unit by another political  
22 subdivision and, if the unit is created under Section 52, Article  
23 III, or Section 59, Article XVI, Texas Constitution, payments on  
24 debts that the unit anticipates to incur in the next calendar year;

25 (B) the amount by which taxes imposed for debt  
26 are to be increased because of the unit's anticipated collection  
27 rate; and

1 (C) the total of the amounts listed in Paragraphs  
2 (A)-(B), less any amount collected in excess of the previous year's  
3 anticipated collections certified as provided in Subsection (b);

4 (4) the amount of additional sales and use tax revenue  
5 anticipated in calculations under Section 26.041;

6 (5) a statement that the adoption of a tax rate equal  
7 to the no-new-revenue [~~effective~~] tax rate would result in an  
8 increase or decrease, as applicable, in the amount of taxes imposed  
9 by the unit as compared to last year's levy, and the amount of the  
10 increase or decrease;

11 (6) in the year that a taxing unit calculates an  
12 adjustment under Subsection (i) or (j), a schedule that includes  
13 the following elements:

14 (A) the name of the unit discontinuing the  
15 department, function, or activity;

16 (B) the amount of property tax revenue spent by  
17 the unit listed under Paragraph (A) to operate the discontinued  
18 department, function, or activity in the 12 months preceding the  
19 month in which the calculations required by this chapter are made;  
20 and

21 (C) the name of the unit that operates a distinct  
22 department, function, or activity in all or a majority of the  
23 territory of a taxing unit that has discontinued operating the  
24 distinct department, function, or activity; and

25 (7) in the year following the year in which a taxing  
26 unit raised its rollback tax rate as required by Subsection (j), a  
27 schedule that includes the following elements:

1 (A) the amount of property tax revenue spent by  
2 the unit to operate the department, function, or activity for which  
3 the taxing unit raised the rollback tax rate as required by  
4 Subsection (j) for the 12 months preceding the month in which the  
5 calculations required by this chapter are made; and

6 (B) the amount published by the unit in the  
7 preceding tax year under Subdivision (6)(B).

8 (e-1) The tax rate certification requirements imposed by  
9 Subsection (d-2) and the notice requirements imposed by Subsections  
10 (e)(1)-(6) do not apply to a school district.

11 (e-2) By August 7 or as soon thereafter as practicable, the  
12 chief appraiser of each appraisal district shall deliver by regular  
13 mail or e-mail to each owner of property located in the appraisal  
14 district a notice that the estimated amount of taxes to be imposed  
15 on the owner's property by each taxing unit in which the property is  
16 located may be found in the property tax database maintained by the  
17 appraisal district under Section 26.17. The notice must include:

18 (1) the following statement:

19 "PROPOSED (tax year) PROPERTY TAX BILL INFORMATION

20 "Information concerning the property taxes that may be  
21 imposed on your property by local taxing units, the dates and  
22 locations of any public hearings on the tax rates of the taxing  
23 units, and the dates and locations of meetings of the governing  
24 bodies of the taxing units to vote on the tax rates, together with  
25 other important property tax information, may be found at the  
26 website listed below:

27 "(address of the Internet website at which the information



1 may be found).";

2 (2) a statement that the property owner may request  
3 from the county assessor-collector contact information for the  
4 assessor for each taxing unit in which the property is located, who  
5 must provide the information described by this subsection to the  
6 owner on request; and

7 (3) the address and telephone number of the county  
8 assessor-collector.

9 (e-3) The heading of the statement described by Subsection  
10 (e-2)(1) must be in bold, capital letters in typeset larger than  
11 that used in the other provisions of the notice.

12 (e-4) The comptroller may adopt rules regarding the format  
13 and delivery of the notice required by Subsection (e-2).

14 (f) If as a result of consolidation of taxing units a taxing  
15 unit includes territory that was in two or more taxing units in the  
16 preceding year, the amount of taxes imposed in each in the preceding  
17 year is combined for purposes of calculating the no-new-revenue  
18 ~~[effective]~~ and rollback tax rates under this section.

19 (g) A person who owns taxable property is entitled to an  
20 injunction prohibiting the taxing unit in which the property is  
21 taxable from adopting a tax rate if the assessor or designated  
22 officer or employee of the unit, the chief appraiser of the  
23 applicable appraisal district, or the taxing unit, as applicable,  
24 has not complied with the computation, ~~[or]~~ publication, or posting  
25 requirements of this section or Section 26.17 or 26.18 ~~[and the~~  
26 ~~failure to comply was not in good faith]~~.

27 (i) This subsection applies to a taxing unit that has agreed

1 by written contract to transfer a distinct department, function, or  
2 activity to another taxing unit and discontinues operating that  
3 distinct department, function, or activity if the operation of that  
4 department, function, or activity in all or a majority of the  
5 territory of the taxing unit is continued by another existing  
6 taxing unit or by a new taxing unit. The rollback tax rate of a  
7 taxing unit to which this subsection applies in the first tax year  
8 in which a budget is adopted that does not allocate revenue to the  
9 discontinued department, function, or activity is calculated as  
10 otherwise provided by this section, except that last year's levy  
11 used to calculate the no-new-revenue [~~effective~~] maintenance and  
12 operations rate of the unit is reduced by the amount of maintenance  
13 and operations tax revenue spent by the taxing unit to operate the  
14 department, function, or activity for the 12 months preceding the  
15 month in which the calculations required by this chapter are made  
16 and in which the unit operated the discontinued department,  
17 function, or activity. If the unit did not operate that department,  
18 function, or activity for the full 12 months preceding the month in  
19 which the calculations required by this chapter are made, the unit  
20 shall reduce last year's levy used for calculating the  
21 no-new-revenue [~~effective~~] maintenance and operations rate of the  
22 unit by the amount of the revenue spent in the last full fiscal year  
23 in which the unit operated the discontinued department, function,  
24 or activity.

25 (j) This subsection applies to a taxing unit that had agreed  
26 by written contract to accept the transfer of a distinct  
27 department, function, or activity from another taxing unit and

1 operates a distinct department, function, or activity if the  
2 operation of a substantially similar department, function, or  
3 activity in all or a majority of the territory of the taxing unit  
4 has been discontinued by another taxing unit, including a dissolved  
5 taxing unit. The rollback tax rate of a taxing unit to which this  
6 subsection applies in the first tax year after the other taxing unit  
7 discontinued the substantially similar department, function, or  
8 activity in which a budget is adopted that allocates revenue to the  
9 department, function, or activity is calculated as otherwise  
10 provided by this section, except that last year's levy used to  
11 calculate the no-new-revenue [~~effective~~] maintenance and  
12 operations rate of the unit is increased by the amount of  
13 maintenance and operations tax revenue spent by the taxing unit  
14 that discontinued operating the substantially similar department,  
15 function, or activity to operate that department, function, or  
16 activity for the 12 months preceding the month in which the  
17 calculations required by this chapter are made and in which the unit  
18 operated the discontinued department, function, or activity. If  
19 the unit did not operate the discontinued department, function, or  
20 activity for the full 12 months preceding the month in which the  
21 calculations required by this chapter are made, the unit may  
22 increase last year's levy used to calculate the no-new-revenue  
23 [~~effective~~] maintenance and operations rate by an amount not to  
24 exceed the amount of property tax revenue spent by the  
25 discontinuing unit to operate the discontinued department,  
26 function, or activity in the last full fiscal year in which the  
27 discontinuing unit operated the department, function, or activity.

1 SECTION 2.20. Sections 26.041(a), (b), (c), (e), (g), and  
 2 (h), Tax Code, are amended to read as follows:

3 (a) In the first year in which an additional sales and use  
 4 tax is required to be collected, the no-new-revenue [~~effective~~] tax  
 5 rate and rollback tax rate for the unit are calculated according to  
 6 the following formulas:

7 
$$\underline{\text{NO-NEW-REVENUE}} \text{ } [\text{EFFECTIVE}] \text{ TAX RATE} = \underline{[(\text{LAST YEAR'S}} \\$$

8 
$$\text{LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW}} \\$$

9 
$$\text{PROPERTY VALUE)]} - \text{SALES TAX GAIN RATE}$$

10 and

11 
$$\text{ROLLBACK } \underline{\text{TAX}} \text{ RATE} = (\underline{\text{NO-NEW-REVENUE}} \text{ } [\text{EFFECTIVE}] \\$$

12 
$$\text{MAINTENANCE AND OPERATIONS RATE} \times 1.08) + \text{CURRENT DEBT} \\$$

13 
$$\text{RATE} - \text{SALES TAX GAIN RATE}$$

14 where "sales tax gain rate" means a number expressed in dollars per  
 15 \$100 of taxable value, calculated by dividing the revenue that will  
 16 be generated by the additional sales and use tax in the following  
 17 year as calculated under Subsection (d) [~~of this section~~] by the  
 18 current total value.

19 (b) Except as provided by Subsections (a) and (c) [~~of this~~  
 20 ~~section~~], in a year in which a taxing unit imposes an additional  
 21 sales and use tax, the rollback tax rate for the unit is calculated  
 22 according to the following formula, regardless of whether the unit  
 23 levied a property tax in the preceding year:

24 
$$\text{ROLLBACK } \underline{\text{TAX}} \text{ RATE} = [(\text{LAST YEAR'S MAINTENANCE AND} \\$$

25 
$$\text{OPERATIONS EXPENSE} \times 1.08) / ([\text{TOTAL}] \text{ CURRENT } \underline{\text{TOTAL}} \\$$

26 
$$\text{VALUE} - \text{NEW PROPERTY VALUE)]} + (\text{CURRENT DEBT RATE} - \\$$

27 
$$\text{SALES TAX REVENUE RATE})$$

1 where "last year's maintenance and operations expense" means the  
 2 amount spent for maintenance and operations from property tax and  
 3 additional sales and use tax revenues in the preceding year, and  
 4 "sales tax revenue rate" means a number expressed in dollars per  
 5 \$100 of taxable value, calculated by dividing the revenue that will  
 6 be generated by the additional sales and use tax in the current year  
 7 as calculated under Subsection (d) [~~of this section~~] by the current  
 8 total value.

9 (c) In a year in which a taxing unit that has been imposing  
 10 an additional sales and use tax ceases to impose an additional sales  
 11 and use tax, the no-new-revenue [~~effective~~] tax rate and rollback  
 12 tax rate for the unit are calculated according to the following  
 13 formulas:

14 NO-NEW-REVENUE [~~EFFECTIVE~~] TAX RATE = [(LAST YEAR'S  
 15 LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW  
 16 PROPERTY VALUE)] + SALES TAX LOSS RATE

17 and

18 ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND  
 19 OPERATIONS EXPENSE x 1.08) / (~~TOTAL~~ CURRENT TOTAL  
 20 VALUE - NEW PROPERTY VALUE)] + CURRENT DEBT RATE

21 where "sales tax loss rate" means a number expressed in dollars per  
 22 \$100 of taxable value, calculated by dividing the amount of sales  
 23 and use tax revenue generated in the last four quarters for which  
 24 the information is available by the current total value and "last  
 25 year's maintenance and operations expense" means the amount spent  
 26 for maintenance and operations from property tax and additional  
 27 sales and use tax revenues in the preceding year.

1           (e) If a city that imposes an additional sales and use tax  
2 receives payments under the terms of a contract executed before  
3 January 1, 1986, in which the city agrees not to annex certain  
4 property or a certain area and the owners or lessees of the property  
5 or of property in the area agree to pay at least annually to the city  
6 an amount determined by reference to all or a percentage of the  
7 property tax rate of the city and all or a part of the value of the  
8 property subject to the agreement or included in the area subject to  
9 the agreement, the governing body, by order adopted by a majority  
10 vote of the governing body, may direct the designated officer or  
11 employee to add to the no-new-revenue [~~effective~~] and rollback tax  
12 rates the amount that, when applied to the total taxable value  
13 submitted to the governing body, would produce an amount of taxes  
14 equal to the difference between the total amount of payments for the  
15 tax year under contracts described by this subsection under the  
16 rollback tax rate calculated under this section and the total  
17 amount of payments for the tax year that would have been obligated  
18 to the city if the city had not adopted an additional sales and use  
19 tax.

20           (g) If the rate of the additional sales and use tax is  
21 increased, the designated officer or employee shall make two  
22 projections, in the manner provided by Subsection (d) [~~of this~~  
23 ~~section~~], of the revenue generated by the additional sales and use  
24 tax in the following year. The first projection must take into  
25 account the increase and the second projection must not take into  
26 account the increase. The designated officer or employee shall  
27 then subtract the amount of the result of the second projection from

1 the amount of the result of the first projection to determine the  
2 revenue generated as a result of the increase in the additional  
3 sales and use tax. In the first year in which an additional sales  
4 and use tax is increased, the no-new-revenue [~~effective~~] tax rate  
5 for the unit is the no-new-revenue [~~effective~~] tax rate before the  
6 increase minus a number the numerator of which is the revenue  
7 generated as a result of the increase in the additional sales and  
8 use tax, as determined under this subsection, and the denominator  
9 of which is the current total value minus the new property value.

10 (h) If the rate of the additional sales and use tax is  
11 decreased, the designated officer or employee shall make two  
12 projections, in the manner provided by Subsection (d) [~~of this~~  
13 ~~section~~], of the revenue generated by the additional sales and use  
14 tax in the following year. The first projection must take into  
15 account the decrease and the second projection must not take into  
16 account the decrease. The designated officer or employee shall  
17 then subtract the amount of the result of the first projection from  
18 the amount of the result of the second projection to determine the  
19 revenue lost as a result of the decrease in the additional sales and  
20 use tax. In the first year in which an additional sales and use tax  
21 is decreased, the no-new-revenue [~~effective~~] tax rate for the unit  
22 is the no-new-revenue [~~effective~~] tax rate before the decrease plus  
23 a number the numerator of which is the revenue lost as a result of  
24 the decrease in the additional sales and use tax, as determined  
25 under this subsection, and the denominator of which is the current  
26 total value minus the new property value.

27 SECTION 2.21. The heading to Section 26.043, Tax Code, is

1 amended to read as follows:

2           Sec. 26.043. ROLLBACK AND NO-NEW-REVENUE [~~EFFECTIVE~~] TAX  
3 RATES [~~RATE~~] IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

4           SECTION 2.22. Sections 26.043(a) and (b), Tax Code, are  
5 amended to read as follows:

6           (a) In the tax year in which a city has set an election on  
7 the question of whether to impose a local sales and use tax under  
8 Subchapter H, Chapter 453, Transportation Code, the officer or  
9 employee designated to make the calculations provided by Section  
10 26.04 may not make those calculations until the outcome of the  
11 election is determined. If the election is determined in favor of  
12 the imposition of the tax, the representative shall subtract from  
13 the city's rollback and no-new-revenue [~~effective~~] tax rates the  
14 amount that, if applied to the city's current total value, would  
15 impose an amount equal to the amount of property taxes budgeted in  
16 the current tax year to pay for expenses related to mass transit  
17 services.

18           (b) In a tax year to which this section applies, a reference  
19 in this chapter to the city's no-new-revenue [~~effective~~] or  
20 rollback tax rate refers to that rate as adjusted under this  
21 section.

22           SECTION 2.23. The heading to Section 26.044, Tax Code, is  
23 amended to read as follows:

24           Sec. 26.044. NO-NEW-REVENUE [~~EFFECTIVE~~] TAX RATE TO PAY FOR  
25 STATE CRIMINAL JUSTICE MANDATE.

26           SECTION 2.24. Sections 26.044(a), (b), and (c), Tax Code,  
27 are amended to read as follows:



1 (a) The first time that a county adopts a tax rate after  
2 September 1, 1991, in which the state criminal justice mandate  
3 applies to the county, the no-new-revenue [~~effective~~] maintenance  
4 and operation rate for the county is increased by the rate  
5 calculated according to the following formula:

6 (State Criminal Justice Mandate) / (Current Total  
7 Value - New Property Value)

8 (b) In the second and subsequent years that a county adopts  
9 a tax rate, if the amount spent by the county for the state criminal  
10 justice mandate increased over the previous year, the  
11 no-new-revenue [~~effective~~] maintenance and operation rate for the  
12 county is increased by the rate calculated according to the  
13 following formula:

14 (This Year's State Criminal Justice Mandate - Previous  
15 Year's State Criminal Justice Mandate) / (Current  
16 Total Value - New Property Value)

17 (c) The county shall include a notice of the increase in the  
18 no-new-revenue [~~effective~~] maintenance and operation rate provided  
19 by this section, including a description and amount of the state  
20 criminal justice mandate, in the information published under  
21 Section 26.04(e) and Section 26.06(b) [~~of this code~~].

22 SECTION 2.25. Sections 26.0441(a), (b), and (c), Tax Code,  
23 are amended to read as follows:

24 (a) In the first tax year in which a taxing unit adopts a tax  
25 rate after January 1, 2000, and in which the enhanced minimum  
26 eligibility standards for indigent health care established under  
27 Section 61.006, Health and Safety Code, apply to the taxing unit,

1 the no-new-revenue [~~effective~~] maintenance and operations rate for  
2 the taxing unit is increased by the rate computed according to the  
3 following formula:

4 Amount of Increase = Enhanced Indigent Health Care  
5 Expenditures / (Current Total Value - New Property  
6 Value)

7 (b) In each subsequent tax year, if the taxing unit's  
8 enhanced indigent health care expenses exceed the amount of those  
9 expenses for the preceding year, the no-new-revenue [~~effective~~]  
10 maintenance and operations rate for the taxing unit is increased by  
11 the rate computed according to the following formula:

12 Amount of Increase = (Current Tax Year's Enhanced  
13 Indigent Health Care Expenditures - Preceding Tax  
14 Year's Indigent Health Care Expenditures) / (Current  
15 Total Value - New Property Value)

16 (c) The taxing unit shall include a notice of the increase  
17 in its no-new-revenue [~~effective~~] maintenance and operations rate  
18 provided by this section, including a brief description and the  
19 amount of the enhanced indigent health care expenditures, in the  
20 information published under Section 26.04(e) and, if applicable,  
21 Section 26.06(b).

22 SECTION 2.26. Section 26.05, Tax Code, is amended by  
23 amending Subsections (b), (c), (d), (e), and (g) and adding  
24 Subsections (d-1) and (d-2) to read as follows:

25 (b) A taxing unit may not impose property taxes in any year  
26 until the governing body has adopted a tax rate for that year, and  
27 the annual tax rate must be set by ordinance, resolution, or order,

1 depending on the method prescribed by law for adoption of a law by  
2 the governing body. The vote on the ordinance, resolution, or order  
3 setting the tax rate must be separate from the vote adopting the  
4 budget. For a taxing unit other than a school district, the vote on  
5 the ordinance, resolution, or order setting a tax rate that exceeds  
6 the no-new-revenue ~~[effective]~~ tax rate must be a record vote, and  
7 at least 60 percent of the members of the governing body must vote  
8 in favor of the ordinance, resolution, or order. For a school  
9 district, the vote on the ordinance, resolution, or order setting a  
10 tax rate that exceeds the sum of the no-new-revenue ~~[effective]~~  
11 maintenance and operations tax rate of the district as determined  
12 under Section 26.08(i) and the district's current debt rate must be  
13 a record vote, and at least 60 percent of the members of the  
14 governing body must vote in favor of the ordinance, resolution, or  
15 order. A motion to adopt an ordinance, resolution, or order setting  
16 a tax rate that exceeds the no-new-revenue ~~[effective]~~ tax rate  
17 must be made in the following form: "I move that the property tax  
18 rate be increased by the adoption of a tax rate of (specify tax  
19 rate), which is effectively a (insert percentage by which the  
20 proposed tax rate exceeds the no-new-revenue ~~[effective]~~ tax rate)  
21 percent increase in the tax rate." If the ordinance, resolution, or  
22 order sets a tax rate that, if applied to the total taxable value,  
23 will impose an amount of taxes to fund maintenance and operation  
24 expenditures of the taxing unit that exceeds the amount of taxes  
25 imposed for that purpose in the preceding year, the taxing unit  
26 must:

27 (1) include in the ordinance, resolution, or order in

1 type larger than the type used in any other portion of the document:

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

5 (B) if the tax rate exceeds the no-new-revenue  
6 [~~effective~~] maintenance and operations rate, the following  
7 statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT  
8 PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE  
9 [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE  
10 TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY  
11 APPROXIMATELY \$(Insert amount)."; and

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

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

17 (B) if the tax rate exceeds the no-new-revenue  
18 [~~effective~~] maintenance and operations rate, the following  
19 statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT  
20 PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE  
21 [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE  
22 TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY  
23 APPROXIMATELY \$(Insert amount)."

24 (c) If the governing body of a taxing unit does not adopt a  
25 tax rate before the date required by Subsection (a), the tax rate  
26 for the taxing unit for that tax year is the lower of the  
27 no-new-revenue [~~effective~~] tax rate calculated for that tax year or

1 the tax rate adopted by the taxing unit for the preceding tax year.  
2 A tax rate established by this subsection is treated as an adopted  
3 tax rate. Before the fifth day after the establishment of a tax  
4 rate by this subsection, the governing body of the taxing unit must  
5 ratify the applicable tax rate in the manner required by Subsection  
6 (b).

7 (d) The governing body of a taxing unit other than a school  
8 district may not adopt a tax rate that exceeds the lower of the  
9 rollback tax rate or the no-new-revenue [~~effective~~] tax rate  
10 calculated as provided by this chapter until the governing body has  
11 held two public hearings on the proposed tax rate and has otherwise  
12 complied with Section 26.06 and Section 26.065. The governing body  
13 of a taxing unit shall reduce a tax rate set by law or by vote of the  
14 electorate to the lower of the rollback tax rate or the  
15 no-new-revenue [~~effective~~] tax rate and may not adopt a higher rate  
16 unless it first complies with Section 26.06.

17 (d-1) The governing body of a taxing unit may not hold a  
18 public hearing on a proposed tax rate or a public meeting to adopt a  
19 tax rate until the 14th day after the date the officer or employee  
20 designated by the governing body of the unit to calculate the  
21 no-new-revenue tax rate and the rollback tax rate for the unit  
22 complies with Section 26.17.

23 (d-2) Notwithstanding Subsection (a), the governing body of  
24 a taxing unit other than a school district may not adopt a tax rate  
25 until:

26 (1) the chief appraiser of each appraisal district in  
27 which the taxing unit participates has:

1           (A) delivered the notice required by Section  
2 26.04(e-2); and

3           (B) incorporated the tax rate calculation forms  
4 submitted to the appraisal district under Section 26.17(d)(2) by  
5 the designated officer or employee of the taxing unit into the  
6 property tax database maintained by the chief appraiser and made  
7 them available to the public;

8           (2) the designated officer or employee of the taxing  
9 unit has entered in the property tax database maintained by the  
10 chief appraiser the information described by Section 26.17(b) for  
11 the current tax year; and

12           (3) the taxing unit has posted the information  
13 described by Section 26.18 on the Internet website used by the  
14 taxing unit for that purpose.

15           (e) A person who owns taxable property is entitled to an  
16 injunction restraining the collection of taxes by a taxing unit in  
17 which the property is taxable if the taxing unit has not complied  
18 with the requirements of this section or Section 26.04 [~~and the~~  
19 ~~failure to comply was not in good faith~~]. An action to enjoin the  
20 collection of taxes must be filed not later than the 15th day after  
21 the date the taxing unit adopts a tax rate. A property owner is not  
22 required to pay the taxes imposed by a taxing unit on the owner's  
23 property while an action filed by the property owner to enjoin the  
24 collection of taxes imposed by the taxing unit on the owner's  
25 property is pending. If the property owner pays the taxes and  
26 subsequently prevails in the action, the property owner is entitled  
27 to a refund of the taxes paid, together with reasonable attorney's

1 fees and court costs. The property owner is not required to apply  
2 to the collector for the taxing unit to receive the refund [~~prior to~~  
3 ~~the date a taxing unit delivers substantially all of its tax bills~~].

4 (g) Notwithstanding Subsection (a), the governing body of a  
5 school district that elects to adopt a tax rate before the adoption  
6 of a budget for the fiscal year that begins in the current tax year  
7 may adopt a tax rate for the current tax year before receipt of the  
8 certified appraisal roll for the school district if the chief  
9 appraiser of the appraisal district in which the school district  
10 participates has certified to the assessor for the school district  
11 an estimate of the taxable value of property in the school district  
12 as provided by Section 26.01(e). If a school district adopts a tax  
13 rate under this subsection, the no-new-revenue [~~effective~~] tax rate  
14 and the rollback tax rate of the district shall be calculated based  
15 on the certified estimate of taxable value.

16 SECTION 2.27. Section 26.052, Tax Code, is amended by  
17 amending Subsection (e) and adding Subsection (f) to read as  
18 follows:

19 (e) Public notice provided under Subsection (c) must  
20 specify:

21 (1) the tax rate that the governing body proposes to  
22 adopt;

23 (2) the date, time, and location of the meeting of the  
24 governing body of the taxing unit at which the governing body will  
25 consider adopting the proposed tax rate; and

26 (3) if the proposed tax rate for the taxing unit  
27 exceeds the unit's no-new-revenue [~~effective~~] tax rate calculated

1 as provided by Section 26.04, a statement substantially identical  
2 to the following: "The proposed tax rate would increase total taxes  
3 in (name of taxing unit) by (percentage by which the proposed tax  
4 rate exceeds the no-new-revenue [~~effective~~] tax rate)."

5 (f) A taxing unit to which this section applies that elects  
6 to provide public notice of its proposed tax rate under Subsection  
7 (c) may also provide public notice of its proposed tax rate by  
8 posting notice of the proposed tax rate including the information  
9 prescribed by Subsection (e) prominently on the home page of the  
10 Internet website maintained by the taxing unit, if applicable.

11 SECTION 2.28. Sections 26.06(b), (c), (d), and (e), Tax  
12 Code, are amended to read as follows:

13 (b) The notice of a public hearing may not be smaller than  
14 one-quarter page of a standard-size or a tabloid-size newspaper,  
15 and the headline on the notice must be in 24-point or larger type.  
16 The notice must contain a statement in the following form:

17 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

18 "The (name of the taxing unit) will hold two public hearings  
19 on a proposal to increase total tax revenues from properties on the  
20 tax roll in the preceding tax year by (percentage by which proposed  
21 tax rate exceeds lower of rollback tax rate or no-new-revenue  
22 [~~effective~~] tax rate calculated under this chapter) percent. Your  
23 individual taxes may increase at a greater or lesser rate, or even  
24 decrease, depending on the tax rate that is adopted and on the  
25 change in the taxable value of your property in relation to the  
26 change in taxable value of all other property [~~and the tax rate that~~  
27 ~~is adopted~~]. The change in the taxable value of your property in



1 relation to the change in the taxable value of all other property  
2 determines the distribution of the tax burden among all property  
3 owners.

4 "The first public hearing will be held on (date and time) at  
5 (meeting place).

6 "The second public hearing will be held on (date and time) at  
7 (meeting place).

8 "(Names of all members of the governing body, showing how  
9 each voted on the proposal to consider the tax increase or, if one  
10 or more were absent, indicating the absences.)

11 "The average taxable value of a residence homestead in (name  
12 of taxing unit) last year was \$\_\_\_\_ (average taxable value of a  
13 residence homestead in the taxing unit for the preceding tax year,  
14 disregarding residence homestead exemptions available only to  
15 disabled persons or persons 65 years of age or older). Based on  
16 last year's tax rate of \$\_\_\_\_ (preceding year's adopted tax rate)  
17 per \$100 of taxable value, the amount of taxes imposed last year on  
18 the average home was \$\_\_\_\_ (tax on average taxable value of a  
19 residence homestead in the taxing unit for the preceding tax year,  
20 disregarding residence homestead exemptions available only to  
21 disabled persons or persons 65 years of age or older).

22 "The average taxable value of a residence homestead in (name  
23 of taxing unit) this year is \$\_\_\_\_ (average taxable value of a  
24 residence homestead in the taxing unit for the current tax year,  
25 disregarding residence homestead exemptions available only to  
26 disabled persons or persons 65 years of age or older). If the  
27 governing body adopts the no-new-revenue [~~effective~~] tax rate for

1 this year of \$\_\_\_\_\_ (no-new-revenue [~~effective~~] tax rate) per \$100  
2 of taxable value, the amount of taxes imposed this year on the  
3 average home would be \$\_\_\_\_\_ (tax on average taxable value of a  
4 residence homestead in the taxing unit for the current tax year,  
5 disregarding residence homestead exemptions available only to  
6 disabled persons or persons 65 years of age or older).

7 "If the governing body adopts the proposed tax rate of \$\_\_\_\_\_  
8 (proposed tax rate) per \$100 of taxable value, the amount of taxes  
9 imposed this year on the average home would be \$\_\_\_\_\_ (tax on the  
10 average taxable value of a residence in the taxing unit for the  
11 current year disregarding residence homestead exemptions available  
12 only to disabled persons or persons 65 years of age or older).

13 "Members of the public are encouraged to attend the hearings  
14 and express their views."

15 (c) The notice of a public hearing under this section may be  
16 delivered by mail to each property owner in the unit, or may be  
17 published in a newspaper. If the notice is published in a  
18 newspaper, it may not be in the part of the paper in which legal  
19 notices and classified advertisements appear. If the taxing unit  
20 operates an Internet website, the notice must also be posted  
21 prominently on the home page of the website from the date the notice  
22 is first published until the second public hearing is concluded.

23 (d) At the public hearings the governing body shall announce  
24 the date, time, and place of the meeting at which it will vote on the  
25 proposed tax rate. After each hearing the governing body shall give  
26 notice of the meeting at which it will vote on the proposed tax rate  
27 and the notice shall be in the same form as prescribed by

1 Subsections (b) and (c), except that it must state the following:

2 "NOTICE OF TAX REVENUE INCREASE

3 "The (name of the taxing unit) conducted public hearings on  
4 (date of first hearing) and (date of second hearing) on a proposal  
5 to increase the total tax revenues of the (name of the taxing unit)  
6 from properties on the tax roll in the preceding year by (percentage  
7 by which proposed tax rate exceeds lower of rollback tax rate or  
8 no-new-revenue [~~effective~~] tax rate calculated under this chapter)  
9 percent.

10 "The total tax revenue proposed to be raised last year at last  
11 year's tax rate of (insert tax rate for the preceding year) for each  
12 \$100 of taxable value was (insert total amount of taxes imposed in  
13 the preceding year).

14 "The total tax revenue proposed to be raised this year at the  
15 proposed tax rate of (insert proposed tax rate) for each \$100 of  
16 taxable value, excluding tax revenue to be raised from new property  
17 added to the tax roll this year, is (insert amount computed by  
18 multiplying proposed tax rate by the difference between current  
19 total value and new property value).

20 "The total tax revenue proposed to be raised this year at the  
21 proposed tax rate of (insert proposed tax rate) for each \$100 of  
22 taxable value, including tax revenue to be raised from new property  
23 added to the tax roll this year, is (insert amount computed by  
24 multiplying proposed tax rate by current total value).

25 "The (governing body of the taxing unit) is scheduled to vote  
26 on the tax rate that will result in that tax increase at a public  
27 meeting to be held on (date of meeting) at (location of meeting,

1 including mailing address) at (time of meeting).

2 "The (governing body of the taxing unit) proposes to use the  
3 increase in total tax revenue for the purpose of (description of  
4 purpose of increase)."

5 (e) The meeting to vote on the tax increase may not be  
6 earlier than the third day or later than the 14th day after the date  
7 of the second public hearing. The meeting must be held inside the  
8 boundaries of the taxing unit in a publicly owned building or, if a  
9 suitable publicly owned building is not available, in a suitable  
10 building to which the public normally has access. If the governing  
11 body does not adopt a tax rate that exceeds the lower of the  
12 rollback tax rate or the no-new-revenue [~~effective~~] tax rate by the  
13 14th day, it must give a new notice under Subsection (d) before it  
14 may adopt a rate that exceeds the lower of the rollback tax rate or  
15 the no-new-revenue [~~effective~~] tax rate.

16 SECTION 2.29. Section 26.065(b), Tax Code, is amended to  
17 read as follows:

18 (b) If the taxing unit owns, operates, or controls an  
19 Internet website, the unit shall post notice of the public hearing  
20 prominently on the home page of the website continuously for at  
21 least seven days immediately before the public hearing on the  
22 proposed tax rate increase and at least seven days immediately  
23 before the date of the vote proposing the increase in the tax rate.

24 SECTION 2.30. Sections 26.08(g), (n), and (p), Tax Code,  
25 are amended to read as follows:

26 (g) In a school district that received distributions from an  
27 equalization tax imposed under former Chapter 18, Education Code,

1 the no-new-revenue [~~effective~~] rate of that tax as of the date of  
2 the county unit system's abolition is added to the district's  
3 rollback tax rate.

4 (n) For purposes of this section, the rollback tax rate of a  
5 school district whose maintenance and operations tax rate for the  
6 2005 tax year was \$1.50 or less per \$100 of taxable value is:

7 (1) for the 2006 tax year, the sum of the rate that is  
8 equal to 88.67 percent of the maintenance and operations tax rate  
9 adopted by the district for the 2005 tax year, the rate of \$0.04 per  
10 \$100 of taxable value, and the district's current debt rate; and

11 (2) for the 2007 and subsequent tax years, the lesser  
12 of the following:

13 (A) the sum of the following:

14 (i) the rate per \$100 of taxable value that  
15 is equal to the product of the state compression percentage, as  
16 determined under Section 42.2516, Education Code, for the current  
17 year and \$1.50;

18 (ii) the rate of \$0.04 per \$100 of taxable  
19 value;

20 (iii) the rate that is equal to the sum of  
21 the differences for the 2006 and each subsequent tax year between  
22 the adopted tax rate of the district for that year if the rate was  
23 approved at an election under this section and the rollback tax rate  
24 of the district for that year; and

25 (iv) the district's current debt rate; or

26 (B) the sum of the following:

27 (i) the no-new-revenue [~~effective~~]

1 maintenance and operations tax rate of the district as computed  
2 under Subsection (i) [~~or (k), as applicable~~];

3 (ii) the rate per \$100 of taxable value that  
4 is equal to the product of the state compression percentage, as  
5 determined under Section 42.2516, Education Code, for the current  
6 year and \$0.06; and

7 (iii) the district's current debt rate.

8 (p) Notwithstanding Subsections (i), (n), and (o), if for  
9 the preceding tax year a school district adopted a maintenance and  
10 operations tax rate that was less than the district's  
11 no-new-revenue [~~effective~~] maintenance and operations tax rate for  
12 that preceding tax year, the rollback tax rate of the district for  
13 the current tax year is calculated as if the district adopted a  
14 maintenance and operations tax rate for the preceding tax year that  
15 was equal to the district's no-new-revenue [~~effective~~] maintenance  
16 and operations tax rate for that preceding tax year.

17 SECTION 2.31. Section 26.08(i), Tax Code, as effective  
18 September 1, 2017, is amended to read as follows:

19 (i) For purposes of this section, the no-new-revenue  
20 [~~effective~~] maintenance and operations tax rate of a school  
21 district is the tax rate that, applied to the current total value  
22 for the district, would impose taxes in an amount that, when added  
23 to state funds that would be distributed to the district under  
24 Chapter 42, Education Code, for the school year beginning in the  
25 current tax year using that tax rate, would provide the same amount  
26 of state funds distributed under Chapter 42, Education Code, and  
27 maintenance and operations taxes of the district per student in

1 weighted average daily attendance for that school year that would  
2 have been available to the district in the preceding year if the  
3 funding elements for Chapters 41 and 42, Education Code, for the  
4 current year had been in effect for the preceding year.

5 SECTION 2.32. Section 26.16, Tax Code, is amended by  
6 amending Subsections (a) and (d) and adding Subsection (a-1) to  
7 read as follows:

8 (a) The county assessor-collector for each county that  
9 maintains an Internet website shall post on the website of the  
10 county the following information for the most recent five tax years  
11 beginning with the 2012 tax year for each taxing unit all or part of  
12 the territory of which is located in the county:

- 13 (1) the adopted tax rate;
- 14 (2) the maintenance and operations rate;
- 15 (3) the debt rate;
- 16 (4) the no-new-revenue ~~[effective]~~ tax rate;
- 17 (5) the no-new-revenue ~~[effective]~~ maintenance and  
18 operations rate; and
- 19 (6) the rollback tax rate.

20 (a-1) For purposes of Subsection (a), a reference to the  
21 no-new-revenue tax rate or the no-new-revenue maintenance and  
22 operations rate includes the equivalent effective tax rate or  
23 effective maintenance and operations rate for a preceding year.  
24 This subsection expires January 1, 2024.

25 (d) The county assessor-collector shall post immediately  
26 below the table prescribed by Subsection (c) the following  
27 statement:

1           "The county is providing this table of property tax rate  
2 information as a service to the residents of the county. Each  
3 individual taxing unit is responsible for calculating the property  
4 tax rates listed in this table pertaining to that taxing unit and  
5 providing that information to the county.

6           "The adopted tax rate is the tax rate adopted by the governing  
7 body of a taxing unit.

8           "The maintenance and operations rate is the component of the  
9 adopted tax rate of a taxing unit that will impose the amount of  
10 taxes needed to fund maintenance and operation expenditures of the  
11 unit for the following year.

12           "The debt rate is the component of the adopted tax rate of a  
13 taxing unit that will impose the amount of taxes needed to fund the  
14 unit's debt service for the following year.

15           "The no-new-revenue [~~effective~~] tax rate is the tax rate that  
16 would generate the same amount of revenue in the current tax year as  
17 was generated by a taxing unit's adopted tax rate in the preceding  
18 tax year from property that is taxable in both the current tax year  
19 and the preceding tax year.

20           "The no-new-revenue [~~effective~~] maintenance and operations  
21 rate is the tax rate that would generate the same amount of revenue  
22 for maintenance and operations in the current tax year as was  
23 generated by a taxing unit's maintenance and operations rate in the  
24 preceding tax year from property that is taxable in both the current  
25 tax year and the preceding tax year.

26           "The rollback tax rate is the highest tax rate a taxing unit  
27 may adopt before requiring voter approval at an election. In the



1 case of a taxing unit other than a school district, the voters by  
2 petition may require that a rollback election be held if the unit  
3 adopts a tax rate in excess of the unit's rollback tax rate. In the  
4 case of a school district, an election will automatically be held if  
5 the district wishes to adopt a tax rate in excess of the district's  
6 rollback tax rate."

7 SECTION 2.33. Chapter 26, Tax Code, is amended by adding  
8 Sections 26.17 and 26.18 to read as follows:

9 Sec. 26.17. DATABASE OF PROPERTY-TAX-RELATED INFORMATION.

10 (a) The chief appraiser of each appraisal district shall create and  
11 maintain a property tax database that:

12 (1) is identified by the name of the county in which  
13 the appraisal district is established instead of the name of the  
14 appraisal district;

15 (2) contains information that is provided by  
16 designated officers or employees of the taxing units that are  
17 located in the appraisal district in the manner required by rules  
18 adopted by the comptroller;

19 (3) is continuously updated as preliminary and revised  
20 data become available to and are provided by the designated  
21 officers or employees of taxing units;

22 (4) is accessible to the public; and

23 (5) is searchable by property address and owner.

24 (b) The database must include, with respect to each property  
25 listed on the appraisal roll for the appraisal district:

26 (1) the property's identification number;

27 (2) the property's market value;

- 1           (3) the property's taxable value;  
2           (4) the name of each taxing unit in which the property  
3 is located;  
4           (5) for each taxing unit other than a school district  
5 in which the property is located:  
6                 (A) the no-new-revenue tax rate; and  
7                 (B) the rollback tax rate;  
8           (6) for each school district in which the property is  
9 located:  
10                 (A) the rate to maintain the same amount of state  
11 and local revenue per weighted student that the district received  
12 in the school year beginning in the preceding tax year; and  
13                 (B) the rollback tax rate;  
14           (7) the tax rate proposed by the governing body of each  
15 taxing unit in which the property is located;  
16           (8) for each taxing unit other than a school district  
17 in which the property is located, the taxes that would be imposed on  
18 the property if the unit adopted a tax rate equal to:  
19                 (A) the no-new-revenue tax rate; and  
20                 (B) the proposed tax rate;  
21           (9) for each school district in which the property is  
22 located, the taxes that would be imposed on the property if the  
23 district adopted a tax rate equal to:  
24                 (A) the rate to maintain the same amount of state  
25 and local revenue per weighted student that the district received  
26 in the school year beginning in the preceding tax year; and  
27                 (B) the proposed tax rate;

1           (10) for each taxing unit other than a school district  
2 in which the property is located, the difference between the amount  
3 calculated under Subdivision (8)(A) and the amount calculated under  
4 Subdivision (8)(B);

5           (11) for each school district in which the property is  
6 located, the difference between the amount calculated under  
7 Subdivision (9)(A) and the amount calculated under Subdivision  
8 (9)(B);

9           (12) the date and location of each public hearing, if  
10 applicable, on the proposed tax rate to be held by the governing  
11 body of each taxing unit in which the property is located; and

12           (13) the date and location of the public meeting at  
13 which the tax rate will be adopted to be held by the governing body  
14 of each taxing unit in which the property is located.

15           (c) The database must provide a link to the Internet website  
16 used by each taxing unit in which the property is located to post  
17 the information described by Section 26.18.

18           (d) The officer or employee designated by the governing body  
19 of each taxing unit to calculate the no-new-revenue tax rate and the  
20 rollback tax rate for the unit must electronically:

21           (1) enter in the database the information described by  
22 Subsection (b) as the information becomes available; and

23           (2) submit to the appraisal district the tax rate  
24 calculation forms prepared under Section 26.04(d-1) at the same  
25 time the designated officer or employee submits the tax rates to the  
26 governing body of the unit under Section 26.04(e).

27           (e) The chief appraiser shall deliver by e-mail to the

1 designated officer or employee confirmation of receipt of the tax  
2 rate calculation forms submitted under Subsection (d)(2). The  
3 chief appraiser shall incorporate the forms into the database and  
4 make them available to the public not later than the third day after  
5 the date the chief appraiser receives them.

6 Sec. 26.18. POSTING OF TAX RATE AND BUDGET INFORMATION BY  
7 TAXING UNIT ON WEBSITE. Each taxing unit shall maintain an Internet  
8 website or have access to a generally accessible Internet website  
9 that may be used for the purposes of this section. Each taxing unit  
10 shall post or cause to be posted on the Internet website the  
11 following information in a format prescribed by the comptroller:

12 (1) the name of each member of the governing body of  
13 the taxing unit;

14 (2) the mailing address, e-mail address, and telephone  
15 number of the taxing unit;

16 (3) the official contact information for each member  
17 of the governing body of the taxing unit, if that information is  
18 different from the information described by Subdivision (2);

19 (4) the taxing unit's budget for the preceding two  
20 years;

21 (5) the taxing unit's proposed or adopted budget for  
22 the current year;

23 (6) the change in the amount of the taxing unit's  
24 budget from the preceding year to the current year, by dollar amount  
25 and percentage;

26 (7) in the case of a taxing unit other than a school  
27 district, the amount of property tax revenue budgeted for

1 maintenance and operations for:

2 (A) the preceding two years; and

3 (B) the current year;

4 (8) in the case of a taxing unit other than a school  
5 district, the amount of property tax revenue budgeted for debt  
6 service for:

7 (A) the preceding two years; and

8 (B) the current year;

9 (9) the tax rate for maintenance and operations  
10 adopted by the taxing unit for the preceding two years;

11 (10) in the case of a taxing unit other than a school  
12 district, the tax rate for debt service adopted by the unit for the  
13 preceding two years;

14 (11) in the case of a school district, the interest and  
15 sinking fund tax rate adopted by the district for the preceding two  
16 years;

17 (12) the tax rate for maintenance and operations  
18 proposed by the taxing unit for the current year;

19 (13) in the case of a taxing unit other than a school  
20 district, the tax rate for debt service proposed by the unit for the  
21 current year;

22 (14) in the case of a school district, the interest and  
23 sinking fund tax rate proposed by the district for the current year;

24 and

25 (15) the most recent financial audit of the taxing  
26 unit.

27 SECTION 2.34. Section 41.03(a), Tax Code, is amended to

1 read as follows:

2 (a) A taxing unit is entitled to challenge before the  
3 appraisal review board:

4 (1) ~~[the level of appraisals of any category of~~  
5 ~~property in the district or in any territory in the district, but~~  
6 ~~not the appraised value of a single taxpayer's property,~~

7 [~~2~~] an exclusion of property from the appraisal  
8 records;

9 (2) [~~3~~] a grant in whole or in part of a partial  
10 exemption;

11 (3) [~~4~~] a determination that land qualifies for  
12 appraisal as provided by Subchapter C, D, E, or H, Chapter 23; or

13 (4) [~~5~~] failure to identify the taxing unit as one  
14 in which a particular property is taxable.

15 SECTION 2.35. Section 41.44(d), Tax Code, is amended to  
16 read as follows:

17 (d) A notice of protest is sufficient if it identifies the  
18 protesting property owner, including a person claiming an ownership  
19 interest in the property even if that person is not listed on the  
20 appraisal records as an owner of the property, identifies the  
21 property that is the subject of the protest, and indicates apparent  
22 dissatisfaction with some determination of the appraisal office.  
23 The notice need not be on an official form, but the comptroller  
24 shall prescribe a form that provides for more detail about the  
25 nature of the protest. The form must permit a property owner to  
26 include each property in the appraisal district that is the subject  
27 of a protest. The form must permit a property owner to request that

1 the protest be heard by a special panel established under Section  
2 6.425 if the protest will be determined by an appraisal review board  
3 to which that section applies and the property is described by  
4 Section 6.425(b). The comptroller, each appraisal office, and each  
5 appraisal review board shall make the forms readily available and  
6 deliver one to a property owner on request.

7 SECTION 2.36. Section 41.45, Tax Code, is amended by  
8 amending Subsection (d) and adding Subsections (d-1), (d-2), and  
9 (d-3) to read as follows:

10 (d) This subsection does not apply to a special panel  
11 established under Section 6.425. An appraisal review board  
12 consisting of more than three members may sit in panels of not fewer  
13 than three members to conduct protest hearings. [~~However, the~~  
14 ~~determination of a protest heard by a panel must be made by the~~  
15 ~~board.~~] If the recommendation of a panel is not accepted by the  
16 board, the board may refer the matter for rehearing to a panel  
17 composed of members who did not hear the original protest [~~hearing~~]  
18 or, if there are not at least three members who did not hear the  
19 original protest, the board may determine the protest. [~~Before~~  
20 ~~determining a protest or conducting a rehearing before a new panel~~  
21 ~~or the board, the board shall deliver notice of the hearing or~~  
22 ~~meeting to determine the protest in accordance with the provisions~~  
23 ~~of this subchapter.~~]

24 (d-1) An appraisal review board to which Section 6.425  
25 applies shall sit in special panels established under that section  
26 to conduct protest hearings. A special panel may conduct a protest  
27 hearing relating to property only if the property is described by

1 Section 6.425(b) and the property owner has requested that a  
2 special panel conduct the hearing or if the protest is assigned to  
3 the special panel under Section 6.425(f). If the recommendation of  
4 a special panel is not accepted by the board, the board may refer  
5 the matter for rehearing to another special panel composed of  
6 members who did not hear the original protest or, if there are not  
7 at least three other special panel members who did not hear the  
8 original protest, the board may determine the protest.

9 (d-2) The determination of a protest heard by a panel under  
10 Subsection (d) or (d-1) must be made by the board.

11 (d-3) The board must deliver notice of a hearing or meeting  
12 to determine a protest heard by a panel, or to rehear a protest,  
13 under Subsection (d) or (d-1) in accordance with the provisions of  
14 this subchapter.

15 SECTION 2.37. Section 41.46(a), Tax Code, is amended to  
16 read as follows:

17 (a) The appraisal review board before which a protest  
18 hearing is scheduled shall deliver written notice to the property  
19 owner initiating a protest of the date, time, ~~and~~ place, and  
20 subject matter of ~~[fixed for]~~ the hearing on the protest and of the  
21 property owner's entitlement to a postponement of the hearing as  
22 provided by Section 41.45 unless the property owner waives in  
23 writing notice of the hearing. The board shall deliver the notice  
24 not later than the 15th day before the date of the hearing.

25 SECTION 2.38. Section 41.461, Tax Code, is amended to read  
26 as follows:

27 Sec. 41.461. NOTICE OF CERTAIN MATTERS BEFORE HEARING;



1 DELIVERY OF REQUESTED INFORMATION. (a) At least 14 days before the  
2 first scheduled [~~a~~] hearing on a protest, the chief appraiser  
3 shall:

4 (1) deliver a copy of the pamphlet prepared by the  
5 comptroller under Section 5.06 [~~5.06(a)~~] to the property owner  
6 initiating the protest if the owner is representing himself, or to  
7 an agent representing the owner if requested by the agent;

8 (2) inform the property owner that the owner or the  
9 agent of the owner is entitled on request to [~~may inspect and may~~  
10 ~~obtain~~] a copy of the data, schedules, formulas, and all other  
11 information the chief appraiser will [~~plans to~~] introduce at the  
12 hearing to establish any matter at issue; and

13 (3) deliver a copy of the hearing procedures  
14 established by the appraisal review board under Section 41.66 to  
15 the property owner.

16 (b) The chief appraiser may not charge a property owner or  
17 the designated agent of the owner for copies provided to the [~~an~~]  
18 owner or designated agent under this section, regardless of the  
19 manner in which the copies are prepared or delivered [~~may not exceed~~  
20 ~~the charge for copies of public information as provided under~~  
21 ~~Subchapter F, Chapter 552, Government Code, except:~~

22 [~~(1) the total charge for copies provided in~~  
23 ~~connection with a protest of the appraisal of residential property~~  
24 ~~may not exceed \$15 for each residence; and~~

25 [~~(2) the total charge for copies provided in~~  
26 ~~connection with a protest of the appraisal of a single unit of~~  
27 ~~property subject to appraisal, other than residential property, may~~

1 ~~not exceed \$25].~~

2 (c) A chief appraiser must deliver information requested by  
3 a property owner or the agent of the owner under Subsection (a)(2):

4 (1) by regular first-class mail;

5 (2) in an electronic format as provided by an  
6 agreement under Section 1.085; or

7 (3) subject to Subsection (d), by referring the  
8 property owner or the agent of the owner to the exact Internet  
9 location or uniform resource locator (URL) address on an Internet  
10 website maintained by the appraisal district on which the requested  
11 information is identifiable and readily available.

12 (d) If a chief appraiser provides a property owner or the  
13 agent of the owner the Internet location or address of information  
14 under Subsection (c)(3), the notice must contain a statement in a  
15 conspicuous font that clearly indicates that the property owner or  
16 the agent of the owner may on request receive the information by  
17 regular first-class mail. On request by a property owner or the  
18 agent of the owner, the chief appraiser must provide the  
19 information by regular first-class mail.

20 SECTION 2.39. Section 41.47, Tax Code, is amended by adding  
21 Subsections (c-2) and (f) and amending Subsections (d) and (e) to  
22 read as follows:

23 (c-2) The board may not determine the appraised value of the  
24 property that is the subject of a protest to be an amount greater  
25 than the appraised value of the property as shown in the appraisal  
26 records submitted to the board by the chief appraiser under Section  
27 25.22 or 25.23.

1 (d) The board shall deliver by certified mail:

2 (1) a notice of issuance of the order and a copy of the  
3 order to the property owner and the chief appraiser; and

4 (2) a copy of the appraisal review board survey form  
5 prepared under Section 5.104 and instructions for completing and  
6 submitting the form to the property owner.

7 (e) The notice of the issuance of the order must contain a  
8 prominently printed statement in upper-case bold lettering  
9 informing the property owner in clear and concise language of the  
10 property owner's right to appeal the order of the board [~~board's~~  
11 ~~decision~~] to district court. The statement must describe the  
12 deadline prescribed by Section 42.06(a) [~~of this code~~] for filing a  
13 written notice of appeal[~~r~~] and the deadline prescribed by Section  
14 42.21(a) [~~of this code~~] for filing the petition for review with the  
15 district court.

16 (f) The appraisal review board shall take the actions  
17 required by Subsections (a) and (d) not later than the 15th day  
18 after the date the hearing on the protest is concluded.

19 SECTION 2.40. Section 41.66, Tax Code, is amended by  
20 amending Subsections (h), (i), (j), and (k) and adding Subsections  
21 (j-1), (k-1), and (p) to read as follows:

22 (h) The appraisal review board shall postpone a hearing on a  
23 protest if the property owner or the designated agent of the owner  
24 requests additional time to prepare for the hearing and establishes  
25 to the board that the chief appraiser failed to comply with Section  
26 41.461. The board is not required to postpone a hearing more than  
27 one time under this subsection.

1 (i) A hearing on a protest filed by a property owner or the  
2 designated agent of the owner [~~who is not represented by an agent~~  
3 ~~designated under Section 1.111~~] shall be set for a time and date  
4 certain. If the hearing is not commenced within two hours of the  
5 time set for the hearing, the appraisal review board shall postpone  
6 the hearing on the request of the property owner or the designated  
7 agent of the owner.

8 (j) On the request of a property owner or the [~~a~~] designated  
9 agent of the owner, an appraisal review board shall schedule  
10 hearings on protests concerning up to 20 designated properties to  
11 be held consecutively on the same day. The designated properties  
12 must be identified in the same notice of protest, and the notice  
13 must contain in boldfaced type the statement "request for same-day  
14 protest hearings." A property owner or the designated agent of the  
15 owner may [~~not~~] file more than one request under this subsection  
16 with the appraisal review board in the same tax year. The appraisal  
17 review board may schedule hearings on protests concerning more than  
18 20 properties filed by the same property owner or the designated  
19 agent of the owner and may use different panels to conduct the  
20 hearings based on the board's customary scheduling. The appraisal  
21 review board may follow the practices customarily used by the board  
22 in the scheduling of hearings under this subsection.

23 (j-1) An appraisal review board may schedule the hearings on  
24 all protests filed by a property owner or the designated agent of  
25 the owner to be held consecutively. The notice of the hearings must  
26 state the date and time that the first hearing will begin, state the  
27 date the last hearing will end, and list the order in which the

1 hearings will be held. The order of the hearings listed in the  
2 notice may not be changed without the agreement of the property  
3 owner or the designated agent of the owner, the chief appraiser, and  
4 the appraisal review board. The board may not reschedule a hearing  
5 for which notice is given under this subsection to a date earlier  
6 than the seventh day after the date the last hearing was scheduled  
7 to end unless agreed to by the property owner or the designated  
8 agent of the owner, the chief appraiser, and the appraisal review  
9 board. Unless agreed to by the parties, the board must provide  
10 written notice of the date and time of the rescheduled hearing to  
11 the property owner or the designated agent of the owner not later  
12 than the seventh day before the date of the hearing.

13 (k) This subsection does not apply to a special panel  
14 established under Section 6.425. If an appraisal review board sits  
15 in panels to conduct protest hearings, protests shall be randomly  
16 assigned to panels, except that the board may consider the type of  
17 property subject to the protest or the ground of the protest for the  
18 purpose of using the expertise of a particular panel in hearing  
19 protests regarding particular types of property or based on  
20 particular grounds. If a protest is scheduled to be heard by a  
21 particular panel, the protest may not be reassigned to another  
22 panel without the consent of the property owner or designated  
23 agent. If the appraisal review board has cause to reassign a  
24 protest to another panel, a property owner or designated agent may  
25 agree to reassignment of the protest or may request that the hearing  
26 on the protest be postponed. The board shall postpone the hearing  
27 on that request. A change of members of a panel because of a

1 conflict of interest, illness, or inability to continue  
2 participating in hearings for the remainder of the day does not  
3 constitute reassignment of a protest to another panel.

4 (k-1) On the request of a property owner, an appraisal  
5 review board to which Section 6.425 applies shall assign a protest  
6 relating to property described by Section 6.425(b) to a special  
7 panel. In addition, the chairman of the appraisal review board may  
8 assign a protest relating to property not described by Section  
9 6.425(b) to a special panel as authorized by Section 6.425(f).  
10 Protests assigned to special panels shall be randomly assigned to  
11 those panels. If a protest is scheduled to be heard by a particular  
12 special panel, the protest may not be reassigned to another special  
13 panel without the consent of the property owner or designated  
14 agent. If the board has cause to reassign a protest to another  
15 special panel, a property owner or designated agent may agree to  
16 reassignment of the protest or may request that the hearing on the  
17 protest be postponed. The board shall postpone the hearing on that  
18 request. A change of members of a special panel because of a  
19 conflict of interest, illness, or inability to continue  
20 participating in hearings for the remainder of the day does not  
21 constitute reassignment of a protest to another special panel.

22 (p) At the end of a hearing on a protest, the appraisal  
23 review board shall provide the property owner or the designated  
24 agent of the owner one or more documents indicating that the members  
25 of the board hearing the protest signed the affidavit required by  
26 Subsection (g).

27 SECTION 2.41. Section 41.67(d), Tax Code, is amended to

1 read as follows:

2 (d) Information that was previously requested under Section  
3 41.461 by the protesting party that was not delivered [~~made~~  
4 ~~available~~] to the protesting party at least 14 days before the first  
5 scheduled [~~or postponed~~] hearing may not be used or offered in any  
6 form as evidence in the hearing, including as a document or through  
7 argument or testimony.

8 SECTION 2.42. Section 41.71, Tax Code, is amended to read as  
9 follows:

10 Sec. 41.71. EVENING AND WEEKEND HEARINGS. (a) An  
11 appraisal review board by rule shall provide for hearings on  
12 protests [~~in the evening or~~] on a Saturday or after 5 p.m. on a  
13 weekday [~~Sunday~~].

14 (b) The board may not schedule:

15 (1) the first hearing on a protest held on a weekday  
16 evening to begin after 7 p.m.; or

17 (2) a hearing on a protest on a Sunday.

18 SECTION 2.43. Section 41A.06(b), Tax Code, as effective  
19 September 1, 2017, is amended to read as follows:

20 (b) To initially qualify to serve as an arbitrator under  
21 this chapter, a person must:

22 (1) meet the following requirements, as applicable:

23 (A) be licensed as an attorney in this state; or

24 (B) have:

25 (i) completed at least 30 hours of training  
26 in arbitration and alternative dispute resolution procedures from a  
27 university, college, or legal or real estate trade association; and

1 (ii) been licensed or certified  
2 continuously during the five years preceding the date the person  
3 agrees to serve as an arbitrator as:

4 (a) a real estate broker or sales  
5 agent under Chapter 1101, Occupations Code;

6 (b) a real estate appraiser under  
7 Chapter 1103, Occupations Code; or

8 (c) a certified public accountant  
9 under Chapter 901, Occupations Code; ~~and~~

10 (2) complete the course for training and education of  
11 appraisal review board members established under Section 5.041 and  
12 be issued a certificate indicating course completion;

13 (3) complete the training program on property tax law  
14 for the training and education of arbitrators established under  
15 Section 5.043; and

16 (4) agree to conduct an arbitration for a fee that is  
17 not more than:

18 (A) \$400, if the property qualifies as the  
19 owner's residence homestead under Section 11.13 and the appraised  
20 or market value, as applicable, of the property is \$500,000 or less,  
21 as determined by the order;

22 (B) \$450, if the property qualifies as the  
23 owner's residence homestead under Section 11.13 and the appraised  
24 or market value, as applicable, of the property is more than  
25 \$500,000, as determined by the order;

26 (C) \$450, if the property does not qualify as the  
27 owner's residence homestead under Section 11.13 and the appraised



1 or market value, as applicable, of the property is \$1 million or  
2 less, as determined by the order;

3 (D) \$750, if the property does not qualify as the  
4 owner's residence homestead under Section 11.13 and the appraised  
5 or market value, as applicable, of the property is more than \$1  
6 million but not more than \$2 million, as determined by the order;

7 (E) \$1,000, if the property does not qualify as  
8 the owner's residence homestead under Section 11.13 and the  
9 appraised or market value, as applicable, of the property is more  
10 than \$2 million but not more than \$3 million, as determined by the  
11 order; or

12 (F) \$1,500, if the property does not qualify as  
13 the owner's residence homestead under Section 11.13 and the  
14 appraised or market value, as applicable, of the property is more  
15 than \$3 million but not more than \$5 million, as determined by the  
16 order.

17 SECTION 2.44. Section 41A.061(b), Tax Code, is amended to  
18 read as follows:

19 (b) To renew the person's agreement to serve as an  
20 arbitrator, the person must:

21 (1) file a renewal application with the comptroller at  
22 the time and in the manner prescribed by the comptroller;

23 (2) continue to meet the requirements provided by  
24 Sections 41A.06(b)(1) and (4) [~~Section 41A.06(b)~~]; and

25 (3) during the preceding two years have completed at  
26 least eight hours of continuing education in arbitration and  
27 alternative dispute resolution procedures offered by a university,

1 college, real estate trade association, or legal association.

2 SECTION 2.45. Section 41A.09(b), Tax Code, is amended to  
3 read as follows:

4 (b) An award under this section:

5 (1) must include a determination of the appraised or  
6 market value, as applicable, of the property that is the subject of  
7 the appeal;

8 (2) may include any remedy or relief a court may order  
9 under Chapter 42 in an appeal relating to the appraised or market  
10 value of property;

11 (3) shall specify the arbitrator's fee, which may not  
12 exceed the amount provided by Section 41A.06(b)(4) [~~41A.06(b)(2)~~];

13 (4) is final and may not be appealed except as  
14 permitted under Section 171.088, Civil Practice and Remedies Code,  
15 for an award subject to that section; and

16 (5) may be enforced in the manner provided by  
17 Subchapter D, Chapter 171, Civil Practice and Remedies Code.

18 SECTION 2.46. Section 45.105(e), Education Code, is amended  
19 to read as follows:

20 (e) The governing body of an independent school district  
21 that governs a junior college district under Subchapter B, Chapter  
22 130, in a county with a population of more than two million may  
23 dedicate a specific percentage of the local tax levy to the use of  
24 the junior college district for facilities and equipment or for the  
25 maintenance and operating expenses of the junior college district.  
26 To be effective, the dedication must be made by the governing body  
27 on or before the date on which the governing body adopts its tax

1 rate for a year. The amount of local tax funds derived from the  
2 percentage of the local tax levy dedicated to a junior college  
3 district from a tax levy may not exceed the amount that would be  
4 levied by five percent of the no-new-revenue [~~effective~~] tax rate  
5 for the tax year calculated as provided by Section 26.04, Tax Code,  
6 on all property taxable by the school district. All real property  
7 purchased with these funds is the property of the school district,  
8 but is subject to the exclusive control of the governing body of the  
9 junior college district for as long as the junior college district  
10 uses the property for educational purposes.

11 SECTION 2.47. Section 403.302(o), Government Code, is  
12 amended to read as follows:

13 (o) The comptroller shall adopt rules governing the conduct  
14 of the study after consultation with the comptroller's property tax  
15 administration advisory board [~~Comptroller's Property Value Study~~  
16 ~~Advisory Committee~~].

17 SECTION 2.48. Section 102.007(d), Local Government Code, is  
18 amended to read as follows:

19 (d) An adopted budget must contain a cover page that  
20 includes:

21 (1) one of the following statements in 18-point or  
22 larger type that accurately describes the adopted budget:

23 (A) "This budget will raise more revenue from  
24 property taxes than last year's budget by an amount of (insert total  
25 dollar amount of increase), which is a (insert percentage increase)  
26 percent increase from last year's budget. The property tax revenue  
27 to be raised from new property added to the tax roll this year is

1 (insert amount computed by multiplying the proposed tax rate by the  
2 value of new property added to the roll).";

3 (B) "This budget will raise less revenue from  
4 property taxes than last year's budget by an amount of (insert total  
5 dollar amount of decrease), which is a (insert percentage decrease)  
6 percent decrease from last year's budget. The property tax revenue  
7 to be raised from new property added to the tax roll this year is  
8 (insert amount computed by multiplying the proposed tax rate by the  
9 value of new property added to the roll)."; or

10 (C) "This budget will raise the same amount of  
11 revenue from property taxes as last year's budget. The property  
12 tax revenue to be raised from new property added to the tax roll  
13 this year is (insert amount computed by multiplying the proposed  
14 tax rate by the value of new property added to the roll).";

15 (2) the record vote of each member of the governing  
16 body by name voting on the adoption of the budget;

17 (3) the municipal property tax rates for the preceding  
18 fiscal year, and each municipal property tax rate that has been  
19 adopted or calculated for the current fiscal year, including:

20 (A) the property tax rate;

21 (B) the no-new-revenue [~~effective~~] tax rate;

22 (C) the no-new-revenue [~~effective~~] maintenance  
23 and operations tax rate;

24 (D) the rollback tax rate; and

25 (E) the debt rate; and

26 (4) the total amount of municipal debt obligations.

27 SECTION 2.49. Section [111.008](#)(d), Local Government Code, is

1 amended to read as follows:

2 (d) An adopted budget must contain a cover page that  
3 includes:

4 (1) one of the following statements in 18-point or  
5 larger type that accurately describes the adopted budget:

6 (A) "This budget will raise more revenue from  
7 property taxes than last year's budget by an amount of (insert total  
8 dollar amount of increase), which is a (insert percentage increase)  
9 percent increase from last year's budget. The property tax revenue  
10 to be raised from new property added to the tax roll this year is  
11 (insert amount computed by multiplying the proposed tax rate by the  
12 value of new property added to the roll).";

13 (B) "This budget will raise less revenue from  
14 property taxes than last year's budget by an amount of (insert total  
15 dollar amount of decrease), which is a (insert percentage decrease)  
16 percent decrease from last year's budget. The property tax revenue  
17 to be raised from new property added to the tax roll this year is  
18 (insert amount computed by multiplying the proposed tax rate by the  
19 value of new property added to the roll)."; or

20 (C) "This budget will raise the same amount of  
21 revenue from property taxes as last year's budget. The property  
22 tax revenue to be raised from new property added to the tax roll  
23 this year is (insert amount computed by multiplying the proposed  
24 tax rate by the value of new property added to the roll).";

25 (2) the record vote of each member of the  
26 commissioners court by name voting on the adoption of the budget;

27 (3) the county property tax rates for the preceding

1 fiscal year, and each county property tax rate that has been adopted  
2 or calculated for the current fiscal year, including:

- 3 (A) the property tax rate;
- 4 (B) the no-new-revenue [~~effective~~] tax rate;
- 5 (C) the no-new-revenue [~~effective~~] maintenance  
6 and operations tax rate;
- 7 (D) the rollback tax rate; and
- 8 (E) the debt rate; and
- 9 (4) the total amount of county debt obligations.

10 SECTION 2.50. Section [111.039\(d\)](#), Local Government Code, is  
11 amended to read as follows:

12 (d) An adopted budget must contain a cover page that  
13 includes:

14 (1) one of the following statements in 18-point or  
15 larger type that accurately describes the adopted budget:

16 (A) "This budget will raise more revenue from  
17 property taxes than last year's budget by an amount of (insert total  
18 dollar amount of increase), which is a (insert percentage increase)  
19 percent increase from last year's budget. The property tax revenue  
20 to be raised from new property added to the tax roll this year is  
21 (insert amount computed by multiplying the proposed tax rate by the  
22 value of new property added to the roll).";

23 (B) "This budget will raise less revenue from  
24 property taxes than last year's budget by an amount of (insert total  
25 dollar amount of decrease), which is a (insert percentage decrease)  
26 percent decrease from last year's budget. The property tax revenue  
27 to be raised from new property added to the tax roll this year is

1 (insert amount computed by multiplying the proposed tax rate by the  
2 value of new property added to the roll)."; or

3 (C) "This budget will raise the same amount of  
4 revenue from property taxes as last year's budget. The property  
5 tax revenue to be raised from new property added to the tax roll  
6 this year is (insert amount computed by multiplying the proposed  
7 tax rate by the value of new property added to the roll).";

8 (2) the record vote of each member of the  
9 commissioners court by name voting on the adoption of the budget;

10 (3) the county property tax rates for the preceding  
11 fiscal year, and each county property tax rate that has been adopted  
12 or calculated for the current fiscal year, including:

13 (A) the property tax rate;

14 (B) the no-new-revenue [~~effective~~] tax rate;

15 (C) the no-new-revenue [~~effective~~] maintenance  
16 and operations tax rate;

17 (D) the rollback tax rate; and

18 (E) the debt rate; and

19 (4) the total amount of county debt obligations.

20 SECTION 2.51. Section [111.068\(c\)](#), Local Government Code, is  
21 amended to read as follows:

22 (c) An adopted budget must contain a cover page that  
23 includes:

24 (1) one of the following statements in 18-point or  
25 larger type that accurately describes the adopted budget:

26 (A) "This budget will raise more revenue from  
27 property taxes than last year's budget by an amount of (insert total

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

6 (B) "This budget will raise less revenue from  
7 property taxes than last year's budget by an amount of (insert total  
8 dollar amount of decrease), which is a (insert percentage decrease)  
9 percent decrease from last year's budget. The property tax revenue  
10 to be raised from new property added to the tax roll this year is  
11 (insert amount computed by multiplying the proposed tax rate by the  
12 value of new property added to the roll)."; or

13 (C) "This budget will raise the same amount of  
14 revenue from property taxes as last year's budget. The property  
15 tax revenue to be raised from new property added to the tax roll  
16 this year is (insert amount computed by multiplying the proposed  
17 tax rate by the value of new property added to the roll).";

18 (2) the record vote of each member of the  
19 commissioners court by name voting on the adoption of the budget;

20 (3) the county property tax rates for the preceding  
21 fiscal year, and each county property tax rate that has been adopted  
22 or calculated for the current fiscal year, including:

23 (A) the property tax rate;

24 (B) the no-new-revenue [~~effective~~] tax rate;

25 (C) the no-new-revenue [~~effective~~] maintenance  
26 and operations tax rate;

27 (D) the rollback tax rate; and



- 1 (E) the debt rate; and
- 2 (4) the total amount of county debt obligations.

3 SECTION 2.52. Sections 140.010(a), (d), (e), and (f), Local  
 4 Government Code, are amended to read as follows:

5 (a) In this section, "no-new-revenue [~~effective~~] tax rate"  
 6 and "rollback tax rate" mean the no-new-revenue [~~effective~~] tax  
 7 rate and rollback tax rate of a county or municipality, as  
 8 applicable, as calculated under Chapter 26, Tax Code.

9 (d) A county or municipality that proposes a property tax  
 10 rate that does not exceed the lower of the no-new-revenue  
 11 [~~effective~~] tax rate or the rollback tax rate shall provide the  
 12 following notice:

13 "NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX  
 14 RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)  
 15 "A tax rate of \$\_\_\_\_\_ per \$100 valuation has been proposed by the  
 16 governing body of (insert name of county or municipality).

17 PROPOSED TAX RATE \$\_\_\_\_\_ per \$100  
 18 PRECEDING YEAR'S TAX RATE \$\_\_\_\_\_ per \$100  
 19 NO-NEW-REVENUE [~~EFFECTIVE~~] TAX RATE \$\_\_\_\_\_ per \$100

20 "The no-new-revenue [~~effective~~] tax rate is the total tax rate  
 21 needed to raise the same amount of property tax revenue for (insert  
 22 name of county or municipality) from the same properties in both the  
 23 (insert preceding tax year) tax year and the (insert current tax  
 24 year) tax year.

25 "YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS  
 26 FOLLOWS:

27  $property\ tax\ amount = (rate) \times (taxable\ value\ of\ your\ property) /$

100

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

(insert name of county or municipal tax assessor-collector)
(insert name of county or municipality) tax assessor-collector
(insert address)
(insert telephone number)
(insert e-mail address)
(insert Internet website address, if applicable)"

(e) A county or municipality that proposes a property tax rate that exceeds the lower of the no-new-revenue [effective] tax rate or the rollback tax rate shall provide the following notice:

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

"A tax rate of \$\_\_\_\_\_ per \$100 valuation has been proposed for adoption by the governing body of (insert name of county or municipality). This rate exceeds the lower of the no-new-revenue [effective] or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate. The governing body of (insert name of county or municipality) proposes to use revenue attributable to the tax rate increase for the purpose of (description of purpose of increase).

Table with 2 columns: Tax Rate Category and Amount per \$100. Rows include Proposed Tax Rate, Preceding Year's Tax Rate, No-New-Revenue [Effective] Tax Rate, and Rollback Tax Rate.

1 "The no-new-revenue [~~effective~~] tax rate is the total tax rate  
2 needed to raise the same amount of property tax revenue for (insert  
3 name of county or municipality) from the same properties in both the  
4 (insert preceding tax year) tax year and the (insert current tax  
5 year) tax year.

6 "The rollback tax rate is the highest tax rate that (insert name of  
7 county or municipality) may adopt before the voters are entitled to  
8 petition for an election to limit the rate that may be approved to  
9 the rollback tax rate.

10 "YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS  
11 FOLLOWS:

$$12 \text{ property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) /$$
$$13 \text{ 100}$$

14 "For assistance or detailed information about tax calculations,  
15 please contact:

16 (insert name of county or municipal tax assessor-collector)  
17 (insert name of county or municipality) tax  
18 assessor-collector  
19 (insert address)  
20 (insert telephone number)  
21 (insert e-mail address)  
22 (insert Internet website address, if applicable)

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

25 First Hearing: (insert date and time) at (insert location of  
26 meeting).

27 Second Hearing: (insert date and time) at (insert location

1 of meeting)."

2 (f) A county or municipality shall:

3 (1) provide the notice required by Subsection (d) or  
4 (e), as applicable, not later than the later of September 1 or the  
5 30th day after the first date that the taxing unit has received each  
6 applicable certified appraisal roll by:

7 (A) publishing the notice in a newspaper having  
8 general circulation in:

9 (i) the county, in the case of notice  
10 published by a county; or

11 (ii) the county in which the municipality  
12 is located or primarily located, in the case of notice published by  
13 a municipality; or

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

15 (i) the county, in the case of notice  
16 provided by a county; or

17 (ii) the municipality, in the case of  
18 notice provided by a municipality; and

19 (2) post the notice prominently on the home page of the  
20 Internet website of the county or municipality, if applicable,  
21 beginning not later than the later of September 1 or the 30th day  
22 after the first date that the taxing unit has received each  
23 applicable certified appraisal roll and continuing until the county  
24 or municipality adopts a tax rate.

25 SECTION 2.53. Section 8876.152(b), Special District Local  
26 Laws Code, is amended to read as follows:

27 (b) Sections 49.236(a)(1) and (2) and (b) [Section 49.236],

1 Water Code, apply [~~as added by Chapter 248 (H.B. 1541), Acts of the~~  
2 ~~78th Legislature, Regular Session, 2003, applies~~] to the district.

3 SECTION 2.54. Section 49.236(a), Water Code, as added by  
4 Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular  
5 Session, 2003, is amended to read as follows:

6 (a) Before the board adopts an ad valorem tax rate for the  
7 district for debt service, operation and maintenance purposes, or  
8 contract purposes, the board shall give notice of each meeting of  
9 the board at which the adoption of a tax rate will be considered.  
10 The notice must:

11 (1) contain a statement in substantially the following  
12 form:

13 "NOTICE OF PUBLIC HEARING ON TAX RATE

14 "The (name of the district) will hold a public hearing on a  
15 proposed tax rate for the tax year (year of tax levy) on (date and  
16 time) at (meeting place). Your individual taxes may increase at a  
17 greater or lesser rate, or even decrease, depending on the tax rate  
18 that is adopted and on the change in the taxable value of your  
19 property in relation to the change in taxable value of all other  
20 property [and the tax rate that is adopted]. The change in the  
21 taxable value of your property in relation to the change in the  
22 taxable value of all other property determines the distribution of  
23 the tax burden among all property owners.

24 "(Names of all board members and, if a vote was taken, an  
25 indication of how each voted on the proposed tax rate and an  
26 indication of any absences.)";

27 (2) contain the following information:

1 (A) the district's total adopted tax rate for the  
2 preceding year and the proposed tax rate, expressed as an amount per  
3 \$100;

4 (B) the difference, expressed as an amount per  
5 \$100 and as a percent increase or decrease, as applicable, in the  
6 proposed tax rate compared to the adopted tax rate for the preceding  
7 year;

8 (C) the average appraised value of a residence  
9 homestead in the district in the preceding year and in the current  
10 year; the district's total homestead exemption, other than an  
11 exemption available only to disabled persons or persons 65 years of  
12 age or older, applicable to that appraised value in each of those  
13 years; and the average taxable value of a residence homestead in  
14 the district in each of those years, disregarding any homestead  
15 exemption available only to disabled persons or persons 65 years of  
16 age or older;

17 (D) the amount of tax that would have been  
18 imposed by the district in the preceding year on a residence  
19 homestead appraised at the average appraised value of a residence  
20 homestead in that year, disregarding any homestead exemption  
21 available only to disabled persons or persons 65 years of age or  
22 older;

23 (E) the amount of tax that would be imposed by the  
24 district in the current year on a residence homestead appraised at  
25 the average appraised value of a residence homestead in that year,  
26 disregarding any homestead exemption available only to disabled  
27 persons or persons 65 years of age or older, if the proposed tax

1 rate is adopted; [~~and~~]

2 (F) the difference between the amounts of tax  
3 calculated under Paragraphs (D) and (E), expressed in dollars and  
4 cents and described as the annual percentage increase or decrease,  
5 as applicable, in the tax to be imposed by the district on the  
6 average residence homestead in the district in the current year if  
7 the proposed tax rate is adopted; and

8 (G) if the proposed combined debt service,  
9 operation and maintenance, and contract tax rate would authorize  
10 the qualified voters of the district by petition to require a  
11 rollback election to be held in the district, a description of the  
12 purpose of the proposed tax increase; and

13 (3) contain a statement in substantially the following  
14 form:

15 "NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

16 "If taxes on the average residence homestead increase by more  
17 than eight percent, the qualified voters of the district by  
18 petition may require that an election be held to determine whether  
19 to reduce the operation and maintenance tax rate to the rollback tax  
20 rate under Section 49.236(d), Water Code."

21 SECTION 2.55. The following provisions are repealed:

- 22 (1) Sections 403.302(m-1) and (n), Government Code;
- 23 (2) Sections 5.103(e) and (f), Tax Code;
- 24 (3) Section 6.412(e), Tax Code;
- 25 (4) Section 41A.06(c), Tax Code;
- 26 (5) Section 49.236, Water Code, as added by Chapter  
27 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,

1 2003; and

2 (6) Section 49.2361, Water Code.

3 SECTION 2.56. Section 5.041, Tax Code, as amended by this  
4 Act, applies only to an appraisal review board member appointed to  
5 serve a term of office that begins on or after January 1, 2018.

6 SECTION 2.57. The comptroller shall implement Section  
7 5.043, Tax Code, as added by this Act, as soon as practicable after  
8 January 1, 2018.

9 SECTION 2.58. (a) The comptroller shall comply with  
10 Sections 5.07(f), (g), (h), and (i), Tax Code, as added by this Act,  
11 as soon as practicable after January 1, 2018.

12 (b) The comptroller shall comply with Section 5.091, Tax  
13 Code, as amended by this Act, not later than January 1, 2021.

14 SECTION 2.59. The comptroller shall prepare and make  
15 available the survey form and instructions for completing and  
16 submitting the form required by Section 5.104, Tax Code, as added by  
17 this Act, as soon as practicable after January 1, 2018. An  
18 appraisal district is not required to provide the survey form or  
19 instructions under a requirement of that section until the form and  
20 instructions are prepared and made available by the comptroller.

21 SECTION 2.60. Section 6.41(d-9), Tax Code, as amended by  
22 this Act, applies only to the appointment of appraisal review board  
23 members to terms beginning on or after January 1, 2019.

24 SECTION 2.61. Section 6.412, Tax Code, as amended by this  
25 Act, does not affect the eligibility of a person serving on an  
26 appraisal review board immediately before January 1, 2018, to  
27 continue to serve on the board for the term to which the member was



1 appointed.

2 SECTION 2.62. Section 6.42(d), Tax Code, as added by this  
3 Act, applies only to a recommendation, determination, decision, or  
4 other action by an appraisal review board or a panel of such a board  
5 on or after January 1, 2018. A recommendation, determination,  
6 decision, or other action by an appraisal review board or a panel of  
7 such a board before January 1, 2018, is governed by the law as it  
8 existed immediately before that date, and that law is continued in  
9 effect for that purpose.

10 SECTION 2.63. Section 25.25(c), Tax Code, as amended by  
11 this Act, applies only to a motion to correct an appraisal roll  
12 filed on or after January 1, 2018. A motion to correct an appraisal  
13 roll filed before January 1, 2018, is governed by the law in effect  
14 on the date the motion was filed, and the former law is continued in  
15 effect for that purpose.

16 SECTION 2.64. (a) An appraisal district established in a  
17 county with a population of 120,000 or more and each taxing unit  
18 located wholly or partly in such an appraisal district shall comply  
19 with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18,  
20 Tax Code, as added by this Act, beginning with the 2019 tax year.

21 (b) An appraisal district established in a county with a  
22 population of less than 120,000 and each taxing unit located wholly  
23 in such an appraisal district shall comply with Sections  
24 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as  
25 added by this Act, beginning with the 2020 tax year.

26 SECTION 2.65. (a) Except as provided by Subsections (b) and  
27 (c) of this section, the changes in law made by this Act to Chapter

1 41, Tax Code, apply only to a protest for which the notice of  
2 protest was filed by a property owner or the designated agent of the  
3 owner with the appraisal review board established for an appraisal  
4 district on or after January 1, 2018.

5 (b) Section 41.03(a), Tax Code, as amended by this Act,  
6 applies only to a challenge under Chapter 41, Tax Code, for which a  
7 challenge petition is filed on or after January 1, 2018. A  
8 challenge under Chapter 41, Tax Code, for which a challenge  
9 petition was filed before January 1, 2018, is governed by the law in  
10 effect on the date the challenge petition was filed, and the former  
11 law is continued in effect for that purpose.

12 (c) Sections 41.45 and 41.66, Tax Code, as amended by this  
13 Act, apply only to a protest filed under Chapter 41, Tax Code, on or  
14 after January 1, 2019. A protest filed under that chapter before  
15 January 1, 2019, is governed by the law in effect on the date the  
16 protest was filed, and the former law is continued in effect for  
17 that purpose.

18 SECTION 2.66. The changes in law made by this Act in the  
19 qualifications of persons serving as arbitrators in binding  
20 arbitrations of appeals of appraisal review board orders do not  
21 affect the entitlement of a person serving as an arbitrator  
22 immediately before January 1, 2018, to continue to serve as an  
23 arbitrator and to conduct hearings on arbitrations until the person  
24 is required to renew the person's agreement with the comptroller to  
25 serve as an arbitrator. The changes in law apply only to a person  
26 who initially qualifies to serve as an arbitrator or who renews the  
27 person's agreement with the comptroller to serve as an arbitrator

1 on or after January 1, 2018. This Act does not prohibit a person who  
2 is serving as an arbitrator on January 1, 2018, from renewing the  
3 person's agreement with the comptroller to serve as an arbitrator  
4 if the person has the qualifications required for an arbitrator  
5 under the Tax Code as amended by this Act.

6 SECTION 2.67. (a) Except as otherwise provided by this  
7 article, this article takes effect January 1, 2018.

8 (b) The following provisions take effect September 1, 2018:

9 (1) Sections 6.41(b) and (d-9), Tax Code, as amended  
10 by this Act;

11 (2) Sections 6.41(b-1), (b-2), and (d-10), Tax Code,  
12 as added by this Act;

13 (3) Section 6.414(d), Tax Code, as amended by this  
14 Act;

15 (4) Section 6.425, Tax Code, as added by this Act;

16 (5) Section 41.44(d), Tax Code, as amended by this  
17 Act;

18 (6) Section 41.45(d), Tax Code, as amended by this  
19 Act;

20 (7) Sections 41.45(d-1), (d-2), and (d-3), Tax Code,  
21 as added by this Act;

22 (8) Section 41.66(k), Tax Code, as amended by this  
23 Act; and

24 (9) Section 41.66(k-1), Tax Code, as added by this  
25 Act.

26 (c) The following provisions take effect January 1, 2019:

27 (1) Sections 26.04(d-1), (d-2), (e-2), (e-3), and

1 (e-4), Tax Code, as added by this Act;

2 (2) Sections 26.04(e-1) and (g), Tax Code, as amended  
3 by this Act;

4 (3) Sections 26.05(d-1) and (d-2), Tax Code, as added  
5 by this Act; and

6 (4) Section 26.05(e), Tax Code, as amended by this  
7 Act.

8 ARTICLE 3. LIMITATION ON INCREASES IN APPRAISED VALUE OF  
9 COMMERCIAL OR INDUSTRIAL REAL PROPERTY

10 SECTION 3.01. Section 1.12(d), Tax Code, is amended to read  
11 as follows:

12 (d) For purposes of this section, the appraisal ratio of a  
13 homestead to which Section 23.23 applies or of commercial or  
14 industrial real property to which Section 23.231 applies is the  
15 ratio of the property's market value as determined by the appraisal  
16 district or appraisal review board, as applicable, to the market  
17 value of the property according to law. The appraisal ratio is not  
18 calculated according to the appraised value of the property as  
19 limited by Section 23.23 or 23.231.

20 SECTION 3.02. Subchapter B, Chapter 23, Tax Code, is  
21 amended by adding Section 23.231 to read as follows:

22 Sec. 23.231. LIMITATION ON APPRAISED VALUE OF COMMERCIAL OR  
23 INDUSTRIAL REAL PROPERTY. (a) In this section, "new improvement"  
24 means an improvement to commercial or industrial real property made  
25 after the most recent appraisal of the property that increases the  
26 market value of the property and the value of which is not included  
27 in the appraised value of the property for the preceding tax

1 year. The term does not include repairs to or ordinary maintenance  
2 of an existing structure or the grounds or another feature of the  
3 property.

4 (b) This section does not apply to:

5 (1) residential property;

6 (2) a mineral interest; or

7 (3) property appraised under Subchapter C, D, E, F, G,  
8 or H.

9 (c) Notwithstanding the requirements of Section 25.18 and  
10 regardless of whether the appraisal office has appraised the  
11 property and determined the market value of the property for the tax  
12 year, an appraisal office may increase the appraised value of a  
13 parcel of commercial or industrial real property for a tax year to  
14 an amount not to exceed the lesser of:

15 (1) the market value of the property for the most  
16 recent tax year that the market value was determined by the  
17 appraisal office; or

18 (2) the sum of:

19 (A) 20 percent of the appraised value of the  
20 property for the preceding tax year;

21 (B) the appraised value of the property for the  
22 preceding tax year; and

23 (C) the market value of all new improvements to  
24 the property.

25 (d) When appraising a parcel of commercial or industrial  
26 real property, the chief appraiser shall:

27 (1) appraise the property at its market value; and

1           (2) include in the appraisal records both the market  
2 value of the property and the amount computed under Subsection  
3 (c)(2).

4           (e) The limitation provided by Subsection (c) takes effect  
5 as to a parcel of commercial or industrial real property on January  
6 1 of the tax year following the first tax year in which the owner  
7 owns the property on January 1 and in which the property qualifies  
8 as commercial or industrial real property under this section.  
9 Except as provided by Subsection (f), the limitation expires on  
10 January 1 of the tax year following the first tax year in which the  
11 owner of the property ceases to own the property or the property  
12 ceases to qualify as commercial or industrial real property.

13           (f) If property subject to a limitation under this section  
14 is owned by two or more persons, the limitation expires on January 1  
15 of the tax year following the first tax year in which the ownership  
16 of at least a 50 percent interest in the property is sold or  
17 otherwise transferred.

18           (g) Notwithstanding Subsections (a) and (c) and except as  
19 provided by Subdivision (2) of this subsection, an improvement to  
20 property that would otherwise constitute a new improvement is not  
21 treated as a new improvement if the improvement is a replacement  
22 structure for a structure that was rendered unusable by a casualty  
23 or by wind or water damage. For purposes of appraising the property  
24 under Subsection (c) in the tax year in which the structure would  
25 have constituted a new improvement:

26           (1) the appraised value the property would have had in  
27 the preceding tax year if the casualty or damage had not occurred is

1 considered to be the appraised value of the property for that year,  
2 regardless of whether that appraised value exceeds the actual  
3 appraised value of the property for that year as limited by  
4 Subsection (c); and

5 (2) the replacement structure is considered to be a  
6 new improvement only if:

7 (A) the square footage of the replacement  
8 structure exceeds that of the replaced structure as that structure  
9 existed before the casualty or damage occurred; or

10 (B) the exterior of the replacement structure is  
11 of higher quality construction and composition than that of the  
12 replaced structure.

13 (h) In this subsection, "disaster recovery program" means  
14 the disaster recovery program administered by the General Land  
15 Office that is funded with community development block grant  
16 disaster recovery money authorized by the Consolidated Security,  
17 Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub.  
18 L. No. 110-329), and the Consolidated and Further Continuing  
19 Appropriations Act, 2012 (Pub. L. No. 112-55). Notwithstanding  
20 Subsection (g)(2), and only to the extent necessary to satisfy the  
21 requirements of the disaster recovery program, a replacement  
22 structure described by that subdivision is not considered to be a  
23 new improvement if to satisfy the requirements of the disaster  
24 recovery program it was necessary that:

25 (1) the square footage of the replacement structure  
26 exceed that of the replaced structure as that structure existed  
27 before the casualty or damage occurred; or

1           (2) the exterior of the replacement structure be of  
2 higher quality construction and composition than that of the  
3 replaced structure.

4           SECTION 3.03. (a) Effective January 1, 2018, Sections  
5 25.19(b) and (g), Tax Code, are amended to read as follows:

6           (b) The chief appraiser shall separate real from personal  
7 property and include in the notice for each:

8           (1) a list of the taxing units in which the property is  
9 taxable;

10           (2) the appraised value of the property in the  
11 preceding year;

12           (3) the taxable value of the property in the preceding  
13 year for each taxing unit taxing the property;

14           (4) the appraised value of the property for the  
15 current year, the kind and amount of each exemption and partial  
16 exemption, if any, approved for the property for the current year  
17 and for the preceding year, and, if an exemption or partial  
18 exemption that was approved for the preceding year was canceled or  
19 reduced for the current year, the amount of the exemption or partial  
20 exemption canceled or reduced;

21           (4-a) a statement of whether the property qualifies  
22 for the limitation on appraised value provided by Section 23.231;

23           (5) if the appraised value is greater than it was in  
24 the preceding year, the amount of tax that would be imposed on the  
25 property on the basis of the tax rate for the preceding year;

26           (6) in *italic typeface*, the following  
27 statement: "The Texas Legislature does not set the amount of your



1 local taxes. Your property tax burden is decided by your locally  
2 elected officials, and all inquiries concerning your taxes should  
3 be directed to those officials";

4 (7) a detailed explanation of the time and procedure  
5 for protesting the value;

6 (8) the date and place the appraisal review board will  
7 begin hearing protests; and

8 (9) a brief explanation that the governing body of  
9 each taxing unit decides whether or not taxes on the property will  
10 increase and the appraisal district only determines the value of  
11 the property.

12 (g) By April 1 or as soon thereafter as practicable if the  
13 property is a single-family residence that qualifies for an  
14 exemption under Section 11.13, or by May 1 or as soon thereafter as  
15 practicable in connection with any other property, the chief  
16 appraiser shall deliver a written notice to the owner of each  
17 property not included in a notice required to be delivered under  
18 Subsection (a), if the property was reappraised in the current tax  
19 year, if the ownership of the property changed during the preceding  
20 year, or if the property owner or the agent of a property owner  
21 authorized under Section 1.111 makes a written request for the  
22 notice. The chief appraiser shall separate real from personal  
23 property and include in the notice for each property:

24 (1) the appraised value of the property in the  
25 preceding year;

26 (2) the appraised value of the property for the  
27 current year and the kind of each partial exemption, if any,

1 approved for the current year;

2 (2-a) a statement of whether the property qualifies  
3 for the limitation on appraised value provided by Section 23.231;

4 (3) a detailed explanation of the time and procedure  
5 for protesting the value; and

6 (4) the date and place the appraisal review board will  
7 begin hearing protests.

8 (b) Effective January 1, 2020, Sections 25.19(b) and (i),  
9 Tax Code, are amended to read as follows:

10 (b) The chief appraiser shall separate real from personal  
11 property and include in the notice for each:

12 (1) a list of the taxing units in which the property is  
13 taxable;

14 (2) the appraised value of the property in the  
15 preceding year;

16 (3) the taxable value of the property in the preceding  
17 year for each taxing unit taxing the property;

18 (4) the appraised value of the property for the  
19 current year, the kind and amount of each exemption and partial  
20 exemption, if any, approved for the property for the current year  
21 and for the preceding year, and, if an exemption or partial  
22 exemption that was approved for the preceding year was canceled or  
23 reduced for the current year, the amount of the exemption or partial  
24 exemption canceled or reduced;

25 (4-a) a statement of whether the property qualifies  
26 for the limitation on appraised value provided by Section 23.231;

27 (5) [~~if the appraised value is greater than it was in~~

1 ~~the preceding year, the amount of tax that would be imposed on the~~  
2 ~~property on the basis of the tax rate for the preceding year;~~

3 ~~(6)~~ in italic typeface, the following  
4 statement: "The Texas Legislature does not set the amount of your  
5 local taxes. Your property tax burden is decided by your locally  
6 elected officials, and all inquiries concerning your taxes should  
7 be directed to those officials";

8 (6) ~~(7)~~ a detailed explanation of the time and  
9 procedure for protesting the value;

10 (7) ~~(8)~~ the date and place the appraisal review  
11 board will begin hearing protests; and

12 (8) ~~(9)~~ a brief explanation that the governing body  
13 of each taxing unit decides whether or not taxes on the property  
14 will increase and the appraisal district only determines the value  
15 of the property.

16 (i) Delivery with a notice required by Subsection (a) or (g)  
17 of a copy of the pamphlet published by the comptroller under Section  
18 5.06 or a copy of the notice published by the chief appraiser under  
19 Section 41.70 is sufficient to comply with the requirement that the  
20 notice include the information specified by Subsection (b)(6)  
21 ~~(b)(7)~~ or (g)(3), as applicable.

22 SECTION 3.04. Section 41.41(a), Tax Code, is amended to  
23 read as follows:

24 (a) A property owner is entitled to protest before the  
25 appraisal review board the following actions:

26 (1) determination of the appraised value of the  
27 owner's property or, in the case of land appraised as provided by

1 Subchapter C, D, E, or H, Chapter 23, determination of its appraised  
2 or market value;

3 (2) unequal appraisal of the owner's property;

4 (3) inclusion of the owner's property on the appraisal  
5 records;

6 (4) denial to the property owner in whole or in part of  
7 a partial exemption;

8 (4-a) determination that the owner's property does not  
9 qualify for the limitation on appraised value provided by Section  
10 23.231;

11 (5) determination that the owner's land does not  
12 qualify for appraisal as provided by Subchapter C, D, E, or H,  
13 Chapter 23;

14 (6) identification of the taxing units in which the  
15 owner's property is taxable in the case of the appraisal district's  
16 appraisal roll;

17 (7) determination that the property owner is the owner  
18 of property;

19 (8) a determination that a change in use of land  
20 appraised under Subchapter C, D, E, or H, Chapter 23, has occurred;  
21 or

22 (9) any other action of the chief appraiser, appraisal  
23 district, or appraisal review board that applies to and adversely  
24 affects the property owner.

25 SECTION 3.05. Section 42.26(d), Tax Code, is amended to  
26 read as follows:

27 (d) For purposes of this section, the value of the property

1 subject to the suit and the value of a comparable property or sample  
2 property that is used for comparison must be the market value  
3 determined by the appraisal district when the property is [~~a~~  
4 ~~residence homestead~~] subject to the limitation on appraised value  
5 imposed by Section 23.23 or 23.231.

6 SECTION 3.06. Sections 403.302(d) and (i), Government Code,  
7 are amended to read as follows:

8 (d) For the purposes of this section, "taxable value" means  
9 the market value of all taxable property less:

10 (1) the total dollar amount of any residence homestead  
11 exemptions lawfully granted under Section 11.13(b) or (c), Tax  
12 Code, in the year that is the subject of the study for each school  
13 district;

14 (2) one-half of the total dollar amount of any  
15 residence homestead exemptions granted under Section 11.13(n), Tax  
16 Code, in the year that is the subject of the study for each school  
17 district;

18 (3) the total dollar amount of any exemptions granted  
19 before May 31, 1993, within a reinvestment zone under agreements  
20 authorized by Chapter 312, Tax Code;

21 (4) subject to Subsection (e), the total dollar amount  
22 of any captured appraised value of property that:

23 (A) is within a reinvestment zone created on or  
24 before May 31, 1999, or is proposed to be included within the  
25 boundaries of a reinvestment zone as the boundaries of the zone and  
26 the proposed portion of tax increment paid into the tax increment  
27 fund by a school district are described in a written notification

1 provided by the municipality or the board of directors of the zone  
2 to the governing bodies of the other taxing units in the manner  
3 provided by former Section 311.003(e), Tax Code, before May 31,  
4 1999, and within the boundaries of the zone as those boundaries  
5 existed on September 1, 1999, including subsequent improvements to  
6 the property regardless of when made;

7 (B) generates taxes paid into a tax increment  
8 fund created under Chapter 311, Tax Code, under a reinvestment zone  
9 financing plan approved under Section 311.011(d), Tax Code, on or  
10 before September 1, 1999; and

11 (C) is eligible for tax increment financing under  
12 Chapter 311, Tax Code;

13 (5) the total dollar amount of any captured appraised  
14 value of property that:

15 (A) is within a reinvestment zone:

16 (i) created on or before December 31, 2008,  
17 by a municipality with a population of less than 18,000; and

18 (ii) the project plan for which includes  
19 the alteration, remodeling, repair, or reconstruction of a  
20 structure that is included on the National Register of Historic  
21 Places and requires that a portion of the tax increment of the zone  
22 be used for the improvement or construction of related facilities  
23 or for affordable housing;

24 (B) generates school district taxes that are paid  
25 into a tax increment fund created under Chapter 311, Tax Code; and

26 (C) is eligible for tax increment financing under  
27 Chapter 311, Tax Code;

1           (6) the total dollar amount of any exemptions granted  
2 under Section 11.251 or 11.253, Tax Code;

3           (7) the difference between the comptroller's estimate  
4 of the market value and the productivity value of land that  
5 qualifies for appraisal on the basis of its productive capacity,  
6 except that the productivity value estimated by the comptroller may  
7 not exceed the fair market value of the land;

8           (8) the portion of the appraised value of residence  
9 homesteads of individuals who receive a tax limitation under  
10 Section 11.26, Tax Code, on which school district taxes are not  
11 imposed in the year that is the subject of the study, calculated as  
12 if the residence homesteads were appraised at the full value  
13 required by law;

14           (9) a portion of the market value of property not  
15 otherwise fully taxable by the district at market value because of:

16                 (A) action required by statute or the  
17 constitution of this state, other than Section 11.311, Tax Code,  
18 that, if the tax rate adopted by the district is applied to it,  
19 produces an amount equal to the difference between the tax that the  
20 district would have imposed on the property if the property were  
21 fully taxable at market value and the tax that the district is  
22 actually authorized to impose on the property, if this subsection  
23 does not otherwise require that portion to be deducted; or

24                 (B) action taken by the district under Subchapter  
25 B or C, Chapter 313, Tax Code, before the expiration of the  
26 subchapter;

27           (10) the market value of all tangible personal

1 property, other than manufactured homes, owned by a family or  
2 individual and not held or used for the production of income;

3 (11) the appraised value of property the collection of  
4 delinquent taxes on which is deferred under Section 33.06, Tax  
5 Code;

6 (12) the portion of the appraised value of property  
7 the collection of delinquent taxes on which is deferred under  
8 Section 33.065, Tax Code; and

9 (13) the amount by which the market value of property  
10 [~~a residence homestead~~] to which Section 23.23 or 23.231, Tax Code,  
11 applies exceeds the appraised value of that property as calculated  
12 under Section 23.23 or 23.231, Tax Code, as applicable [~~that~~  
13 ~~section~~].

14 (i) If the comptroller determines in the study that the  
15 market value of property in a school district as determined by the  
16 appraisal district that appraises property for the school district,  
17 less the total of the amounts and values listed in Subsection (d) as  
18 determined by that appraisal district, is valid, the comptroller,  
19 in determining the taxable value of property in the school district  
20 under Subsection (d), shall for purposes of Subsection (d)(13)  
21 subtract from the market value as determined by the appraisal  
22 district of properties [~~residence homesteads~~] to which Section  
23 23.23 or 23.231, Tax Code, applies the amount by which that amount  
24 exceeds the appraised value of those properties as calculated by  
25 the appraisal district under Section 23.23 or 23.231, Tax Code, as  
26 applicable. If the comptroller determines in the study that the  
27 market value of property in a school district as determined by the



1 appraisal district that appraises property for the school district,  
2 less the total of the amounts and values listed in Subsection (d) as  
3 determined by that appraisal district, is not valid, the  
4 comptroller, in determining the taxable value of property in the  
5 school district under Subsection (d), shall for purposes of  
6 Subsection (d)(13) subtract from the market value as estimated by  
7 the comptroller of properties [~~residence homesteads~~] to which  
8 Section 23.23 or 23.231, Tax Code, applies the amount by which that  
9 amount exceeds the appraised value of those properties as  
10 calculated by the appraisal district under Section 23.23 or 23.231,  
11 Tax Code, as applicable.

12 SECTION 3.07. This article applies only to the appraisal of  
13 commercial or industrial real property for ad valorem tax purposes  
14 for a tax year that begins on or after January 1, 2018.

15 SECTION 3.08. Except as otherwise provided by this article,  
16 this article takes effect January 1, 2018, but only if the  
17 constitutional amendment proposed by the 85th Legislature, 1st  
18 Called Session, 2017, to authorize the legislature to limit  
19 increases in the appraised value of commercial or industrial real  
20 property for ad valorem tax purposes to 20 percent or more of the  
21 appraised value of the property for the preceding tax year is  
22 approved by the voters. If that amendment is not approved by the  
23 voters, this article has no effect.

24 ARTICLE 4. EFFECTIVE DATE

25 SECTION 4.01. Except as otherwise provided by this Act,  
26 this Act takes effect January 1, 2018.