

Amend CSHB 4180 as follows:

(1) Designate the existing sections of the bill as Article 1 of the bill, change any references to "this Act" in those sections as "this article," and make any other changes as appropriate to reflect the designation.

(2) Add the following appropriately numbered ARTICLE to the bill:

ARTICLE \_\_

SECTION \_\_\_\_\_. This article may be cited as the Texas Property Tax Reform and Relief Act of 2017.

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

Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD.

(a) The comptroller shall appoint the property tax administration advisory board to advise the comptroller with respect to the division or divisions within the office of the comptroller with primary responsibility for state administration of property taxation and state oversight of appraisal districts and local tax offices. The advisory board may make recommendations to the comptroller regarding improving the effectiveness and efficiency of the property tax system, best practices, and complaint resolution procedures.

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

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

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

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

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

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

SECTION \_\_\_\_\_. Section 5.05, Tax Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) An appraisal district shall appraise property in accordance with any appraisal manuals prepared and issued by the comptroller under this section.

SECTION \_\_\_\_\_. Sections 5.102(a) and (c), Tax Code, are amended to read as follows:

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

(c) At the conclusion of the review, the comptroller shall, in writing, notify the appraisal district concerning its performance in the review. If the review results in a finding that an appraisal district is not in compliance with generally accepted standards, procedures, and methodology, including compliance with standards, procedures, and methodology prescribed by appraisal manuals prepared and issued by the comptroller, the comptroller shall deliver a report that details the comptroller's findings and recommendations for improvement to:

(1) the appraisal district's chief appraiser and board of directors; and

(2) the superintendent and board of trustees of each school district participating in the appraisal district.

SECTION \_\_\_\_\_. Section 5.13(d), Tax Code, is amended to read as follows:

(d) In conducting a general audit, the comptroller shall consider and report on:

(1) the extent to which the district complies with

applicable law or generally accepted standards of appraisal or other relevant practice, including appraisal standards and practices prescribed by appraisal manuals prepared and issued by the comptroller;

(2) the uniformity and level of appraisal of major kinds of property and the cause of any significant deviations from ideal uniformity and equality of appraisal of major kinds of property;

(3) duplication of effort and efficiency of operation;

(4) the general efficiency, quality of service, and qualification of appraisal district personnel; and

(5) except as otherwise provided by Subsection (b) [~~of this section~~], any other matter included in the request for the audit.

SECTION \_\_\_\_\_. Section 6.035(a-1), Tax Code, is amended to read as follows:

(a-1) An individual is ineligible to serve on an appraisal district board of directors if the individual has engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district at any time during the preceding three [~~five~~] years.

SECTION \_\_\_\_\_. Section 6.15, Tax Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) Subsections (a) and (b) do not prohibit a member of the board of directors of an appraisal district from transmitting to the chief appraiser without comment a complaint by a property owner or taxing unit about the appraisal of a specific property, provided that the transmission is in writing.

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

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

(b-1) An appraisal [~~However, the~~] district board of directors by resolution of a majority of the board's [~~its~~] members may increase the size of the district's appraisal review board to

the number of members the board of directors considers appropriate.

(b-2) An appraisal district board of directors for a district established in a county described by Subsection (d-1) by resolution of a majority of the board's members shall increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate to manage the duties of the appraisal review board, including the duties of each special panel established under Section 6.425.

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

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

SECTION \_\_\_\_\_. Section 6.414(d), Tax Code, is amended to read as follows:

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

SECTION \_\_\_\_\_. Section 6.42, Tax Code, is amended by adding Subsection (d) to read as follows:

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

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

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

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

(b) The appraisal review board shall establish a separate special panel for each of the following classifications of property to conduct protest hearings under Chapter 41 relating to property included in that classification:

- (1) commercial real and personal property;
- (2) real and personal property of utilities;
- (3) industrial and manufacturing real and personal property; and
- (4) multifamily residential real property.

(c) The chairman of the appraisal review board may establish additional special panels described by this section to conduct protest hearings relating to property included in a classification described by Subsection (b) if the chairman determines that additional panels are necessary.

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

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

- (1) hold a juris doctor or equivalent degree;
- (2) hold a master of business administration degree;
- (3) be licensed as a certified public accountant under Chapter 901, Occupations Code;
- (4) be accredited by the American Society of Appraisers as an accredited senior appraiser;
- (5) possess an MAI professional designation from the Appraisal Institute;
- (6) possess a Certified Assessment Evaluator (CAE)

professional designation from the International Association of Assessing Officers;

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

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

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

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

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

SECTION \_\_\_\_\_. Section 11.4391(a), Tax Code, is amended to read as follows:

(a) The chief appraiser shall accept and approve or deny an application for an exemption for freeport goods under Section 11.251 after the deadline for filing it has passed if it is filed not later than June 1 [~~before the date the appraisal review board approves the appraisal records~~].

SECTION \_\_\_\_\_. Section 21.09(b), Tax Code, is amended to read as follows:

(b) A person claiming an allocation must apply for the allocation each year the person claims the allocation. A person claiming an allocation must file a completed allocation application form before April [~~May~~] 1 and must provide the information required by the form. If the property was not on the appraisal roll in the preceding year, the deadline for filing the allocation application form is extended to the 30th [~~45th~~] day after the date of receipt of the notice of appraised value required by Section 25.19(a)(3). For good cause shown, the chief appraiser shall extend the deadline for filing an allocation application form by written order for a period not to exceed 30 [~~60~~] days.

SECTION \_\_\_\_\_. Section 22.23, Tax Code, is amended to read as follows:

Sec. 22.23. FILING DATE. (a) Rendition statements and property reports must be delivered to the chief appraiser after January 1 and not later than April 1 [~~15~~], except as provided by Section 22.02.

(b) On written request by the property owner, the chief appraiser shall extend a deadline for filing a rendition statement or property report to a date not later than May 1 [~~15~~]. The chief appraiser may further extend the deadline an additional 15 days upon good cause shown in writing by the property owner.

(c) Notwithstanding any other provision of this section, rendition statements and property reports for property regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission must be delivered to the chief appraiser not later than April 30, except as provided by Section 22.02. The chief appraiser may extend the filing deadline 15 days for good cause on written request by the property owner.

SECTION \_\_\_\_\_. Section 23.01(b), Tax Code, is amended to read as follows:

(b) The market value of property shall be determined by the application of generally accepted appraisal methods and techniques, including appraisal methods and techniques prescribed by appraisal manuals prepared and issued by the comptroller. If the appraisal district determines the appraised value of a property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice. The same or similar appraisal methods and techniques shall be used in appraising the same or similar kinds of property. However, each property shall be appraised based upon the individual characteristics that affect the property's market value, and all available evidence that is specific to the value of the property shall be taken into account in determining the property's market value.

SECTION \_\_\_\_\_. Section 25.19, Tax Code, is amended by amending Subsections (a) and (g) and adding Subsection (b-3) to read as follows:

(a) By April 15 [~~1~~] or as soon thereafter as practicable [~~if~~

~~the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with any other property]~~, the chief appraiser shall deliver a clear and understandable written notice to a property owner of the appraised value of the property owner's property if:

(1) the appraised value of the property is greater than it was in the preceding year;

(2) the appraised value of the property is greater than the value rendered by the property owner;

(3) the property was not on the appraisal roll in the preceding year; or

(4) an exemption or partial exemption approved for the property for the preceding year was canceled or reduced for the current year.

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

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

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

(2) the appraised value of the property for the



current year and the kind of each partial exemption, if any, approved for the current year;

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

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

SECTION \_\_\_\_\_. Section 25.22(a), Tax Code, is amended to read as follows:

(a) By May 1 [~~15~~] or as soon thereafter as practicable, the chief appraiser shall submit the completed appraisal records to the appraisal review board for review and determination of protests. However, the chief appraiser may not submit the records until the chief appraiser has delivered the notices required by Subsection (d) of Section 11.45, Subsection (d) of Section 23.44, Subsection (d) of Section 23.57, Subsection (d) of Section 23.79, Subsection (d) of Section 23.85, Subsection (d) of Section 23.95, Subsection (d) of Section 23.9805, and Section 25.19.

SECTION \_\_\_\_\_. Sections 26.01(a) and (e), Tax Code, are amended to read as follows:

(a) By July 10 [~~25~~], the chief appraiser shall prepare and certify to the assessor for each taxing unit participating in the district that part of the appraisal roll for the district that lists the property taxable by the unit. The part certified to the assessor is the appraisal roll for the unit. The chief appraiser shall consult with the assessor for each taxing unit and notify each unit in writing by April 1 of the form in which the roll will be provided to each unit.

(e) Except as provided by Subsection (f), not later than May 15 [~~April 30~~], the chief appraiser shall prepare and certify to the assessor for each county, municipality, and school district participating in the appraisal district an estimate of the taxable value of property in that taxing unit. The chief appraiser shall assist each county, municipality, and school district in determining values of property in that taxing unit for the taxing unit's budgetary purposes.

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

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

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

SECTION \_\_\_\_\_. The heading to Section 26.04, Tax Code, is amended to read as follows:

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

SECTION \_\_\_\_\_. Section 26.04, Tax Code, is amended by amending Subsections (b), (c), (d), (e), (e-1), (f), (i), and (j) and adding Subsections (c-1), (d-1), (d-2), (d-3), (d-4), (e-2), and (h-1) to read as follows:

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

(c) An officer or employee designated by the governing body shall calculate the no-new-taxes [~~effective~~] tax rate and the rollback tax rate for the unit, where:

(1) "No-new-taxes [~~"Effective]~~ tax rate" means a rate expressed in dollars per \$100 of taxable value calculated according to the following formula:

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

; and

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

$$\text{ROLLBACK TAX RATE} = (\text{NO-NEW-TAXES } [\text{EFFECTIVE}] \\ \text{MAINTENANCE AND OPERATIONS RATE} \times \underline{1.05} \text{ } [\text{1.08}]) + \\ \text{CURRENT DEBT RATE}$$

(c-1) Notwithstanding any other provision of this section, the governing body may direct the designated officer or employee to substitute "1.08" for "1.05" in the calculation of the rollback tax rate if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States.

(d) The no-new-taxes [~~effective~~] tax rate for a county is the sum of the no-new-taxes [~~effective~~] tax rates calculated for each type of tax the county levies, and the rollback tax rate for a county is the sum of the rollback tax rates calculated for each type of tax the county levies.

(d-1) As soon as practicable after the designated officer or employee calculates the no-new-taxes tax rate and the rollback tax rate of the taxing unit, the designated officer or employee shall submit the worksheets used in calculating the rates to the county assessor-collector for each county in which all or part of the territory of the unit is located. The county assessor-collector or an employee designated by the county assessor-collector shall determine whether the values used in the calculation of those tax rates are the same as the values shown in the unit's appraisal roll and the tax rates have otherwise been calculated correctly. If the county assessor-collector or designated employee makes such a determination, the county assessor-collector shall:

(1) execute a written certification to that effect, attach the certification to each worksheet, and submit the worksheets to the governing body of the unit; and

(2) notify the unit's designated officer or employee of the submission of the worksheets with the attached certifications to the governing body.

(d-2) The designated officer or employee of the taxing unit may not submit the no-new-taxes tax rate and the rollback tax rate

to the governing body of the unit and the governing body of the unit may not adopt a tax rate until the county assessor-collector for each county in which the unit is located submits to the governing body of the unit the worksheets used to calculate each tax rate with the certification described by Subsection (d-1) attached.

(d-3) The comptroller shall adopt rules governing the form of the certification described by Subsection (d-1) and the manner in which the worksheets with the attached certifications are required to be submitted to the governing body of the taxing unit.

(d-4) Notwithstanding Subsection (d-1), in the 2017 tax year, the designated officer or employee of each taxing unit shall submit to the county assessor-collector for each county in which all or part of the territory of the unit is located the worksheets used by the designated officer or employee to calculate the effective and rollback tax rates of the unit for the 2013-2017 tax years not later than October 1, 2017. This subsection expires December 31, 2018.

(e) By July 22 [~~August 7~~] or as soon thereafter as practicable, the designated officer or employee shall submit the rates and the worksheets used to calculate the rates to the governing body. By July 27, the designated officer or employee [~~He~~] shall deliver by mail to each property owner in the unit or publish in a newspaper in the form prescribed by the comptroller:

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

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

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

(A) the amount of principal and interest that will be paid to service the unit's debts in the next year from property tax revenue, including payments of lawfully incurred contractual obligations providing security for the payment of the principal of and interest on bonds and other evidences of indebtedness issued on behalf of the unit by another political

subdivision and, if the unit is created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, payments on debts that the unit anticipates to incur in the next calendar year;

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

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

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

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

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

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

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

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

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

(A) the amount of property tax revenue spent by the unit to operate the department, function, or activity for which the taxing unit raised the rollback tax rate as required by Subsection (j) for the 12 months preceding the month in which the

calculations required by this chapter are made; and

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

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

(e-2) The governing body of a taxing unit shall include as an appendix to the unit's budget for a fiscal year the worksheets used by the designated officer or employee of the unit to calculate the no-new-taxes tax rate and the rollback tax rate of the unit for the tax year in which the fiscal year begins.

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

(h-1) Notwithstanding Subsection (h), the assessor may not certify an anticipated collection rate under Subsection (b) that is lower than the lowest actual collection rate in the preceding three years.

(i) This subsection applies to a taxing unit that has agreed by written contract to transfer a distinct department, function, or activity to another taxing unit and discontinues operating that distinct department, function, or activity if the operation of that department, function, or activity in all or a majority of the territory of the taxing unit is continued by another existing taxing unit or by a new taxing unit. The rollback tax rate of a taxing unit to which this subsection applies in the first tax year in which a budget is adopted that does not allocate revenue to the discontinued department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the no-new-taxes [~~effective~~] maintenance and operations rate of the unit is reduced by the amount of maintenance and operations tax revenue spent by the taxing unit to operate the department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the unit operated the discontinued department,

function, or activity. If the unit did not operate that department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the unit shall reduce last year's levy used for calculating the no-new-taxes [~~effective~~] maintenance and operations rate of the unit by the amount of the revenue spent in the last full fiscal year in which the unit operated the discontinued department, function, or activity.

(j) This subsection applies to a taxing unit that had agreed by written contract to accept the transfer of a distinct department, function, or activity from another taxing unit and operates a distinct department, function, or activity if the operation of a substantially similar department, function, or activity in all or a majority of the territory of the taxing unit has been discontinued by another taxing unit, including a dissolved taxing unit. The rollback tax rate of a taxing unit to which this subsection applies in the first tax year after the other taxing unit discontinued the substantially similar department, function, or activity in which a budget is adopted that allocates revenue to the department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the no-new-taxes [~~effective~~] maintenance and operations rate of the unit is increased by the amount of maintenance and operations tax revenue spent by the taxing unit that discontinued operating the substantially similar department, function, or activity to operate that department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the unit operated the discontinued department, function, or activity. If the unit did not operate the discontinued department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the unit may increase last year's levy used to calculate the no-new-taxes [~~effective~~] maintenance and operations rate by an amount not to exceed the amount of property tax revenue spent by the discontinuing unit to operate the discontinued department, function, or activity in the last full fiscal year in which the discontinuing unit operated the

department, function, or activity.

SECTION \_\_\_\_\_. Section 26.041, Tax Code, is amended by amending Subsections (a), (b), (c), (e), (g), and (h) and adding Subsection (c-1) to read as follows:

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

$$\text{NO-NEW-TAXES } [\text{EFFECTIVE}] \text{ TAX RATE} = \frac{[(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] - \text{SALES TAX GAIN RATE}}$$

and

$$\text{ROLLBACK TAX RATE} = (\text{NO-NEW-TAXES } [\text{EFFECTIVE}] \text{ MAINTENANCE AND OPERATIONS RATE} \times \underline{1.05} \text{ } [\underline{1.08}]) + \text{CURRENT DEBT RATE} - \text{SALES TAX GAIN RATE}$$

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

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

$$\text{ROLLBACK TAX RATE} = [(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times \underline{1.05} \text{ } [\underline{1.08}]) / ((\text{TOTAL} \text{ } \text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE}))] + (\text{CURRENT DEBT RATE} - \text{SALES TAX REVENUE RATE})$$

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



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

$$\frac{\text{NO-NEW-TAXES } [\text{EFFECTIVE}] \text{ TAX RATE} = [(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + \text{SALES TAX LOSS RATE}}$$

and

$$\text{ROLLBACK TAX RATE} = [(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times \underline{1.05} [\text{1.08}]) / ((\text{TOTAL}] \text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + \text{CURRENT DEBT RATE}$$

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

(c-1) Notwithstanding any other provision of this section, the governing body may direct the designated officer or employee to substitute "1.08" for "1.05" in the calculation of the rollback tax rate if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States.

(e) If a city that imposes an additional sales and use tax receives payments under the terms of a contract executed before January 1, 1986, in which the city agrees not to annex certain property or a certain area and the owners or lessees of the property or of property in the area agree to pay at least annually to the city an amount determined by reference to all or a percentage of the property tax rate of the city and all or a part of the value of the property subject to the agreement or included in the area subject to the agreement, the governing body, by order adopted by a majority vote of the governing body, may direct the designated officer or employee to add to the no-new-taxes [~~effective~~] and rollback tax rates the amount that, when applied to the total taxable value

submitted to the governing body, would produce an amount of taxes equal to the difference between the total amount of payments for the tax year under contracts described by this subsection under the rollback tax rate calculated under this section and the total amount of payments for the tax year that would have been obligated to the city if the city had not adopted an additional sales and use tax.

(g) If the rate of the additional sales and use tax is increased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) [~~of this section~~], of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the increase and the second projection must not take into account the increase. The officer or employee shall then subtract the amount of the result of the second projection from the amount of the result of the first projection to determine the revenue generated as a result of the increase in the additional sales and use tax. In the first year in which an additional sales and use tax is increased, the no-new-taxes [~~effective~~] tax rate for the unit is the no-new-taxes [~~effective~~] tax rate before the increase minus a number the numerator of which is the revenue generated as a result of the increase in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

(h) If the rate of the additional sales and use tax is decreased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) [~~of this section~~], of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the decrease and the second projection must not take into account the decrease. The officer or employee shall then subtract the amount of the result of the first projection from the amount of the result of the second projection to determine the revenue lost as a result of the decrease in the additional sales and use tax. In the first year in which an additional sales and use tax is decreased, the no-new-taxes [~~effective~~] tax rate for the unit is the no-new-taxes [~~effective~~] tax rate before the decrease plus a number

the numerator of which is the revenue lost as a result of the decrease in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

SECTION \_\_\_\_\_. The heading to Section 26.043, Tax Code, is amended to read as follows:

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

SECTION \_\_\_\_\_. Sections 26.043(a) and (b), Tax Code, are amended to read as follows:

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

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

SECTION \_\_\_\_\_. The heading to Section 26.044, Tax Code, is amended to read as follows:

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

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

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

(State Criminal Justice Mandate) / (Current Total

Value - New Property Value)

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

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

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

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

(a) In the first tax year in which a taxing unit adopts a tax rate after January 1, 2000, and in which the enhanced minimum eligibility standards for indigent health care established under Section 61.006, Health and Safety Code, apply to the taxing unit, the no-new-taxes [~~effective~~] maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

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

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

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

(c) The taxing unit shall include a notice of the increase

in its no-new-taxes [~~effective~~] maintenance and operations rate provided by this section, including a brief description and the amount of the enhanced indigent health care expenditures, in the information published under Section 26.04(e) and, if applicable, Section 26.06(b).

SECTION \_\_\_\_\_. Section 26.05, Tax Code, is amended by amending Subsections (a), (b), (c), (d), and (g) and adding Subsection (e-1) to read as follows:

(a) The governing body of each taxing unit [~~, before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit,~~] shall adopt a tax rate for the current tax year and shall notify the assessor for the unit of the rate adopted. The governing body must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, except that the governing body must adopt a tax rate that exceeds the rollback tax rate before August 15. The tax rate consists of two components, each of which must be approved separately. The components are:

(1) for a taxing unit other than a school district, the rate that, if applied to the total taxable value, will impose the total amount published under Section 26.04(e)(3)(C), less any amount of additional sales and use tax revenue that will be used to pay debt service, or, for a school district, the rate calculated under Section 44.004(c)(5)(A)(ii)(b), Education Code; and

(2) the rate that, if applied to the total taxable value, will impose the amount of taxes needed to fund maintenance and operation expenditures of the unit for the next year.

(b) A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget. For a taxing unit other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the no-new-taxes [~~effective~~] tax rate must be a record vote, and at

least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. For a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the sum of the no-new-taxes [~~effective~~] maintenance and operations tax rate of the district as determined under Section 26.08(i) and the district's current debt rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the no-new-taxes [~~effective~~] tax rate must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds the no-new-taxes [~~effective~~] tax rate) percent increase in the tax rate." If the ordinance, resolution, or order sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the taxing unit that exceeds the amount of taxes imposed for that purpose in the preceding year, the taxing unit must:

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

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

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

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

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

(B) if the tax rate exceeds the no-new-taxes

[~~effective~~] maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-TAXES [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

(c) If the governing body of a taxing unit does not adopt a tax rate before the date required by Subsection (a), the tax rate for the taxing unit for that tax year is the lower of the no-new-taxes [~~effective~~] tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. A tax rate established by this subsection is treated as an adopted tax rate. Before the fifth day after the establishment of a tax rate by this subsection, the governing body of the taxing unit must ratify the applicable tax rate in the manner required by Subsection (b).

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

(e-1) The governing body of a taxing unit that imposes an additional sales and use tax may not adopt the component of the tax rate of the unit described by Subsection (a)(1) of this section until the chief financial officer or the auditor for the unit submits to the governing body of the unit a written certification that the amount of additional sales and use tax revenue that will be used to pay debt service has been deducted from the total amount published under Section 26.04(e)(3)(C) as required by Subsection (a)(1) of this section. The comptroller shall adopt rules governing the form of the certification required by this subsection and the manner in which it is required to be submitted.

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

SECTION \_\_\_\_\_. Section 26.052(e), Tax Code, is amended to read as follows:

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

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

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

(3) if the proposed tax rate for the taxing unit exceeds the unit's no-new-taxes ~~[effective]~~ tax rate calculated as provided by Section 26.04, a statement substantially identical to the following: "The proposed tax rate is a tax increase and would increase total taxes in (name of taxing unit) by (percentage by which the proposed tax rate exceeds the no-new-taxes ~~[effective]~~ tax rate)."

SECTION \_\_\_\_\_. Section 26.06, Tax Code, is amended by amending Subsections (b), (d), and (e) and adding Subsections (b-1), (b-2), (b-3), and (b-4) to read as follows:

(b) The notice of a public hearing may not be smaller than one-quarter page of a standard-size or a tabloid-size newspaper, and the headline on the notice must be in 24-point or larger type.

~~[The notice must contain a statement in the following form:~~

~~["NOTICE OF PUBLIC HEARING ON TAX INCREASE~~

~~["The (name of the taxing unit) will hold two public hearings~~



~~on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax rate calculated under this chapter) percent. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.~~

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

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

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

~~["The average taxable value of a residence homestead in (name of taxing unit) last year was \$\_\_\_\_\_ (average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older). Based on last year's tax rate of \$\_\_\_\_\_ (preceding year's adopted tax rate) per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$\_\_\_\_\_ (tax on average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older).~~

~~["The average taxable value of a residence homestead in (name of taxing unit) this year is \$\_\_\_\_\_ (average taxable value of a residence homestead in the taxing unit for the current tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older). If the governing body adopts the effective tax rate for this year of \$\_\_\_\_\_ (effective tax rate) per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$\_\_\_\_\_ (tax on average taxable value of a residence homestead in the taxing unit for the current tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or~~

older).

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

~~["Members of the public are encouraged to attend the hearings and express their views."]~~

(b-1) If the proposed tax rate exceeds the no-new-taxes tax rate and the rollback tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE           \$\_\_\_\_\_ per \$100

"NO-NEW-TAXES RATE         \$\_\_\_\_\_ per \$100

"ROLLBACK TAX RATE         \$\_\_\_\_\_ per \$100

"The no-new-taxes rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate.

"The proposed tax rate is greater than the no-new-taxes rate. This means that (name of taxing unit) is proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

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

"The proposed tax rate is also greater than the rollback tax rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that voters may accept or reject the proposed tax rate. If a majority of voters reject the proposed tax rate, the (name of taxing unit) will be required to adopt a new tax rate that is not greater than the

rollback tax rate. The election will be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).

"Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

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

(b-2) If the proposed tax rate exceeds the no-new-taxes tax rate but does not exceed the rollback tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE           \$\_\_\_\_\_per \$100

"NO-NEW-TAXES RATE         \$\_\_\_\_\_per \$100

"ROLLBACK TAX RATE         \$\_\_\_\_\_per \$100

"The no-new-taxes rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate.

"The proposed tax rate is greater than the no-new-taxes rate. This means that (name of taxing unit) is proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

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

"The proposed tax rate is not greater than the rollback tax rate. As a result, (name of taxing unit) is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the

proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending one of the public hearings mentioned above.

"Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

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

(b-3) If the proposed tax rate does not exceed the no-new-taxes tax rate but exceeds the rollback tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE           \$\_\_\_\_\_per \$100

"NO-NEW-TAXES RATE         \$\_\_\_\_\_per \$100

"ROLLBACK TAX RATE         \$\_\_\_\_\_per \$100

"The no-new-taxes rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate.

"The proposed tax rate is not greater than the no-new-taxes rate. This means that (name of taxing unit) is not proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

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

"The proposed tax rate is greater than the rollback tax rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that voters may accept or reject the proposed tax rate. If a majority of voters

reject the proposed tax rate, the (name of taxing unit) will be required to adopt a new tax rate that is not greater than the rollback tax rate. The election will be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).

"Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

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

(b-4) In addition to including the information described by Subsection (b-1), (b-2), or (b-3), as applicable, the notice must include the information described by Section 26.062.

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

"NOTICE OF TAX REVENUE INCREASE

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

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

"The total tax revenue proposed to be raised this year at the proposed tax rate of (insert proposed tax rate) for each \$100 of taxable value, excluding tax revenue to be raised from new property

added to the tax roll this year, is (insert amount computed by multiplying proposed tax rate by the difference between current total value and new property value).

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

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

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

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

SECTION \_\_\_\_\_. Chapter 26, Tax Code, is amended by adding Sections 26.061 and 26.062 to read as follows:

Sec. 26.061. NOTICE OF MEETING TO VOTE ON PROPOSED TAX RATE THAT DOES NOT EXCEED LOWER OF NO-NEW-TAXES OR ROLLBACK TAX RATE.

(a) This section applies only to the governing body of a taxing unit other than a school district that proposes to adopt a tax rate that does not exceed the lower of the no-new-taxes tax rate or the rollback tax rate calculated as provided by this chapter.

(b) The notice of the meeting at which the governing body of the taxing unit will vote on the proposed tax rate must contain a

statement in the following form:

"NOTICE OF MEETING TO VOTE ON TAX RATE

"PROPOSED TAX RATE            \$\_\_\_\_\_ per \$100

"NO-NEW-TAXES RATE         \$\_\_\_\_\_ per \$100

"ROLLBACK TAX RATE         \$\_\_\_\_\_ per \$100

"The no-new-taxes rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate.

"The proposed tax rate is not greater than the no-new-taxes rate. This means that (name of taxing unit) is not proposing to increase property taxes for the (current tax year) tax year.

"A public meeting to vote on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is also not greater than the rollback tax rate. As a result, (name of taxing unit) is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public meeting mentioned above.

"Your taxes owed under any of the above rates can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(Names of all members of the governing body, showing how each voted on the proposed tax rate or, if one or more were absent, indicating the absences.)"

(c) In addition to including the information described by Subsection (b), the notice must include the information described by Section 26.062.

Sec. 26.062. ADDITIONAL INFORMATION TO BE INCLUDED IN TAX RATE NOTICE. (a) In addition to the information described by

Section 26.06(b-1), (b-2), or (b-3) or 26.061, as applicable, a notice required by that provision must include at the end of the notice:

(1) a statement in the following form:

"The following table compares the taxes imposed on the average residence homestead by (name of taxing unit) last year to the taxes proposed to be imposed on the average residence homestead by (name of taxing unit) this year:";

(2) a table in the form required by this section following the statement described by Subdivision (1); and

(3) a statement in the following form following the table:

(A) if the tax assessor for the taxing unit maintains an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address), or visit (Internet website address) for more information."; or

(B) if the tax assessor for the taxing unit does not maintain an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address)."

(b) The table must contain five rows and four columns.

(c) The first row must appear as follows:

(1) the first column of the first row must be left blank;

(2) the second column of the first row must state the year corresponding to the preceding tax year;

(3) the third column of the first row must state the year corresponding to the current tax year; and

(4) the fourth column of the first row must be entitled "Change".

(d) The second row must appear as follows:

(1) the first column of the second row must be entitled "Total tax rate (per \$100 of value)";

(2) the second column of the second row must state the adopted tax rate for the preceding tax year;

(3) the third column of the second row must state the



proposed tax rate for the current tax year; and

(4) the fourth column of the second row must state the nominal and percentage difference between the adopted tax rate for the preceding tax year and the proposed tax rate for the current tax year as follows: "(increase or decrease, as applicable) of (nominal difference between tax rate stated in second column of second row and tax rate stated in third column of second row) per \$100, or (percentage difference between tax rate stated in second column of second row and tax rate stated in third column of second row)%".

(e) The third row must appear as follows:

(1) the first column of the third row must be entitled "Average homestead taxable value";

(2) the second column of the third row must state the average taxable value of a residence homestead in the taxing unit for the preceding tax year;

(3) the third column of the third row must state the average taxable value of a residence homestead in the taxing unit for the current tax year; and

(4) the fourth column of the third row must state the percentage difference between the average taxable value of a residence homestead in the taxing unit for the preceding tax year and the average taxable value of a residence homestead in the taxing unit for the current tax year as follows: "(increase or decrease, as applicable) of (percentage difference between amount stated in second column of third row and amount stated in third column of third row)%".

(f) The fourth row must appear as follows:

(1) the first column of the fourth row must be entitled "Tax on average homestead";

(2) the second column of the fourth row must state the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the preceding tax year;

(3) the third column of the fourth row must state the amount of taxes that would be imposed by the taxing unit in the

current tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate; and

(4) the fourth column of the fourth row must state the nominal and percentage difference between the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the preceding tax year and the amount of taxes that would be imposed by the taxing unit in the current tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate, as follows: "(increase or decrease, as applicable) of (nominal difference between amount stated in second column of fourth row and amount stated in third column of fourth row), or (percentage difference between amount stated in second column of fourth row and amount stated in third column of fourth row)%".

(g) The fifth row must appear as follows:

(1) the first column of the fifth row must be entitled "Total tax levy on all properties";

(2) the second column of the fifth row must state the amount equal to last year's levy;

(3) the third column of the fifth row must state the amount computed by multiplying the proposed tax rate by the current total value and dividing the product by 100; and

(4) the fourth column of the fifth row must state the nominal and percentage difference between the total amount of taxes imposed by the taxing unit in the preceding tax year and the amount that would be imposed by the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate, as follows: "(increase or decrease, as applicable) of (nominal difference between amount stated in second column of fifth row and amount stated in third column of fifth row), or (percentage difference between amount stated in second column of fifth row and amount stated in third column of fifth row)%".

(h) In calculating the average taxable value of a residence homestead in the taxing unit for the preceding tax year and the current tax year for purposes of Subsections (e) and (f), any residence homestead exemption available only to disabled persons, persons 65 years of age or older, or their surviving spouses must be disregarded.

SECTION \_\_\_\_\_. The heading to Section 26.08, Tax Code, is amended to read as follows:

Sec. 26.08. ELECTION TO RATIFY TAX RATE [~~SCHOOL TAXES~~].

SECTION \_\_\_\_\_. Sections 26.08(a), (b), (d), (d-1), (d-2), (e), (g), (h), (n), and (p), Tax Code, are amended to read as follows:

(a) If the governing body of a taxing unit [~~school district~~] adopts a tax rate that exceeds the taxing unit's [~~district's~~] rollback tax rate, the registered voters of the taxing unit [~~district~~] at an election held for that purpose must determine whether to approve the adopted tax rate. When increased expenditure of money by a taxing unit [~~school district~~] is necessary to respond to a disaster, including a tornado, hurricane, flood, or other calamity, but not including a drought, that has impacted the taxing unit [~~a school district~~] and the governor has requested federal disaster assistance for the area in which the taxing unit [~~school district~~] is located, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs.

(b) The governing body shall order that the election be held in the taxing unit [~~school district~~] on the uniform election date prescribed by [~~a date not less than 30 or more than 90 days after the day on which it adopted the tax rate.~~] Section 41.001, Election Code, that occurs in November of the applicable tax year. The order calling the election may not be issued later than August 15 [~~does not apply to the election unless a date specified by that section falls within the time permitted by this section~~]. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of \$\_\_\_\_\_ per \$100 valuation in (name of taxing unit [~~school district~~]) for the

current year, a rate that is \$\_\_\_\_\_ higher per \$100 valuation than the [~~school district~~] rollback tax rate of (name of taxing unit), for the purpose of (description of purpose of increase)." The ballot proposition must include the adopted tax rate and the difference between that rate and the rollback tax rate in the appropriate places.

(d) If the proposition is not approved as provided by Subsection (c), the governing body may not adopt a tax rate for the taxing unit [~~school district~~] for the current year that exceeds the taxing unit's [~~school district's~~] rollback tax rate.

(d-1) If, after tax bills for the taxing unit [~~school district~~] have been mailed, a proposition to approve the taxing unit's [~~school district's~~] adopted tax rate is not approved by the voters of the taxing unit [~~district~~] at an election held under this section, on subsequent adoption of a new tax rate by the governing body of the taxing unit [~~district~~], the assessor for the taxing unit [~~school~~] shall prepare and mail corrected tax bills. The assessor shall include with each bill a brief explanation of the reason for and effect of the corrected bill. The date on which the taxes become delinquent for the year is extended by a number of days equal to the number of days between the date the first tax bills were sent and the date the corrected tax bills were sent.

(d-2) If a property owner pays taxes calculated using the originally adopted tax rate of the taxing unit [~~school district~~] and the proposition to approve the adopted tax rate is not approved by the voters, the taxing unit [~~school district~~] shall refund the difference between the amount of taxes paid and the amount due under the subsequently adopted rate if the difference between the amount of taxes paid and the amount due under the subsequent rate is \$1 or more. If the difference between the amount of taxes paid and the amount due under the subsequent rate is less than \$1, the taxing unit [~~school district~~] shall refund the difference on request of the taxpayer. An application for a refund of less than \$1 must be made within 90 days after the date the refund becomes due or the taxpayer forfeits the right to the refund.

(e) For purposes of this section, local tax funds dedicated to a junior college district under Section 45.105(e), Education

Code, shall be eliminated from the calculation of the tax rate adopted by the governing body of a ~~the~~ school district. However, the funds dedicated to the junior college district are subject to Section 26.085.

(g) In a school district that received distributions from an equalization tax imposed under former Chapter 18, Education Code, the no-new-taxes tax ~~effective~~ rate of that tax as of the date of the county unit system's abolition is added to the district's rollback tax rate.

(h) For purposes of this section, increases in taxable values and tax levies occurring within a reinvestment zone under Chapter 311 (Tax Increment Financing Act), in which a school ~~the~~ district is a participant, shall be eliminated from the calculation of the tax rate adopted by the governing body of the school district.

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

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

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

(A) the sum of the following:

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

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

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

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

(B) the sum of the following:

(i) the no-new-taxes [~~effective~~] maintenance and operations tax rate of the district as computed under Subsection (i) [~~or (k), as applicable~~];

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

(iii) the district's current debt rate.

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

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

(i) For purposes of this section, the no-new-taxes [~~effective~~] maintenance and operations tax rate of a school district is the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, would provide the same amount of state funds distributed under Chapter 42, Education Code, and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year.

SECTION \_\_\_\_\_. The heading to Section 26.16, Tax Code, is amended to read as follows:

Sec. 26.16. POSTING OF TAX-RELATED INFORMATION [~~TAX-RATES~~] ON COUNTY'S INTERNET WEBSITE.

SECTION \_\_\_\_\_. Section 26.16, Tax Code, is amended by amending Subsections (a) and (d) and adding Subsections (a-1), (d-1), (d-2), and (d-3) to read as follows:

(a) Each county shall maintain an Internet website. The county assessor-collector for each county [~~that maintains an Internet website~~] shall post on the Internet website maintained by [~~of~~] the county the following information for the most recent five tax years beginning with the 2012 tax year for each taxing unit all or part of the territory of which is located in the county:

- (1) the adopted tax rate;
- (2) the maintenance and operations rate;
- (3) the debt rate;
- (4) the no-new-taxes [~~effective~~] tax rate;
- (5) the no-new-taxes [~~effective~~] maintenance and operations rate; and
- (6) the rollback tax rate.

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

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

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

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

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

"The debt rate is the component of the adopted tax rate of a taxing unit that will impose the amount of taxes needed to fund the

unit's debt service for the following year.

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

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

"The rollback tax rate is the highest tax rate a taxing unit may adopt before requiring voter approval at an election. An [~~In the case of a taxing unit other than a school district, the voters by petition may require that a rollback election be held if the unit adopts a tax rate in excess of the unit's rollback tax rate. In the case of a school district, an~~] election will automatically be held if a taxing unit [~~the district~~] wishes to adopt a tax rate in excess of the unit's [~~district's~~] rollback tax rate."

(d-1) In addition to posting the information described by Subsection (a), the county assessor-collector shall post on the Internet website of the county for each taxing unit all or part of the territory of which is located in the county:

(1) the worksheets used by the designated officer or employee of each taxing unit to calculate the no-new-taxes and rollback tax rates of the unit for the most recent five tax years beginning with the 2018 tax year, as certified by the county assessor-collector under Section 26.04(d-1); and

(2) the name and official contact information for each member of the governing body of the taxing unit.

(d-2) Not later than August 1, the county assessor-collector shall post on the website the worksheets described by Subsection (d-1)(1) for the current tax year.

(d-3) Notwithstanding Subsection (d-2), the county assessor-collector for each county shall post the worksheets submitted to the county assessor-collector under Section



26.04(d-4) on the website of the county not later than October 1, 2017. This subsection expires December 31, 2018.

SECTION \_\_\_\_\_. Sections 31.12(a) and (b), Tax Code, are amended to read as follows:

(a) If a refund of a tax provided by Section 11.431(b), 26.08(d-2) [~~26.07(g)~~], 26.15(f), 31.11, or 31.111 is paid on or before the 60th day after the date the liability for the refund arises, no interest is due on the amount refunded. If not paid on or before that 60th day, the amount of the tax to be refunded accrues interest at a rate of one percent for each month or part of a month that the refund is unpaid, beginning with the date on which the liability for the refund arises.

(b) For purposes of this section, liability for a refund arises:

(1) if the refund is required by Section 11.431(b), on the date the chief appraiser notifies the collector for the unit of the approval of the late homestead exemption;

(2) if the refund is required by Section 26.08(d-2) [~~26.07(g)~~], on the date the results of the election to reduce the tax rate are certified;

(3) if the refund is required by Section 26.15(f):

(A) for a correction to the tax roll made under Section 26.15(b), on the date the change in the tax roll is certified to the assessor for the taxing unit under Section 25.25; or

(B) for a correction to the tax roll made under Section 26.15(c), on the date the change in the tax roll is ordered by the governing body of the taxing unit;

(4) if the refund is required by Section 31.11, on the date the auditor for the taxing unit determines that the payment was erroneous or excessive or, if the amount of the refund exceeds the applicable amount specified by Section 31.11(a), on the date the governing body of the unit approves the refund; or

(5) if the refund is required by Section 31.111, on the date the collector for the taxing unit determines that the payment was erroneous.

SECTION \_\_\_\_\_. Section 33.08(b), Tax Code, is amended to

read as follows:

(b) The governing body of the taxing unit or appraisal district, in the manner required by law for official action, may provide that taxes that become delinquent on or after June 1 under Section 26.08(d-1) [~~26.07(f)~~], 26.15(e), 31.03, 31.031, 31.032, 31.04, or 42.42 incur an additional penalty to defray costs of collection. The amount of the penalty may not exceed the amount of the compensation specified in the applicable contract with an attorney under Section 6.30 to be paid in connection with the collection of the delinquent taxes.

SECTION \_\_\_\_\_. Section 41.03(a), Tax Code, is amended to read as follows:

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

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

~~(2)]~~ an exclusion of property from the appraisal records;

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

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

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

SECTION \_\_\_\_\_. Section 41.11(a), Tax Code, is amended to read as follows:

(a) Not later than the date the appraisal review board approves the appraisal records as provided by Section 41.12, the secretary of the board shall deliver written notice to a property owner of any change in the records that is ordered by the board as provided by this subchapter and that will result in an increase in the tax liability of the property owner. An owner who receives a notice as provided by this section shall be entitled to protest such action as provided by Section 41.44(a)(2) [~~41.44(a)(3)~~].

SECTION \_\_\_\_\_. Section 41.12(a), Tax Code, is amended to read as follows:

(a) By July 5 [~~20~~], the appraisal review board shall:

- (1) hear and determine all or substantially all timely filed protests;
- (2) determine all timely filed challenges;
- (3) submit a list of its approved changes in the records to the chief appraiser; and
- (4) approve the records.

SECTION \_\_\_\_\_. Sections 41.44(a), (c), and (d), Tax Code, are amended to read as follows:

(a) Except as provided by Subsections (b), [~~(b-1)~~], (c), (c-1), and (c-2), to be entitled to a hearing and determination of a protest, the property owner initiating the protest must file a written notice of the protest with the appraisal review board having authority to hear the matter protested:

(1) not later than the later of:

(A) [~~before~~] May 15; [~~1~~] or

(B) [~~not later than~~] the 30th day after the date that notice to the property owner was delivered to the property owner as provided by Section 25.19[~~, if the property is a single-family residence that qualifies for an exemption under Section 11.13, whichever is later~~];

(2) [~~before June 1 or not later than the 30th day after the date that notice was delivered to the property owner as provided by Section 25.19 in connection with any other property, whichever is later,~~

[~~(3)~~] in the case of a protest of a change in the appraisal records ordered as provided by Subchapter A of this chapter or by Chapter 25, not later than the 30th day after the date notice of the change is delivered to the property owner;

(3) [~~(4)~~] in the case of a determination that a change in the use of land appraised under Subchapter C, D, E, or H, Chapter 23, has occurred, not later than the 30th day after the date the notice of the determination is delivered to the property owner; or

(4) [~~(5)~~] in the case of a determination of eligibility for a refund under Section 23.1243, not later than the 30th day after the date the notice of the determination is delivered to the property owner.

(c) A property owner who files notice of a protest authorized by Section 41.411 is entitled to a hearing and determination of the protest if the property owner files the notice prior to the date the taxes on the property to which the notice applies become delinquent. An owner of land who files a notice of protest under Subsection (a)(3) [~~(a)(4)~~] is entitled to a hearing and determination of the protest without regard to whether the appraisal records are approved.

(d) A notice of protest is sufficient if it identifies the protesting property owner, including a person claiming an ownership interest in the property even if that person is not listed on the appraisal records as an owner of the property, identifies the property that is the subject of the protest, and indicates apparent dissatisfaction with some determination of the appraisal office. The notice need not be on an official form, but the comptroller shall prescribe a form that provides for more detail about the nature of the protest. The form must permit a property owner to include each property in the appraisal district that is the subject of a protest. The form must permit a property owner to request that the protest be heard by a special panel established under Section 6.425 if the protest will be determined by an appraisal review board to which that section applies and the property is included in a classification described by that section. The comptroller, each appraisal office, and each appraisal review board shall make the forms readily available and deliver one to a property owner on request.

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

(d) This subsection does not apply to a special panel established under Section 6.425. An appraisal review board consisting of more than three members may sit in panels of not fewer than three members to conduct protest hearings. [~~However, the determination of a protest heard by a panel must be made by the board.~~] If the recommendation of a panel is not accepted by the board, the board may refer the matter for rehearing to a panel composed of members who did not hear the original hearing or, if

there are not at least three members who did not hear the original protest, the board may determine the protest. [~~Before determining a protest or conducting a rehearing before a new panel or the board, the board shall deliver notice of the hearing or meeting to determine the protest in accordance with the provisions of this subchapter.~~]

(d-1) An appraisal review board to which Section 6.425 applies shall sit in special panels established under that section to conduct protest hearings. A special panel may conduct a protest hearing relating to property only if the property is included in the classification for which the panel was established and the property owner has requested that the panel conduct the hearing. The board may rehear a protest heard by a special panel if the board elects not to accept the recommendation of the panel.

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

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

SECTION \_\_\_\_\_. Section 41.66, Tax Code, is amended by amending Subsection (k) and adding Subsection (k-1) to read as follows:

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

on that request. A change of members of a panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another panel.

(k-1) On the request of a property owner, an appraisal review board to which Section 6.425 applies shall assign a protest relating to property included in a classification described by that section to the special panel established to conduct protest hearings relating to property included in that classification. If the board has established more than one special panel to conduct protest hearings relating to property included in a particular classification, protests relating to property included in that classification shall be randomly assigned to those special panels. If a protest is scheduled to be heard by a particular special panel, the protest may not be reassigned to another special panel without the consent of the property owner or designated agent. If the board has cause to reassign a protest to another special panel, a property owner or designated agent may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a special panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another special panel.

SECTION \_\_\_\_\_. Section 41.71, Tax Code, is amended to read as follows:

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

(b) The board may not schedule:

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

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

SECTION \_\_\_\_\_. Section 41A.01, Tax Code, is amended to read as follows:

Sec. 41A.01. RIGHT OF APPEAL BY PROPERTY OWNER. As an

alternative to filing an appeal under Section 42.01, a property owner is entitled to appeal through binding arbitration under this chapter an appraisal review board order determining a protest filed under Section 41.41(a)(1) or (2) concerning the appraised or market value of property if:

(1) the property qualifies as the owner's residence homestead under Section 11.13; or

(2) the appraised or market value, as applicable, of the property as determined by the order is \$5 [~~\$3~~] million or less.

SECTION \_\_\_\_\_. Section 41A.03(a), Tax Code, is amended to read as follows:

(a) To appeal an appraisal review board order under this chapter, a property owner must file with the appraisal district not later than the 45th day after the date the property owner receives notice of the order:

(1) a completed request for binding arbitration under this chapter in the form prescribed by Section 41A.04; and

(2) an arbitration deposit made payable to the comptroller in the amount of:

(A) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;

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

(C) \$500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$800, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order;  
[~~or~~]

(E) \$1,050, if the property does not qualify as

the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,250, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

SECTION \_\_\_\_\_. Section 41A.06(b), Tax Code, is amended to read as follows:

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

(1) meet the following requirements, as applicable:

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

(B) have:

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

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

(a) a real estate broker or sales agent [~~salesperson~~] under Chapter 1101, Occupations Code;

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

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

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

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

(B) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than



\$500,000, as determined by the order;

(C) \$450, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

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

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

(F) \$1,200, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

SECTION \_\_\_\_\_. Section 45.105(e), Education Code, is amended to read as follows:

(e) The governing body of an independent school district that governs a junior college district under Subchapter B, Chapter 130, in a county with a population of more than two million may dedicate a specific percentage of the local tax levy to the use of the junior college district for facilities and equipment or for the maintenance and operating expenses of the junior college district. To be effective, the dedication must be made by the governing body on or before the date on which the governing body adopts its tax rate for a year. The amount of local tax funds derived from the percentage of the local tax levy dedicated to a junior college district from a tax levy may not exceed the amount that would be levied by five percent of the no-new-taxes [~~effective~~] tax rate for the tax year calculated as provided by Section 26.04, Tax Code, on all property taxable by the school district. All real property purchased with these funds is the property of the school district,

but is subject to the exclusive control of the governing body of the junior college district for as long as the junior college district uses the property for educational purposes.

SECTION \_\_\_\_\_. Section 130.016(b), Education Code, is amended to read as follows:

(b) If the board of trustees of an independent school district that divests itself of the management, control, and operation of a junior college district under this section or under Section 130.017 [~~of this code~~] was authorized by [~~Subsection (e) of~~] Section 45.105(e) or under former Section 20.48(e) [~~20.48 of this code~~] to dedicate a portion of its tax levy to the junior college district before the divestment, the junior college district may levy an ad valorem tax from and after the divestment. In the first two years in which the junior college district levies an ad valorem tax, the tax rate adopted by the governing body may not exceed the rate that, if applied to the total taxable value submitted to the governing body under Section 26.04, Tax Code, would impose an amount equal to the amount of taxes of the school district dedicated to the junior college under [~~Subsection (e) of~~] Section 45.105(e) or former Section 20.48(e) [~~20.48 of this code~~] in the last dedication before the divestment. In subsequent years, the tax rate of the junior college district is subject to Section 26.08 [~~26.07~~], Tax Code.

SECTION \_\_\_\_\_. Section 403.302(o), Government Code, is amended to read as follows:

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

SECTION \_\_\_\_\_. Sections 281.124(d) and (e), Health and Safety Code, are amended to read as follows:

(d) If a majority of the votes cast in the election favor the proposition, the tax rate for the specified tax year is the rate approved by the voters, and that rate is not subject to [~~a rollback election under~~] Section 26.08 [~~26.07~~], Tax Code. The board shall adopt the tax rate as provided by Chapter 26, Tax Code.

(e) If the proposition is not approved as provided by

Subsection (c), the board may not adopt a tax rate for the district for the specified tax year that exceeds the rate that was not approved, and Section 26.08 [~~26.07~~], Tax Code, applies to the adopted rate if that rate exceeds the district's rollback tax rate.

SECTION \_\_\_\_\_. Section 102.007(d), Local Government Code, is amended to read as follows:

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

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

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

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

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

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

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

- (A) the property tax rate;
- (B) the no-new-taxes [~~effective~~] tax rate;
- (C) the no-new-taxes [~~effective~~] maintenance and

operations tax rate;

(D) the rollback tax rate; and

(E) the debt rate; and

(4) the total amount of municipal debt obligations.

SECTION \_\_\_\_\_. Section 111.008(d), Local Government Code, is amended to read as follows:

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

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

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

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

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

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

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

(A) the property tax rate;

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

(C) the no-new-taxes [~~effective~~] maintenance and

operations tax rate;

(D) the rollback tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION \_\_\_\_\_. Section 111.039(d), Local Government Code, is amended to read as follows:

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

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

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

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

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

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

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

(A) the property tax rate;

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

(C) the no-new-taxes [~~effective~~] maintenance and

operations tax rate;

(D) the rollback tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION \_\_\_\_\_. Section 111.068(c), Local Government Code, is amended to read as follows:

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

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

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

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

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

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

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

(A) the property tax rate;

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

(C) the no-new-taxes [~~effective~~] maintenance and

operations tax rate;

(D) the rollback tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION \_\_\_\_\_. Section 1101.254(f), Special District Local Laws Code, is amended to read as follows:

(f) This section does not affect the applicability of [~~any rights district voters may have to petition for an election under~~] Section 26.08 [~~26.07~~], Tax Code, to the district's tax rate, except that if district voters approve a tax rate increase under this section, [~~the voters may not petition for an election under~~] Section 26.08 [~~26.07~~], Tax Code, does not apply [~~as~~] to the tax rate for that year.

SECTION \_\_\_\_\_. Sections 1122.2522, 3828.157, and 8876.152, Special District Local Laws Code, are amended to read as follows:

Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE. [~~(a)~~] If in any year the board adopts a tax rate that exceeds the rollback tax rate calculated as provided by Chapter 26, Tax Code, [~~the qualified voters of the district by petition may require that~~] an election under Section 26.08 of that code must be held to determine whether or not to approve [~~reduce~~] the tax rate adopted by the board for that year [~~to the rollback tax rate~~].

[~~(b) To the extent a conflict exists between this section and a provision of the Tax Code, the provision of the Tax Code prevails.~~]

Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE PROVISIONS. Sections 26.04, 26.05, and 26.08 [~~26.07~~], Tax Code, do not apply to a tax imposed under Section 3828.153 or 3828.156.

Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS. (a) Sections 26.04, 26.05, 26.06, 26.061, and 26.08 [~~26.07~~], Tax Code, do not apply to a tax imposed by the district.

(b) Sections 49.236(a)(1) and (2) and (b) [~~Section 49.236~~], Water Code, apply [~~as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003, applies~~] to the district.

SECTION \_\_\_\_\_. Section 49.107(g), Water Code, is amended to read as follows:

(g) Sections 26.04, 26.05, 26.061, and 26.08 [~~26.07~~], Tax

Code, do not apply to a tax levied and collected under this section or an ad valorem tax levied and collected for the payment of the interest on and principal of bonds issued by a district.

SECTION \_\_\_\_\_. Section 49.108(f), Water Code, is amended to read as follows:

(f) Sections 26.04, 26.05, 26.061, and 26.08 [~~26.07~~], Tax Code, do not apply to a tax levied and collected for payments made under a contract approved in accordance with this section.

SECTION \_\_\_\_\_. Section 49.236, Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, is amended by amending Subsections (a) and (d) and adding Subsections (e), (f), (g), (h), (i), (j), (k), and (l) to read as follows:

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

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

"NOTICE OF PUBLIC HEARING ON TAX RATE

"The (name of the district) will hold a public hearing on a proposed tax rate for the tax year (year of tax levy) on (date and time) at (meeting place). Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

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

(2) contain the following information:

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

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



year;

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

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

(E) the amount of tax that would be imposed by the district in the current year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, if the proposed tax rate is adopted; ~~and~~

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

(G) if the proposed combined debt service, operation and maintenance, and contract tax rate requires or authorizes an election in the district to ratify the tax rate, a description of the purpose of the proposed tax increase; and

(3) contain a statement in substantially the following form, as applicable:

(A) if there are not any new improvements in the district in the current tax year:

"NOTICE OF VOTE ON TAX RATE [~~TAXPAYERS' RIGHT TO ROLLBACK ELECTION~~]"

"If taxes on the average residence homestead increase by more than five [~~eight~~] percent, [~~the qualified voters of the district by petition may require that~~] an election must be held to determine whether to ratify [~~reduce~~] the [~~operation and maintenance~~] tax rate [~~to the rollback tax rate~~] under Section 49.236(d), Water Code."; or

(B) if there are any new improvements in the district in the current tax year:

"NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

"If taxes on the average residence homestead increase by more than five percent, the qualified voters of the district by petition may require that an election be held to determine whether to ratify the tax rate under Section 49.236(e), Water Code."

(d) This subsection applies to a district only if there are not any new improvements in the district in the current tax year. If the board [~~governing body~~] of the [~~a~~] district adopts a combined debt service, operation and maintenance, and contract tax rate that would impose more than 1.05 [~~1.08~~] times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, [~~the qualified voters of the district by petition may require that~~] an election must be held to determine whether [~~or not~~] to ratify [~~reduce~~] the tax rate adopted for the current year [~~to the rollback tax rate~~] in accordance with the procedures provided by Sections 26.08(b)-(d-2) [~~26.07(b)-(g) and 26.081~~], Tax Code.

(e) This subsection and Subsections (f)-(i) apply to a district only if there are any new improvements in the district in the current tax year. If the board of the district adopts a combined debt service, operation and maintenance, and contract tax rate that would impose more than 1.05 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, the qualified voters of the district by petition may

require that an election be held to determine whether to ratify the tax rate adopted for the current year in accordance with the procedures provided by Subsections (f)-(i) of this section and Section 26.081, Tax Code.

(f) A petition is valid only if:

(1) it states that it is intended to require an election in the district on the question of ratifying the tax rate adopted for the current year;

(2) it is signed by a number of registered voters of the district equal to at least:

(A) seven percent of the number of registered voters of the district according to the most recent official list of registered voters if the tax rate adopted for the current tax year would impose taxes for operation and maintenance in an amount of at least \$5 million; or

(B) 10 percent of the number of registered voters of the district according to the most recent official list of registered voters if the tax rate adopted for the current tax year would impose taxes for operation and maintenance in an amount of less than \$5 million; and

(3) it is submitted to the board on or before the 90th day after the date on which the board adopted the tax rate for the current year.

(g) Not later than the 20th day after the day a petition is submitted, the board shall determine whether or not the petition is valid and pass a resolution stating its finding. If the board fails to act within the time allowed, the petition is treated as if it had been found valid.

(h) If the board finds that the petition is valid (or fails to act within the time allowed), it shall order that an election be held in the district on a date not less than 30 or more than 90 days after the last day on which it could have acted to approve or disapprove the petition. A state law requiring local elections to be held on a specified date does not apply to the election unless a specified date falls within the time permitted by this section. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of

\$\_\_\_\_\_ per \$100 valuation in (name of district) for the current year, a rate that is \$\_\_\_\_\_ higher per \$100 valuation than the district's rollback tax rate, for the purpose of (description of purpose of increase)." The ballot proposition must include the adopted tax rate and the difference between that rate and the rollback tax rate in the appropriate places.

(i) Sections 26.08(c), (d), (d-1), and (d-2), Tax Code, apply to an election under Subsection (e) of this section in the same manner as those subsections apply to an election under Section 26.08, Tax Code.

(j) For purposes of an election under Subsection (d) or (e), as applicable [Sections 26.07(b)-(g) and this subsection], the rollback tax rate of a district is the sum of the following tax rates:

(1) the current year's debt service tax rate;  
(2) the current year's [and] contract tax rate; and  
(3) [rates plus] the operation and maintenance tax rate that would impose 1.05 [1.08] times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older.

(k) Notwithstanding any other provision of this section, the board may substitute "eight percent" for "five percent" in Subsection (a) and "1.08" for "1.05" in Subsection (d) or (e), as applicable, and Subsection (j) if any part of the district is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States.

(l) In this section, "improvement" has the meaning assigned by Section 1.04, Tax Code.

SECTION \_\_\_\_\_. The following provisions are repealed:

- (1) Sections 403.302(m-1) and (n), Government Code;
- (2) Section 140.010, Local Government Code;
- (3) Section 1063.255, Special District Local Laws Code;
- (4) Section 26.07, Tax Code;

(5) Section 41.44(b-1), Tax Code;

(6) Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003; and

(7) Section 49.2361, Water Code.

SECTION \_\_\_\_\_. The changes in law made by this article relating to the ad valorem tax rate of a taxing unit apply beginning with the 2018 tax year.

SECTION \_\_\_\_\_. Sections 5.05, 5.102, 5.13, and 23.01, Tax Code, as amended by this Act, apply only to the appraisal of property for ad valorem tax purposes for a tax year beginning on or after January 1, 2018.

SECTION \_\_\_\_\_. Section 6.41(d-9), Tax Code, as amended by this Act, and Section 6.41(d-10), Tax Code, as added by this Act, apply only to the appointment of appraisal review board members to terms beginning on or after January 1, 2019.

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

SECTION \_\_\_\_\_. Sections 11.4391(a), 21.09(b), and 22.23, Tax Code, as amended by this Act, apply only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2018.

SECTION \_\_\_\_\_. Section 25.19(b-3), Tax Code, as added by this Act, applies only to a notice of appraised value for a tax year beginning on or after January 1, 2019. A notice of appraised value for a tax year beginning before January 1, 2019, is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

SECTION \_\_\_\_\_. Section 41.03(a), Tax Code, as amended by this Act, applies only to a challenge under Chapter 41, Tax Code, for which a challenge petition is filed on or after January 1, 2018. A challenge under Chapter 41, Tax Code, for which a challenge

petition was filed before January 1, 2018, is governed by the law in effect on the date the challenge petition was filed, and the former law is continued in effect for that purpose.

SECTION \_\_\_\_\_. Sections 41.45 and 41.66, Tax Code, as amended by this Act, apply only to a protest filed under Chapter 41, Tax Code, on or after January 1, 2019. A protest filed under that chapter before January 1, 2019, is governed by the law in effect on the date the protest was filed, and the former law is continued in effect for that purpose.

SECTION \_\_\_\_\_. Section 41.71, Tax Code, as amended by this Act, applies only to a hearing on a protest under Chapter 41, Tax Code, that is scheduled on or after January 1, 2018. A hearing on a protest under Chapter 41, Tax Code, that is scheduled before January 1, 2018, is governed by the law in effect on the date the hearing was scheduled, and that law is continued in effect for that purpose.

SECTION \_\_\_\_\_. Sections 41A.01, 41A.03, and 41A.06, Tax Code, as amended by this Act, apply only to a request for binding arbitration under Chapter 41A, Tax Code, that is filed on or after January 1, 2018. A request for binding arbitration under Chapter 41A, Tax Code, that is filed before January 1, 2018, is governed by the law in effect on the date the request is filed, and the former law is continued in effect for that purpose.

SECTION \_\_\_\_\_. (a) Except as provided by Subsections (b) and (c) of this section, this article takes effect January 1, 2018.

(b) The following provisions take effect September 1, 2017:

- (1) Sections 26.04(d-4) and (e-2), Tax Code; and
- (2) Section 26.16(d-3), Tax Code.

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

- (1) Sections 6.41(b) and (d-9), Tax Code, as amended by this Act;
- (2) Sections 6.41(b-1), (b-2), and (d-10), Tax Code, as added by this Act;
- (3) Section 6.414(d), Tax Code, as amended by this Act;
- (4) Section 6.425, Tax Code, as added by this Act;
- (5) Section 25.19(b-3), Tax Code, as added by this

Act;

(6) Section 41.44(d), Tax Code, as amended by this

Act;

(7) Section 41.45(d), Tax Code, as amended by this

Act;

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

(9) Section 41.66(k), Tax Code, as amended by this  
Act; and

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