

1-1 By: Bettencourt, et al. S.B. No. 2  
 1-2 (In the Senate - Filed November 29, 2016; January 24, 2017,  
 1-3 read first time and referred to Committee on Finance;  
 1-4 March 16, 2017, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 9, Nays 5; March 16, 2017,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10		X		
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18		X		
1-19	X			
1-20		X		
1-21		X		
1-22		X		
1-23			X	

1-24 COMMITTEE SUBSTITUTE FOR S.B. No. 2 By: Bettencourt

1-25 A BILL TO BE ENTITLED  
 1-26 AN ACT

1-27 relating to ad valorem taxation.  
 1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-29 SECTION 1. This Act may be cited as the Texas Property Tax  
 1-30 Reform and Relief Act of 2017.  
 1-31 SECTION 2. Chapter 5, Tax Code, is amended by adding Section  
 1-32 5.01 to read as follows:  
 1-33 Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD.  
 1-34 (a) The comptroller shall appoint the property tax administration  
 1-35 advisory board to advise the comptroller with respect to the  
 1-36 division or divisions within the office of the comptroller with  
 1-37 primary responsibility for state administration of property  
 1-38 taxation and state oversight of appraisal districts and local tax  
 1-39 offices. The advisory board may make recommendations to the  
 1-40 comptroller regarding improving the effectiveness and efficiency  
 1-41 of the property tax system, best practices, and complaint  
 1-42 resolution procedures.  
 1-43 (b) The advisory board is composed of at least six members  
 1-44 appointed by the comptroller. The members of the board should  
 1-45 include:  
 1-46 (1) representatives of property tax payers, appraisal  
 1-47 districts, and school districts; and  
 1-48 (2) a person who has knowledge or experience in  
 1-49 conducting ratio studies.  
 1-50 (c) The members of the advisory board serve at the pleasure  
 1-51 of the comptroller.  
 1-52 (d) Any advice to the comptroller relating to a matter  
 1-53 described by Subsection (a) that is provided by a member of the  
 1-54 advisory board must be provided at a meeting called by the  
 1-55 comptroller.  
 1-56 (e) Chapter 2110, Government Code, does not apply to the  
 1-57 advisory board.  
 1-58 SECTION 3. Section 5.05, Tax Code, is amended by adding  
 1-59 Subsection (c-1) to read as follows:  
 1-60 (c-1) An appraisal district shall appraise property in

2-1 accordance with any appraisal manuals prepared and issued by the  
 2-2 comptroller under this section.

2-3 SECTION 4. Sections 5.102(a) and (c), Tax Code, are amended  
 2-4 to read as follows:

2-5 (a) At least once every two years, the comptroller shall  
 2-6 review the governance of each appraisal district, taxpayer  
 2-7 assistance provided, and the operating and appraisal standards,  
 2-8 procedures, and methodology used by each appraisal district, to  
 2-9 determine compliance with generally accepted standards,  
 2-10 procedures, and methodology, including compliance with standards,  
 2-11 procedures, and methodology prescribed by appraisal manuals  
 2-12 prepared and issued by the comptroller. After consultation with  
 2-13 the property tax administration advisory board [~~committee created~~  
 2-14 ~~under Section 403.302, Government Code~~], the comptroller by rule  
 2-15 may establish procedures and standards for conducting and scoring  
 2-16 the review.

2-17 (c) At the conclusion of the review, the comptroller shall,  
 2-18 in writing, notify the appraisal district concerning its  
 2-19 performance in the review. If the review results in a finding that  
 2-20 an appraisal district is not in compliance with generally accepted  
 2-21 standards, procedures, and methodology, including compliance with  
 2-22 standards, procedures, and methodology prescribed by appraisal  
 2-23 manuals prepared and issued by the comptroller, the comptroller  
 2-24 shall deliver a report that details the comptroller's findings and  
 2-25 recommendations for improvement to:

2-26 (1) the appraisal district's chief appraiser and board  
 2-27 of directors; and

2-28 (2) the superintendent and board of trustees of each  
 2-29 school district participating in the appraisal district.

2-30 SECTION 5. Section 5.13(d), Tax Code, is amended to read as  
 2-31 follows:

2-32 (d) In conducting a general audit, the comptroller shall  
 2-33 consider and report on:

2-34 (1) the extent to which the district complies with  
 2-35 applicable law or generally accepted standards of appraisal or  
 2-36 other relevant practice, including appraisal standards and  
 2-37 practices prescribed by appraisal manuals prepared and issued by  
 2-38 the comptroller;

2-39 (2) the uniformity and level of appraisal of major  
 2-40 kinds of property and the cause of any significant deviations from  
 2-41 ideal uniformity and equality of appraisal of major kinds of  
 2-42 property;

2-43 (3) duplication of effort and efficiency of operation;

2-44 (4) the general efficiency, quality of service, and  
 2-45 qualification of appraisal district personnel; and

2-46 (5) except as otherwise provided by Subsection (b) [~~of~~  
 2-47 ~~this section~~], any other matter included in the request for the  
 2-48 audit.

2-49 SECTION 6. Section 6.03(a), Tax Code, is amended to read as  
 2-50 follows:

2-51 (a) The appraisal district is governed by a board of  
 2-52 directors. Five directors are appointed by the taxing units that  
 2-53 participate in the district as provided by this section. If the  
 2-54 county assessor-collector is not appointed to the board, the county  
 2-55 assessor-collector serves as a nonvoting director. The county  
 2-56 assessor-collector is ineligible to serve if the board enters into  
 2-57 a contract under Section 6.05(b) or if the commissioners court of  
 2-58 the county enters into a contract under Section 6.24(b). To be  
 2-59 eligible to serve on the board of directors, an individual other  
 2-60 than a county assessor-collector serving as a nonvoting director  
 2-61 must:

2-62 (1) be a resident of the district;

2-63 (2) [~~and must~~] have resided in the district for at  
 2-64 least two years immediately preceding the date the individual takes  
 2-65 office; and

2-66 (3) be an elected official of the county or a member of  
 2-67 the governing body or other elected official of a political  
 2-68 subdivision all or part of the territory of which is located in the  
 2-69 county. [~~An individual who is otherwise eligible to serve on the~~

3-1 ~~board is not ineligible because of membership on the governing body~~  
 3-2 ~~of a taxing unit. An employee of a taxing unit that participates in~~  
 3-3 ~~the district is not eligible to serve on the board unless the~~  
 3-4 ~~individual is also a member of the governing body or an elected~~  
 3-5 ~~official of a taxing unit that participates in the district.]~~

3-6 SECTION 7. Section 6.035(a-1), Tax Code, is amended to read  
 3-7 as follows:

3-8 (a-1) An individual is ineligible to serve on an appraisal  
 3-9 district board of directors if the individual has engaged in the  
 3-10 business of appraising property for compensation for use in  
 3-11 proceedings under this title or of representing property owners for  
 3-12 compensation in proceedings under this title in the appraisal  
 3-13 district at any time during the preceding three [~~five~~] years.

3-14 SECTION 8. Section 6.15, Tax Code, is amended by adding  
 3-15 Subsection (c-1) to read as follows:

3-16 (c-1) Subsections (a) and (b) do not prohibit a member of  
 3-17 the board of directors of an appraisal district from transmitting  
 3-18 to the chief appraiser without comment a complaint by a property  
 3-19 owner or taxing unit about the appraisal of a specific property,  
 3-20 provided that the transmission is in writing.

3-21 SECTION 9. Section 6.41, Tax Code, is amended by amending  
 3-22 Subsections (b) and (d-9) and adding Subsections (b-1), (b-2), and  
 3-23 (d-10) to read as follows:

3-24 (b) Except as provided by Subsection (b-1) or (b-2), an  
 3-25 appraisal review [The] board consists of three members.

3-26 (b-1) An appraisal [However, the] district board of  
 3-27 directors by resolution of a majority of the board's [its] members  
 3-28 may increase the size of the district's appraisal review board to  
 3-29 the number of members the board of directors considers appropriate.

3-30 (b-2) An appraisal district board of directors for a  
 3-31 district established in a county described by Subsection (d-1) by  
 3-32 resolution of a majority of the board's members shall increase the  
 3-33 size of the district's appraisal review board to the number of  
 3-34 members the board of directors considers appropriate to manage the  
 3-35 duties of the appraisal review board, including the duties of each  
 3-36 special panel established under Section 6.425.

3-37 (d-9) In selecting individuals who are to serve as members  
 3-38 of the appraisal review board, the local administrative district  
 3-39 judge shall select an adequate number of qualified individuals to  
 3-40 permit the chairman of the appraisal review board to fill the  
 3-41 positions on each special panel established under Section 6.425.

3-42 (d-10) Upon selection of the individuals who are to serve as  
 3-43 members of the appraisal review board, the local administrative  
 3-44 district judge shall enter an appropriate order designating such  
 3-45 members and setting each member's respective term of office, as  
 3-46 provided elsewhere in this section.

3-47 SECTION 10. Section 6.414(d), Tax Code, is amended to read  
 3-48 as follows:

3-49 (d) An auxiliary board member may hear taxpayer protests  
 3-50 before the appraisal review board. An auxiliary board member may  
 3-51 not hear taxpayer protests before a special panel established under  
 3-52 Section 6.425 unless the member is eligible to be appointed to the  
 3-53 special panel. If one or more auxiliary board members sit on a  
 3-54 panel established under Section 6.425 or 41.45 to conduct a protest  
 3-55 hearing, the number of regular appraisal review board members  
 3-56 required by that section to constitute the panel is reduced by the  
 3-57 number of auxiliary board members sitting. An auxiliary board  
 3-58 member sitting on a panel is considered a regular board member for  
 3-59 all purposes related to the conduct of the hearing.

3-60 SECTION 11. Section 6.42, Tax Code, is amended by adding  
 3-61 Subsection (d) to read as follows:

3-62 (d) The concurrence of a majority of the members of the  
 3-63 appraisal review board or a panel of the board present at a meeting  
 3-64 of the board or panel is sufficient for a recommendation,  
 3-65 determination, decision, or other action by the board or panel, and  
 3-66 the concurrence of more than a majority of the members of the board  
 3-67 or panel may not be required.

3-68 SECTION 12. Subchapter C, Chapter 6, Tax Code, is amended by  
 3-69 adding Section 6.425 to read as follows:

4-1 Sec. 6.425. SPECIAL APPRAISAL REVIEW BOARD PANELS IN  
 4-2 CERTAIN DISTRICTS. (a) This section applies only to the appraisal  
 4-3 review board for an appraisal district described by Section  
 4-4 6.41(b-2).

4-5 (b) The appraisal review board shall establish a separate  
 4-6 special panel for each of the following classifications of property  
 4-7 to conduct protest hearings under Chapter 41 relating to property  
 4-8 included in that classification:

4-9 (1) commercial real and personal property;

4-10 (2) real and personal property of utilities;

4-11 (3) industrial and manufacturing real and personal  
 4-12 property; and

4-13 (4) multifamily residential real property.

4-14 (c) The chairman of the appraisal review board may establish  
 4-15 additional special panels described by this section to conduct  
 4-16 protest hearings relating to property included in a classification  
 4-17 described by Subsection (b) if the chairman determines that  
 4-18 additional panels are necessary.

4-19 (d) Each special panel described by this section consists of  
 4-20 three members of the appraisal review board appointed by the  
 4-21 chairman of the board.

4-22 (e) To be eligible to be appointed to a special panel  
 4-23 described by this section, a member of the appraisal review board  
 4-24 must:

4-25 (1) hold a juris doctor or equivalent degree;

4-26 (2) hold a master of business administration degree;

4-27 (3) be licensed as a certified public accountant under  
 4-28 Chapter 901, Occupations Code;

4-29 (4) be accredited by the American Society of  
 4-30 Appraisers as an accredited senior appraiser;

4-31 (5) possess an MAI professional designation from the  
 4-32 Appraisal Institute;

4-33 (6) possess a Certified Assessment Evaluator (CAE)  
 4-34 professional designation from the International Association of  
 4-35 Assessing Officers; or

4-36 (7) have at least 20 years of experience in property  
 4-37 tax appraisal or consulting.

4-38 (f) Notwithstanding Subsection (e), the chairman of the  
 4-39 appraisal review board may appoint to a special panel described by  
 4-40 this section a member of the appraisal review board who does not  
 4-41 meet the qualifications prescribed by that subsection if:

4-42 (1) the number of persons appointed to the board by the  
 4-43 local administrative district judge who meet those qualifications  
 4-44 is not sufficient to fill the positions on each special panel; and

4-45 (2) the board member being appointed to the panel:

4-46 (A) holds a bachelor's degree in any field; or

4-47 (B) is licensed as a real estate broker or sales  
 4-48 agent under Chapter 1101, Occupations Code.

4-49 SECTION 13. Section 22.23, Tax Code, is amended to read as  
 4-50 follows:

4-51 Sec. 22.23. FILING DATE. (a) Rendition statements and  
 4-52 property reports must be delivered to the chief appraiser after  
 4-53 January 1 and not later than April 1 [15], except as provided by  
 4-54 Section 22.02.

4-55 (b) On written request by the property owner, the chief  
 4-56 appraiser shall extend a deadline for filing a rendition statement  
 4-57 or property report to May 1 [15]. The chief appraiser may further  
 4-58 extend the deadline an additional 15 days upon good cause shown in  
 4-59 writing by the property owner.

4-60 SECTION 14. Section 23.01(b), Tax Code, is amended to read  
 4-61 as follows:

4-62 (b) The market value of property shall be determined by the  
 4-63 application of generally accepted appraisal methods and  
 4-64 techniques, including appraisal methods and techniques prescribed  
 4-65 by appraisal manuals prepared and issued by the comptroller. If the  
 4-66 appraisal district determines the appraised value of a property  
 4-67 using mass appraisal standards, the mass appraisal standards must  
 4-68 comply with the Uniform Standards of Professional Appraisal  
 4-69 Practice. The same or similar appraisal methods and techniques

5-1 shall be used in appraising the same or similar kinds of property.  
 5-2 However, each property shall be appraised based upon the individual  
 5-3 characteristics that affect the property's market value, and all  
 5-4 available evidence that is specific to the value of the property  
 5-5 shall be taken into account in determining the property's market  
 5-6 value.

5-7 SECTION 15. Section 25.19, Tax Code, is amended by amending  
 5-8 Subsections (a) and (g) and adding Subsection (b-3) to read as  
 5-9 follows:

5-10 (a) By April 15 [~~4~~] or as soon thereafter as practicable [~~if~~  
 5-11 ~~the property is a single-family residence that qualifies for an~~  
 5-12 ~~exemption under Section 11.13, or by May 1 or as soon thereafter as~~  
 5-13 ~~practicable in connection with any other property], the chief  
 5-14 appraiser shall deliver a clear and understandable written notice  
 5-15 to a property owner of the appraised value of the property owner's  
 5-16 property if:~~

5-17 (1) the appraised value of the property is greater  
 5-18 than it was in the preceding year;

5-19 (2) the appraised value of the property is greater  
 5-20 than the value rendered by the property owner;

5-21 (3) the property was not on the appraisal roll in the  
 5-22 preceding year; or

5-23 (4) an exemption or partial exemption approved for the  
 5-24 property for the preceding year was canceled or reduced for the  
 5-25 current year.

5-26 (b-3) This subsection applies only to an appraisal district  
 5-27 described by Section 6.41(b-2). In addition to the information  
 5-28 required by Subsection (b), the chief appraiser shall state in a  
 5-29 notice of appraised value of property included in a classification  
 5-30 described by Section 6.425(b) that the property owner has the right  
 5-31 to have a protest relating to the property heard by a special panel  
 5-32 of the appraisal review board.

5-33 (g) By April 15 [~~4~~] or as soon thereafter as practicable [~~if~~  
 5-34 ~~the property is a single-family residence that qualifies for an~~  
 5-35 ~~exemption under Section 11.13, or by May 1 or as soon thereafter as~~  
 5-36 ~~practicable in connection with any other property], the chief  
 5-37 appraiser shall deliver a written notice to the owner of each  
 5-38 property not included in a notice required to be delivered under  
 5-39 Subsection (a), if the property was reappraised in the current tax  
 5-40 year, if the ownership of the property changed during the preceding  
 5-41 year, or if the property owner or the agent of a property owner  
 5-42 authorized under Section 1.111 makes a written request for the  
 5-43 notice. The chief appraiser shall separate real from personal  
 5-44 property and include in the notice for each property:~~

5-45 (1) the appraised value of the property in the  
 5-46 preceding year;

5-47 (2) the appraised value of the property for the  
 5-48 current year and the kind of each partial exemption, if any,  
 5-49 approved for the current year;

5-50 (3) a detailed explanation of the time and procedure  
 5-51 for protesting the value; and

5-52 (4) the date and place the appraisal review board will  
 5-53 begin hearing protests.

5-54 SECTION 16. Section 25.22(a), Tax Code, is amended to read  
 5-55 as follows:

5-56 (a) By May 1 [~~15~~] or as soon thereafter as practicable, the  
 5-57 chief appraiser shall submit the completed appraisal records to the  
 5-58 appraisal review board for review and determination of protests.  
 5-59 However, the chief appraiser may not submit the records until the  
 5-60 chief appraiser has delivered the notices required by Subsection  
 5-61 (d) of Section 11.45, Subsection (d) of Section 23.44, Subsection  
 5-62 (d) of Section 23.57, Subsection (d) of Section 23.79, Subsection  
 5-63 (d) of Section 23.85, Subsection (d) of Section 23.95, Subsection  
 5-64 (d) of Section 23.9805, and Section 25.19.

5-65 SECTION 17. Sections 26.01(a) and (e), Tax Code, are  
 5-66 amended to read as follows:

5-67 (a) By July 10 [~~25~~], the chief appraiser shall prepare and  
 5-68 certify to the assessor for each taxing unit participating in the  
 5-69 district that part of the appraisal roll for the district that lists

6-1 the property taxable by the unit. The part certified to the  
 6-2 assessor is the appraisal roll for the unit. The chief appraiser  
 6-3 shall consult with the assessor for each taxing unit and notify each  
 6-4 unit in writing by April 1 of the form in which the roll will be  
 6-5 provided to each unit.

6-6 (e) Except as provided by Subsection (f), not later than May  
 6-7 15 [~~April 30~~], the chief appraiser shall prepare and certify to the  
 6-8 assessor for each county, municipality, and school district  
 6-9 participating in the appraisal district an estimate of the taxable  
 6-10 value of property in that taxing unit. The chief appraiser shall  
 6-11 assist each county, municipality, and school district in  
 6-12 determining values of property in that taxing unit for the taxing  
 6-13 unit's budgetary purposes.

6-14 SECTION 18. Section 26.012(9), Tax Code, is redesignated as  
 6-15 Section 26.012(18), Tax Code, and amended to read as follows:

6-16 (18) "No-new-taxes [~~(9)~~ "~~Effective~~] maintenance and  
 6-17 operations rate" means a rate expressed in dollars per \$100 of  
 6-18 taxable value and calculated according to the following formula:

6-19 NO-NEW-TAXES [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS  
 6-20 RATE = (LAST YEAR'S LEVY - LAST YEAR'S DEBT LEVY - LAST  
 6-21 YEAR'S JUNIOR COLLEGE LEVY) / (CURRENT TOTAL VALUE -  
 6-22 NEW PROPERTY VALUE)

6-23 SECTION 19. The heading to Section 26.04, Tax Code, is  
 6-24 amended to read as follows:

6-25 Sec. 26.04. SUBMISSION OF ROLL TO GOVERNING BODY;  
 6-26 NO-NEW-TAXES [~~EFFECTIVE~~] AND ROLLBACK TAX RATES.

6-27 SECTION 20. Section 26.04, Tax Code, is amended by amending  
 6-28 Subsections (b), (c), (d), (e), (e-1), (f), (i), and (j) and adding  
 6-29 Subsections (c-1), (d-1), (d-2), (d-3), and (h-1) to read as  
 6-30 follows:

6-31 (b) The assessor shall submit the appraisal roll for the  
 6-32 unit showing the total appraised, assessed, and taxable values of  
 6-33 all property and the total taxable value of new property to the  
 6-34 governing body of the unit by July 15 [~~August 1~~] or as soon  
 6-35 thereafter as practicable. By July 15 [~~August 1~~] or as soon  
 6-36 thereafter as practicable, the taxing unit's collector shall  
 6-37 certify [~~an estimate of~~] the anticipated collection rate for the  
 6-38 current year to the governing body. If the collector certified an  
 6-39 anticipated collection rate in the preceding year and the actual  
 6-40 collection rate in that year exceeded the anticipated rate, the  
 6-41 collector shall also certify the amount of debt taxes collected in  
 6-42 excess of the anticipated amount in the preceding year.

6-43 (c) An officer or employee designated by the governing body  
 6-44 shall calculate the no-new-taxes [~~effective~~] tax rate and the  
 6-45 rollback tax rate for the unit, where:

6-46 (1) "No-new-taxes [~~Effective~~] tax rate" means a rate  
 6-47 expressed in dollars per \$100 of taxable value calculated according  
 6-48 to the following formula:

6-49 NO-NEW-TAXES [~~EFFECTIVE~~] TAX RATE = (LAST YEAR'S LEVY -  
 6-50 LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW  
 6-51 PROPERTY VALUE)

6-52 ; and

6-53 (2) "Rollback tax rate" means a rate expressed in  
 6-54 dollars per \$100 of taxable value calculated according to the  
 6-55 following formula:

6-56 ROLLBACK TAX RATE = (NO-NEW-TAXES [~~EFFECTIVE~~]  
 6-57 MAINTENANCE AND OPERATIONS RATE x 1.05 [~~1.08~~]) +  
 6-58 CURRENT DEBT RATE

6-59 (c-1) Notwithstanding any other provision of this section,  
 6-60 the governing body may direct the designated officer or employee to  
 6-61 substitute "1.08" for "1.05" in the calculation of the rollback tax  
 6-62 rate if any part of the taxing unit is located in an area declared a  
 6-63 disaster area during the current tax year by the governor or by the  
 6-64 president of the United States.

6-65 (d) The no-new-taxes [~~effective~~] tax rate for a county is  
 6-66 the sum of the no-new-taxes [~~effective~~] tax rates calculated for  
 6-67 each type of tax the county levies, and the rollback tax rate for a  
 6-68 county is the sum of the rollback tax rates calculated for each type  
 6-69 of tax the county levies.

7-1           (d-1) The designated officer or employee shall submit the  
7-2 worksheets used in calculating the no-new-taxes tax rate and the  
7-3 rollback tax rate to:  
7-4           (1) the chief appraiser of each appraisal district in  
7-5 which the taxing unit is located; and  
7-6           (2) the chief financial officer or the auditor for the  
7-7 taxing unit.  
7-8           (d-2) The designated officer or employee may not submit the  
7-9 no-new-taxes tax rate and the rollback tax rate to the governing  
7-10 body of the taxing unit and the governing body of the unit may not  
7-11 adopt a tax rate until:  
7-12           (1) the chief appraiser of each appraisal district in  
7-13 which the taxing unit is located submits to the governing body of  
7-14 the unit a written certification that the values used in the  
7-15 calculations are the same as the values shown in the unit's  
7-16 appraisal roll; and  
7-17           (2) the chief financial officer or the auditor for the  
7-18 unit submits to the governing body of the unit a written  
7-19 certification that the rollback tax rate has been calculated  
7-20 correctly.  
7-21           (d-3) The comptroller shall adopt rules governing the form  
7-22 of the certifications required by Subsection (d-2) and the manner  
7-23 in which they are required to be submitted.  
7-24           (e) By July 22 [August 7] or as soon thereafter as  
7-25 practicable, the designated officer or employee shall submit the  
7-26 rates to the governing body. By July 27, the designated officer or  
7-27 employee [He] shall deliver by mail to each property owner in the  
7-28 unit or publish in a newspaper in the form prescribed by the  
7-29 comptroller:  
7-30           (1) the no-new-taxes [effective] tax rate, the  
7-31 rollback tax rate, and an explanation of how they were calculated;  
7-32           (2) the estimated amount of interest and sinking fund  
7-33 balances and the estimated amount of maintenance and operation or  
7-34 general fund balances remaining at the end of the current fiscal  
7-35 year that are not encumbered with or by corresponding existing debt  
7-36 obligation;  
7-37           (3) a schedule of the unit's debt obligations showing:  
7-38           (A) the amount of principal and interest that  
7-39 will be paid to service the unit's debts in the next year from  
7-40 property tax revenue, including payments of lawfully incurred  
7-41 contractual obligations providing security for the payment of the  
7-42 principal of and interest on bonds and other evidences of  
7-43 indebtedness issued on behalf of the unit by another political  
7-44 subdivision and, if the unit is created under Section 52, Article  
7-45 III, or Section 59, Article XVI, Texas Constitution, payments on  
7-46 debts that the unit anticipates to incur in the next calendar year;  
7-47           (B) the amount by which taxes imposed for debt  
7-48 are to be increased because of the unit's anticipated collection  
7-49 rate; and  
7-50           (C) the total of the amounts listed in Paragraphs  
7-51 (A)-(B), less any amount collected in excess of the previous year's  
7-52 anticipated collections certified as provided in Subsection (b);  
7-53           (4) the amount of additional sales and use tax revenue  
7-54 anticipated in calculations under Section 26.041;  
7-55           (5) a statement that the adoption of a tax rate equal  
7-56 to the no-new-taxes [effective] tax rate would result in an  
7-57 increase or decrease, as applicable, in the amount of taxes imposed  
7-58 by the unit as compared to last year's levy, and the amount of the  
7-59 increase or decrease;  
7-60           (6) in the year that a taxing unit calculates an  
7-61 adjustment under Subsection (i) or (j), a schedule that includes  
7-62 the following elements:  
7-63           (A) the name of the unit discontinuing the  
7-64 department, function, or activity;  
7-65           (B) the amount of property tax revenue spent by  
7-66 the unit listed under Paragraph (A) to operate the discontinued  
7-67 department, function, or activity in the 12 months preceding the  
7-68 month in which the calculations required by this chapter are made;  
7-69 and

8-1 (C) the name of the unit that operates a distinct  
 8-2 department, function, or activity in all or a majority of the  
 8-3 territory of a taxing unit that has discontinued operating the  
 8-4 distinct department, function, or activity; and

8-5 (7) in the year following the year in which a taxing  
 8-6 unit raised its rollback tax rate as required by Subsection (j), a  
 8-7 schedule that includes the following elements:

8-8 (A) the amount of property tax revenue spent by  
 8-9 the unit to operate the department, function, or activity for which  
 8-10 the taxing unit raised the rollback tax rate as required by  
 8-11 Subsection (j) for the 12 months preceding the month in which the  
 8-12 calculations required by this chapter are made; and

8-13 (B) the amount published by the unit in the  
 8-14 preceding tax year under Subdivision (6)(B).

8-15 (e-1) The tax rate certification requirements imposed by  
 8-16 Subsections (d-1) and (d-2) and the notice requirements imposed by  
 8-17 Subsections (e)(1)-(6) do not apply to a school district.

8-18 (f) If as a result of consolidation of taxing units a taxing  
 8-19 unit includes territory that was in two or more taxing units in the  
 8-20 preceding year, the amount of taxes imposed in each in the preceding  
 8-21 year is combined for purposes of calculating the no-new-taxes  
 8-22 [effective] and rollback tax rates under this section.

8-23 (h-1) Notwithstanding Subsection (h), the assessor may not  
 8-24 certify an anticipated collection rate under Subsection (b) that is  
 8-25 lower than the lowest actual collection rate in the preceding three  
 8-26 years.

8-27 (i) This subsection applies to a taxing unit that has agreed  
 8-28 by written contract to transfer a distinct department, function, or  
 8-29 activity to another taxing unit and discontinues operating that  
 8-30 distinct department, function, or activity if the operation of that  
 8-31 department, function, or activity in all or a majority of the  
 8-32 territory of the taxing unit is continued by another existing  
 8-33 taxing unit or by a new taxing unit. The rollback tax rate of a  
 8-34 taxing unit to which this subsection applies in the first tax year  
 8-35 in which a budget is adopted that does not allocate revenue to the  
 8-36 discontinued department, function, or activity is calculated as  
 8-37 otherwise provided by this section, except that last year's levy  
 8-38 used to calculate the no-new-taxes [effective] maintenance and  
 8-39 operations rate of the unit is reduced by the amount of maintenance  
 8-40 and operations tax revenue spent by the taxing unit to operate the  
 8-41 department, function, or activity for the 12 months preceding the  
 8-42 month in which the calculations required by this chapter are made  
 8-43 and in which the unit operated the discontinued department,  
 8-44 function, or activity. If the unit did not operate that department,  
 8-45 function, or activity for the full 12 months preceding the month in  
 8-46 which the calculations required by this chapter are made, the unit  
 8-47 shall reduce last year's levy used for calculating the no-new-taxes  
 8-48 [effective] maintenance and operations rate of the unit by the  
 8-49 amount of the revenue spent in the last full fiscal year in which  
 8-50 the unit operated the discontinued department, function, or  
 8-51 activity.

8-52 (j) This subsection applies to a taxing unit that had agreed  
 8-53 by written contract to accept the transfer of a distinct  
 8-54 department, function, or activity from another taxing unit and  
 8-55 operates a distinct department, function, or activity if the  
 8-56 operation of a substantially similar department, function, or  
 8-57 activity in all or a majority of the territory of the taxing unit  
 8-58 has been discontinued by another taxing unit, including a dissolved  
 8-59 taxing unit. The rollback tax rate of a taxing unit to which this  
 8-60 subsection applies in the first tax year after the other taxing unit  
 8-61 discontinued the substantially similar department, function, or  
 8-62 activity in which a budget is adopted that allocates revenue to the  
 8-63 department, function, or activity is calculated as otherwise  
 8-64 provided by this section, except that last year's levy used to  
 8-65 calculate the no-new-taxes [effective] maintenance and operations  
 8-66 rate of the unit is increased by the amount of maintenance and  
 8-67 operations tax revenue spent by the taxing unit that discontinued  
 8-68 operating the substantially similar department, function, or  
 8-69 activity to operate that department, function, or activity for the



9-1 12 months preceding the month in which the calculations required by  
 9-2 this chapter are made and in which the unit operated the  
 9-3 discontinued department, function, or activity. If the unit did  
 9-4 not operate the discontinued department, function, or activity for  
 9-5 the full 12 months preceding the month in which the calculations  
 9-6 required by this chapter are made, the unit may increase last year's  
 9-7 levy used to calculate the no-new-taxes [~~effective~~] maintenance and  
 9-8 operations rate by an amount not to exceed the amount of property  
 9-9 tax revenue spent by the discontinuing unit to operate the  
 9-10 discontinued department, function, or activity in the last full  
 9-11 fiscal year in which the discontinuing unit operated the  
 9-12 department, function, or activity.

9-13 SECTION 21. Section 26.041, Tax Code, is amended by  
 9-14 amending Subsections (a), (b), (c), (e), (g), and (h) and adding  
 9-15 Subsection (c-1) to read as follows:

9-16 (a) In the first year in which an additional sales and use  
 9-17 tax is required to be collected, the no-new-taxes [~~effective~~] tax  
 9-18 rate and rollback tax rate for the unit are calculated according to  
 9-19 the following formulas:

9-20 
$$\frac{\text{NO-NEW-TAXES } [\text{EFFECTIVE}] \text{ TAX RATE} = [(\text{LAST YEAR'S LEVY}$$
  
 9-21 
$$- \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW}$$
  
 9-22 
$$\text{PROPERTY VALUE})] - \text{SALES TAX GAIN RATE}$$

9-23 and

9-24 
$$\text{ROLLBACK TAX RATE} = (\text{NO-NEW-TAXES } [\text{EFFECTIVE}]$$
  
 9-25 
$$\text{MAINTENANCE AND OPERATIONS RATE} \times \frac{1.05}{1.08} +$$
  
 9-26 
$$\text{CURRENT DEBT RATE} - \text{SALES TAX GAIN RATE}$$

9-27 where "sales tax gain rate" means a number expressed in dollars per  
 9-28 \$100 of taxable value, calculated by dividing the revenue that will  
 9-29 be generated by the additional sales and use tax in the following  
 9-30 year as calculated under Subsection (d) [~~of this section~~] by the  
 9-31 current total value.

9-32 (b) Except as provided by Subsections (a) and (c) [~~of this~~  
 9-33 ~~section~~], in a year in which a taxing unit imposes an additional  
 9-34 sales and use tax the rollback tax rate for the unit is calculated  
 9-35 according to the following formula, regardless of whether the unit  
 9-36 levied a property tax in the preceding year:

9-37 
$$\text{ROLLBACK TAX RATE} = [(\text{LAST YEAR'S MAINTENANCE AND}$$
  
 9-38 
$$\text{OPERATIONS EXPENSE} \times \frac{1.05}{1.08}) / ([\text{TOTAL}] \text{CURRENT}$$
  
 9-39 
$$\text{TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + (\text{CURRENT DEBT RATE}$$
  
 9-40 
$$- \text{SALES TAX REVENUE RATE})$$

9-41 where "last year's maintenance and operations expense" means the  
 9-42 amount spent for maintenance and operations from property tax and  
 9-43 additional sales and use tax revenues in the preceding year, and  
 9-44 "sales tax revenue rate" means a number expressed in dollars per  
 9-45 \$100 of taxable value, calculated by dividing the revenue that will  
 9-46 be generated by the additional sales and use tax in the current year  
 9-47 as calculated under Subsection (d) [~~of this section~~] by the current  
 9-48 total value.

9-49 (c) In a year in which a taxing unit that has been imposing  
 9-50 an additional sales and use tax ceases to impose an additional sales  
 9-51 and use tax the no-new-taxes [~~effective~~] tax rate and rollback tax  
 9-52 rate for the unit are calculated according to the following  
 9-53 formulas:

9-54 
$$\frac{\text{NO-NEW-TAXES } [\text{EFFECTIVE}] \text{ TAX RATE} = [(\text{LAST YEAR'S LEVY}$$
  
 9-55 
$$- \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW}$$
  
 9-56 
$$\text{PROPERTY VALUE})] + \text{SALES TAX LOSS RATE}$$

9-57 and

9-58 
$$\text{ROLLBACK TAX RATE} = [(\text{LAST YEAR'S MAINTENANCE AND}$$
  
 9-59 
$$\text{OPERATIONS EXPENSE} \times \frac{1.05}{1.08}) / ([\text{TOTAL}] \text{CURRENT}$$
  
 9-60 
$$\text{TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + \text{CURRENT DEBT RATE}$$

9-61 where "sales tax loss rate" means a number expressed in dollars per  
 9-62 \$100 of taxable value, calculated by dividing the amount of sales  
 9-63 and use tax revenue generated in the last four quarters for which  
 9-64 the information is available by the current total value and "last  
 9-65 year's maintenance and operations expense" means the amount spent  
 9-66 for maintenance and operations from property tax and additional  
 9-67 sales and use tax revenues in the preceding year.

9-68 (c-1) Notwithstanding any other provision of this section,  
 9-69 the governing body may direct the designated officer or employee to

10-1 substitute "1.08" for "1.05" in the calculation of the rollback tax  
 10-2 rate if any part of the taxing unit is located in an area declared a  
 10-3 disaster area during the current tax year by the governor or by the  
 10-4 president of the United States.

10-5 (e) If a city that imposes an additional sales and use tax  
 10-6 receives payments under the terms of a contract executed before  
 10-7 January 1, 1986, in which the city agrees not to annex certain  
 10-8 property or a certain area and the owners or lessees of the property  
 10-9 or of property in the area agree to pay at least annually to the city  
 10-10 an amount determined by reference to all or a percentage of the  
 10-11 property tax rate of the city and all or a part of the value of the  
 10-12 property subject to the agreement or included in the area subject to  
 10-13 the agreement, the governing body, by order adopted by a majority  
 10-14 vote of the governing body, may direct the designated officer or  
 10-15 employee to add to the no-new-taxes [~~effective~~] and rollback tax  
 10-16 rates the amount that, when applied to the total taxable value  
 10-17 submitted to the governing body, would produce an amount of taxes  
 10-18 equal to the difference between the total amount of payments for the  
 10-19 tax year under contracts described by this subsection under the  
 10-20 rollback tax rate calculated under this section and the total  
 10-21 amount of payments for the tax year that would have been obligated  
 10-22 to the city if the city had not adopted an additional sales and use  
 10-23 tax.

10-24 (g) If the rate of the additional sales and use tax is  
 10-25 increased, the designated officer or employee shall make two  
 10-26 projections, in the manner provided by Subsection (d) [~~of this~~  
 10-27 ~~section~~], of the revenue generated by the additional sales and use  
 10-28 tax in the following year. The first projection must take into  
 10-29 account the increase and the second projection must not take into  
 10-30 account the increase. The officer or employee shall then subtract  
 10-31 the amount of the result of the second projection from the amount of  
 10-32 the result of the first projection to determine the revenue  
 10-33 generated as a result of the increase in the additional sales and  
 10-34 use tax. In the first year in which an additional sales and use tax  
 10-35 is increased, the no-new-taxes [~~effective~~] tax rate for the unit is  
 10-36 the no-new-taxes [~~effective~~] tax rate before the increase minus a  
 10-37 number the numerator of which is the revenue generated as a result  
 10-38 of the increase in the additional sales and use tax, as determined  
 10-39 under this subsection, and the denominator of which is the current  
 10-40 total value minus the new property value.

10-41 (h) If the rate of the additional sales and use tax is  
 10-42 decreased, the designated officer or employee shall make two  
 10-43 projections, in the manner provided by Subsection (d) [~~of this~~  
 10-44 ~~section~~], of the revenue generated by the additional sales and use  
 10-45 tax in the following year. The first projection must take into  
 10-46 account the decrease and the second projection must not take into  
 10-47 account the decrease. The officer or employee shall then subtract  
 10-48 the amount of the result of the first projection from the amount of  
 10-49 the result of the second projection to determine the revenue lost as  
 10-50 a result of the decrease in the additional sales and use tax. In the  
 10-51 first year in which an additional sales and use tax is decreased,  
 10-52 the no-new-taxes [~~effective~~] tax rate for the unit is the  
 10-53 no-new-taxes [~~effective~~] tax rate before the decrease plus a number  
 10-54 the numerator of which is the revenue lost as a result of the  
 10-55 decrease in the additional sales and use tax, as determined under  
 10-56 this subsection, and the denominator of which is the current total  
 10-57 value minus the new property value.

10-58 SECTION 22. The heading to Section 26.043, Tax Code, is  
 10-59 amended to read as follows:

10-60 Sec. 26.043. ROLLBACK AND NO-NEW-TAXES [~~EFFECTIVE~~] TAX  
 10-61 RATES [~~RATE~~] IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

10-62 SECTION 23. Sections 26.043(a) and (b), Tax Code, are  
 10-63 amended to read as follows:

10-64 (a) In the tax year in which a city has set an election on  
 10-65 the question of whether to impose a local sales and use tax under  
 10-66 Subchapter H, Chapter 453, Transportation Code, the officer or  
 10-67 employee designated to make the calculations provided by Section  
 10-68 26.04 may not make those calculations until the outcome of the  
 10-69 election is determined. If the election is determined in favor of

11-1 the imposition of the tax, the representative shall subtract from  
 11-2 the city's rollback and no-new-taxes [~~effective~~] tax rates the  
 11-3 amount that, if applied to the city's current total value, would  
 11-4 impose an amount equal to the amount of property taxes budgeted in  
 11-5 the current tax year to pay for expenses related to mass transit  
 11-6 services.

11-7 (b) In a tax year to which this section applies, a reference  
 11-8 in this chapter to the city's no-new-taxes [~~effective~~] or rollback  
 11-9 tax rate refers to that rate as adjusted under this section.

11-10 SECTION 24. The heading to Section 26.044, Tax Code, is  
 11-11 amended to read as follows:

11-12 Sec. 26.044. NO-NEW-TAXES [~~EFFECTIVE~~] TAX RATE TO PAY FOR  
 11-13 STATE CRIMINAL JUSTICE MANDATE.

11-14 SECTION 25. Sections 26.044(a), (b), and (c), Tax Code, are  
 11-15 amended to read as follows:

11-16 (a) The first time that a county adopts a tax rate after  
 11-17 September 1, 1991, in which the state criminal justice mandate  
 11-18 applies to the county, the no-new-taxes [~~effective~~] maintenance and  
 11-19 operation rate for the county is increased by the rate calculated  
 11-20 according to the following formula:

11-21 
$$\frac{\text{(State Criminal Justice Mandate)}}{\text{(Current Total Value - New Property Value)}}$$

11-22 (b) In the second and subsequent years that a county adopts  
 11-23 a tax rate, if the amount spent by the county for the state criminal  
 11-24 justice mandate increased over the previous year, the no-new-taxes  
 11-25 [~~effective~~] maintenance and operation rate for the county is  
 11-26 increased by the rate calculated according to the following  
 11-27 formula:

11-28 
$$\frac{\text{(This Year's State Criminal Justice Mandate - Previous Year's State Criminal Justice Mandate)}}{\text{(Current Total Value - New Property Value)}}$$

11-29 (c) The county shall include a notice of the increase in the  
 11-30 no-new-taxes [~~effective~~] maintenance and operation rate provided  
 11-31 by this section, including a description and amount of the state  
 11-32 criminal justice mandate, in the information published under  
 11-33 Section 26.04(e) and Section 26.06(b) [~~of this code~~].

11-34 SECTION 26. Sections 26.0441(a), (b), and (c), Tax Code,  
 11-35 are amended to read as follows:

11-36 (a) In the first tax year in which a taxing unit adopts a tax  
 11-37 rate after January 1, 2000, and in which the enhanced minimum  
 11-38 eligibility standards for indigent health care established under  
 11-39 Section 61.006, Health and Safety Code, apply to the taxing unit,  
 11-40 the no-new-taxes [~~effective~~] maintenance and operations rate for  
 11-41 the taxing unit is increased by the rate computed according to the  
 11-42 following formula:

11-43 
$$\frac{\text{Amount of Increase}}{\text{Enhanced Indigent Health Care Expenditures / (Current Total Value - New Property Value)}}$$

11-44 (b) In each subsequent tax year, if the taxing unit's  
 11-45 enhanced indigent health care expenses exceed the amount of those  
 11-46 expenses for the preceding year, the no-new-taxes [~~effective~~]  
 11-47 maintenance and operations rate for the taxing unit is increased by  
 11-48 the rate computed according to the following formula:

11-49 
$$\frac{\text{Amount of Increase}}{\text{(Current Tax Year's Enhanced Indigent Health Care Expenditures - Preceding Tax Year's Indigent Health Care Expenditures) / (Current Total Value - New Property Value)}}$$

11-50 (c) The taxing unit shall include a notice of the increase  
 11-51 in its no-new-taxes [~~effective~~] maintenance and operations rate  
 11-52 provided by this section, including a brief description and the  
 11-53 amount of the enhanced indigent health care expenditures, in the  
 11-54 information published under Section 26.04(e) and, if applicable,  
 11-55 Section 26.06(b).

11-56 SECTION 27. Section 26.05, Tax Code, is amended by amending  
 11-57 Subsections (a), (b), (c), (d), and (g) and adding Subsection (e-1)  
 11-58 to read as follows:

11-59 (a) The governing body of each taxing unit [~~, before the~~  
 11-60 ~~later of September 30 or the 60th day after the date the certified~~  
 11-61 ~~appraisal roll is received by the taxing unit,~~] shall adopt a tax

12-1 rate for the current tax year and shall notify the assessor for the  
 12-2 unit of the rate adopted. The governing body must adopt a tax rate  
 12-3 before the later of September 30 or the 60th day after the date the  
 12-4 certified appraisal roll is received by the taxing unit, except  
 12-5 that the governing body must adopt a tax rate that exceeds the  
 12-6 rollback tax rate before August 15. The tax rate consists of two  
 12-7 components, each of which must be approved separately. The  
 12-8 components are:

12-9 (1) for a taxing unit other than a school district, the  
 12-10 rate that, if applied to the total taxable value, will impose the  
 12-11 total amount published under Section 26.04(e)(3)(C), less any  
 12-12 amount of additional sales and use tax revenue that will be used to  
 12-13 pay debt service, or, for a school district, the rate calculated  
 12-14 under Section 44.004(c)(5)(A)(ii)(b), Education Code; and

12-15 (2) the rate that, if applied to the total taxable  
 12-16 value, will impose the amount of taxes needed to fund maintenance  
 12-17 and operation expenditures of the unit for the next year.

12-18 (b) A taxing unit may not impose property taxes in any year  
 12-19 until the governing body has adopted a tax rate for that year, and  
 12-20 the annual tax rate must be set by ordinance, resolution, or order,  
 12-21 depending on the method prescribed by law for adoption of a law by  
 12-22 the governing body. The vote on the ordinance, resolution, or order  
 12-23 setting the tax rate must be separate from the vote adopting the  
 12-24 budget. For a taxing unit other than a school district, the vote on  
 12-25 the ordinance, resolution, or order setting a tax rate that exceeds  
 12-26 the no-new-taxes [~~effective~~] tax rate must be a record vote, and at  
 12-27 least 60 percent of the members of the governing body must vote in  
 12-28 favor of the ordinance, resolution, or order. For a school  
 12-29 district, the vote on the ordinance, resolution, or order setting a  
 12-30 tax rate that exceeds the sum of the no-new-taxes [~~effective~~]  
 12-31 maintenance and operations tax rate of the district as determined  
 12-32 under Section 26.08(i) and the district's current debt rate must be  
 12-33 a record vote, and at least 60 percent of the members of the  
 12-34 governing body must vote in favor of the ordinance, resolution, or  
 12-35 order. A motion to adopt an ordinance, resolution, or order setting  
 12-36 a tax rate that exceeds the no-new-taxes [~~effective~~] tax rate must  
 12-37 be made in the following form: "I move that the property tax rate be  
 12-38 increased by the adoption of a tax rate of (specify tax rate), which  
 12-39 is effectively a (insert percentage by which the proposed tax rate  
 12-40 exceeds the no-new-taxes [~~effective~~] tax rate) percent increase in  
 12-41 the tax rate." If the ordinance, resolution, or order sets a tax  
 12-42 rate that, if applied to the total taxable value, will impose an  
 12-43 amount of taxes to fund maintenance and operation expenditures of  
 12-44 the taxing unit that exceeds the amount of taxes imposed for that  
 12-45 purpose in the preceding year, the taxing unit must:

12-46 (1) include in the ordinance, resolution, or order in  
 12-47 type larger than the type used in any other portion of the document:

12-48 (A) the following statement: "THIS TAX RATE WILL  
 12-49 RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S  
 12-50 TAX RATE."; and

12-51 (B) if the tax rate exceeds the no-new-taxes  
 12-52 [~~effective~~] maintenance and operations rate, the following  
 12-53 statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT  
 12-54 PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-TAXES  
 12-55 [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE  
 12-56 TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY  
 12-57 APPROXIMATELY \$(Insert amount)."; and

12-58 (2) include on the home page of any Internet website  
 12-59 operated by the unit:

12-60 (A) the following statement: "(Insert name of  
 12-61 unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE  
 12-62 AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and

12-63 (B) if the tax rate exceeds the no-new-taxes  
 12-64 [~~effective~~] maintenance and operations rate, the following  
 12-65 statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT  
 12-66 PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-TAXES  
 12-67 [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE  
 12-68 TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY  
 12-69 APPROXIMATELY \$(Insert amount)."

13-1 (c) If the governing body of a taxing unit does not adopt a  
 13-2 tax rate before the date required by Subsection (a), the tax rate  
 13-3 for the taxing unit for that tax year is the lower of the  
 13-4 no-new-taxes ~~[effective]~~ tax rate calculated for that tax year or  
 13-5 the tax rate adopted by the taxing unit for the preceding tax year.  
 13-6 A tax rate established by this subsection is treated as an adopted  
 13-7 tax rate. Before the fifth day after the establishment of a tax  
 13-8 rate by this subsection, the governing body of the taxing unit must  
 13-9 ratify the applicable tax rate in the manner required by Subsection  
 13-10 (b).

13-11 (d) The governing body of a taxing unit other than a school  
 13-12 district may not adopt a tax rate that exceeds the lower of the  
 13-13 rollback tax rate or the no-new-taxes ~~[effective]~~ tax rate  
 13-14 calculated as provided by this chapter until the governing body has  
 13-15 held two public hearings on the proposed tax rate and has otherwise  
 13-16 complied with Section 26.06 and Section 26.065. The governing body  
 13-17 of a taxing unit shall reduce a tax rate set by law or by vote of the  
 13-18 electorate to the lower of the rollback tax rate or the no-new-taxes  
 13-19 ~~[effective]~~ tax rate and may not adopt a higher rate unless it first  
 13-20 complies with Section 26.06.

13-21 (e-1) The governing body of a taxing unit that imposes an  
 13-22 additional sales and use tax may not adopt the component of the tax  
 13-23 rate of the unit described by Subsection (a)(1) of this section  
 13-24 until the chief financial officer or the auditor for the unit  
 13-25 submits to the governing body of the unit a written certification  
 13-26 that the amount of additional sales and use tax revenue that will be  
 13-27 used to pay debt service has been deducted from the total amount  
 13-28 published under Section 26.04(e)(3)(C) as required by Subsection  
 13-29 (a)(1) of this section. The comptroller shall adopt rules  
 13-30 governing the form of the certification required by this subsection  
 13-31 and the manner in which it is required to be submitted.

13-32 (g) Notwithstanding Subsection (a), the governing body of a  
 13-33 school district that elects to adopt a tax rate before the adoption  
 13-34 of a budget for the fiscal year that begins in the current tax year  
 13-35 may adopt a tax rate for the current tax year before receipt of the  
 13-36 certified appraisal roll for the school district if the chief  
 13-37 appraiser of the appraisal district in which the school district  
 13-38 participates has certified to the assessor for the school district  
 13-39 an estimate of the taxable value of property in the school district  
 13-40 as provided by Section 26.01(e). If a school district adopts a tax  
 13-41 rate under this subsection, the no-new-taxes ~~[effective]~~ tax rate  
 13-42 and the rollback tax rate of the district shall be calculated based  
 13-43 on the certified estimate of taxable value.

13-44 SECTION 28. Section 26.052(e), Tax Code, is amended to read  
 13-45 as follows:

13-46 (e) Public notice provided under Subsection (c) must  
 13-47 specify:

13-48 (1) the tax rate that the governing body proposes to  
 13-49 adopt;

13-50 (2) the date, time, and location of the meeting of the  
 13-51 governing body of the taxing unit at which the governing body will  
 13-52 consider adopting the proposed tax rate; and

13-53 (3) if the proposed tax rate for the taxing unit  
 13-54 exceeds the unit's no-new-taxes ~~[effective]~~ tax rate calculated as  
 13-55 provided by Section 26.04, a statement substantially identical to  
 13-56 the following: "The proposed tax rate is a tax increase and would  
 13-57 increase total taxes in (name of taxing unit) by (percentage by  
 13-58 which the proposed tax rate exceeds the no-new-taxes ~~[effective]~~  
 13-59 tax rate)."

13-60 SECTION 29. Section 26.06, Tax Code, is amended by amending  
 13-61 Subsections (b), (d), and (e) and adding Subsections (b-1), (b-2),  
 13-62 (b-3), and (b-4) to read as follows:

13-63 (b) The notice of a public hearing may not be smaller than  
 13-64 one-quarter page of a standard-size or a tabloid-size newspaper,  
 13-65 and the headline on the notice must be in 24-point or larger type.  
 13-66 ~~[The notice must contain a statement in the following form:~~

13-67 ~~["NOTICE OF PUBLIC HEARING ON TAX INCREASE~~

13-68 ~~["The (name of the taxing unit) will hold two public hearings~~  
 13-69 ~~on a proposal to increase total tax revenues from properties on the~~

14-1 ~~tax roll in the preceding tax year by (percentage by which proposed~~  
14-2 ~~tax rate exceeds lower of rollback tax rate or effective tax rate~~  
14-3 ~~calculated under this chapter) percent. Your individual taxes may~~  
14-4 ~~increase at a greater or lesser rate, or even decrease, depending on~~  
14-5 ~~the change in the taxable value of your property in relation to the~~  
14-6 ~~change in taxable value of all other property and the tax rate that~~  
14-7 ~~is adopted.~~

14-8 ~~["The first public hearing will be held on (date and time) at~~  
14-9 ~~(meeting place).]~~

14-10 ~~["The second public hearing will be held on (date and time) at~~  
14-11 ~~(meeting place).]~~

14-12 ~~["(Names of all members of the governing body, showing how~~  
14-13 ~~each voted on the proposal to consider the tax increase or, if one~~  
14-14 ~~or more were absent, indicating the absences.)]~~

14-15 ~~["The average taxable value of a residence homestead in (name~~  
14-16 ~~of taxing unit) last year was \$\_\_\_\_\_ (average taxable value of a~~  
14-17 ~~residence homestead in the taxing unit for the preceding tax year,~~  
14-18 ~~disregarding residence homestead exemptions available only to~~  
14-19 ~~disabled persons or persons 65 years of age or older). Based on~~  
14-20 ~~last year's tax rate of \$\_\_\_\_\_ (preceding year's adopted tax rate)~~  
14-21 ~~per \$100 of taxable value, the amount of taxes imposed last year on~~  
14-22 ~~the average home was \$\_\_\_\_\_ (tax on average taxable value of a~~  
14-23 ~~residence homestead in the taxing unit for the preceding tax year,~~  
14-24 ~~disregarding residence homestead exemptions available only to~~  
14-25 ~~disabled persons or persons 65 years of age or older).]~~

14-26 ~~["The average taxable value of a residence homestead in (name~~  
14-27 ~~of taxing unit) this year is \$\_\_\_\_\_ (average taxable value of a~~  
14-28 ~~residence homestead in the taxing unit for the current tax year,~~  
14-29 ~~disregarding residence homestead exemptions available only to~~  
14-30 ~~disabled persons or persons 65 years of age or older). If the~~  
14-31 ~~governing body adopts the effective tax rate for this year of \$\_\_\_\_\_~~  
14-32 ~~(effective tax rate) per \$100 of taxable value, the amount of taxes~~  
14-33 ~~imposed this year on the average home would be \$\_\_\_\_\_ (tax on average~~  
14-34 ~~taxable value of a residence homestead in the taxing unit for the~~  
14-35 ~~current tax year, disregarding residence homestead exemptions~~  
14-36 ~~available only to disabled persons or persons 65 years of age or~~  
14-37 ~~older).]~~

14-38 ~~["If the governing body adopts the proposed tax rate of \$\_\_\_\_\_~~  
14-39 ~~(proposed tax rate) per \$100 of taxable value, the amount of taxes~~  
14-40 ~~imposed this year on the average home would be \$\_\_\_\_\_ (tax on the~~  
14-41 ~~average taxable value of a residence in the taxing unit for the~~  
14-42 ~~current year disregarding residence homestead exemptions available~~  
14-43 ~~only to disabled persons or persons 65 years of age or older).]~~

14-44 ~~["Members of the public are encouraged to attend the hearings~~  
14-45 ~~and express their views."]~~

14-46 (b-1) If the proposed tax rate exceeds the no-new-taxes tax  
14-47 rate and the rollback tax rate of the taxing unit, the notice must  
14-48 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

14-53 "The no-new-taxes rate is the tax rate for the (current tax  
14-54 year) tax year that will raise the same amount of property tax  
14-55 revenue for (name of taxing unit) from the same properties in both  
14-56 the (preceding tax year) tax year and the (current tax year) tax  
14-57 year.

14-58 "The rollback tax rate is the highest tax rate that (name of  
14-59 taxing unit) may adopt without holding an election to ratify the  
14-60 rate.

14-61 "The proposed tax rate is greater than the no-new-taxes rate.  
14-62 This means that (name of taxing unit) is proposing to increase  
14-63 property taxes for the (current tax year) tax year.

14-64 "A public hearing on the proposed tax rate will be held on  
14-65 (date and time) at (meeting place).

14-66 "A second public hearing will be held on (date and time) at  
14-67 (meeting place).

14-68 "The proposed tax rate is also greater than the rollback tax  
14-69 rate. If (name of taxing unit) adopts the proposed tax rate, (name

15-1 of taxing unit) is required to hold an election so that voters may  
 15-2 accept or reject the proposed tax rate. If a majority of voters  
 15-3 reject the proposed tax rate, the (name of taxing unit) will be  
 15-4 required to adopt a new tax rate that is not greater than the  
 15-5 rollback tax rate. The election will be held on (date of election).  
 15-6 You may contact the (name of office responsible for administering  
 15-7 the election) for information about voting locations. The hours of  
 15-8 voting on election day are (voting hours).

15-9 "Your taxes owed under any of the tax rates mentioned above  
 15-10 can be calculated as follows:

15-11 "Property tax amount = tax rate x taxable value of your  
 15-12 property / 100

15-13 "(Names of all members of the governing body, showing how  
 15-14 each voted on the proposal to consider the tax increase or, if one  
 15-15 or more were absent, indicating the absences.)"

15-16 (b-2) If the proposed tax rate exceeds the no-new-taxes tax  
 15-17 rate but does not exceed the rollback tax rate of the taxing unit,  
 15-18 the notice must contain a statement in the following form:

15-19 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

15-20 "PROPOSED TAX RATE \$ \_\_\_\_\_ per \$100

15-21 "NO-NEW-TAXES RATE \$ \_\_\_\_\_ per \$100

15-22 "ROLLBACK TAX RATE \$ \_\_\_\_\_ per \$100

15-23 "The no-new-taxes rate is the tax rate for the (current tax  
 15-24 year) tax year that will raise the same amount of property tax  
 15-25 revenue for (name of taxing unit) from the same properties in both  
 15-26 the (preceding tax year) tax year and the (current tax year) tax  
 15-27 year.

15-28 "The rollback tax rate is the highest tax rate that (name of  
 15-29 taxing unit) may adopt without holding an election to ratify the  
 15-30 rate.

15-31 "The proposed tax rate is greater than the no-new-taxes rate.  
 15-32 This means that (name of taxing unit) is proposing to increase  
 15-33 property taxes for the (current tax year) tax year.

15-34 "A public hearing on the proposed tax rate will be held on  
 15-35 (date and time) at (meeting place).

15-36 "A second public hearing will be held on (date and time) at  
 15-37 (meeting place).

15-38 "The proposed tax rate is not greater than the rollback tax  
 15-39 rate. As a result, (name of taxing unit) is not required to hold an  
 15-40 election at which voters may accept or reject the proposed tax rate.  
 15-41 However, you may express your support for or opposition to the  
 15-42 proposed tax rate by contacting the members of the (name of  
 15-43 governing body) of (name of taxing unit) at their offices or by  
 15-44 attending one of the public hearings mentioned above.

15-45 "Your taxes owed under any of the tax rates mentioned above  
 15-46 can be calculated as follows:

15-47 "Property tax amount = tax rate x taxable value of your  
 15-48 property / 100

15-49 "(Names of all members of the governing body, showing how  
 15-50 each voted on the proposal to consider the tax increase or, if one  
 15-51 or more were absent, indicating the absences.)"

15-52 (b-3) If the proposed tax rate does not exceed the  
 15-53 no-new-taxes tax rate but exceeds the rollback tax rate of the  
 15-54 taxing unit, the notice must contain a statement in the following  
 15-55 form:

15-56 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

15-57 "PROPOSED TAX RATE \$ \_\_\_\_\_ per \$100

15-58 "NO-NEW-TAXES RATE \$ \_\_\_\_\_ per \$100

15-59 "ROLLBACK TAX RATE \$ \_\_\_\_\_ per \$100

15-60 "The no-new-taxes rate is the tax rate for the (current tax  
 15-61 year) tax year that will raise the same amount of property tax  
 15-62 revenue for (name of taxing unit) from the same properties in both  
 15-63 the (preceding tax year) tax year and the (current tax year) tax  
 15-64 year.

15-65 "The rollback tax rate is the highest tax rate that (name of  
 15-66 taxing unit) may adopt without holding an election to ratify the  
 15-67 rate.

15-68 "The proposed tax rate is not greater than the no-new-taxes  
 15-69 rate. This means that (name of taxing unit) is not proposing to

16-1 increase property taxes for the (current tax year) tax year.

16-2 "A public hearing on the proposed tax rate will be held on  
16-3 (date and time) at (meeting place).

16-4 "A second public hearing will be held on (date and time) at  
16-5 (meeting place).

16-6 "The proposed tax rate is greater than the rollback tax rate.  
16-7 If (name of taxing unit) adopts the proposed tax rate, (name of  
16-8 taxing unit) is required to hold an election so that voters may  
16-9 accept or reject the proposed tax rate. If a majority of voters  
16-10 reject the proposed tax rate, the (name of taxing unit) will be  
16-11 required to adopt a new tax rate that is not greater than the  
16-12 rollback tax rate. The election will be held on (date of election).  
16-13 You may contact the (name of office responsible for administering  
16-14 the election) for information about voting locations. The hours of  
16-15 voting on election day are (voting hours).

16-16 "Your taxes owed under any of the tax rates mentioned above  
16-17 can be calculated as follows:

16-18 "Property tax amount = tax rate x taxable value of your  
16-19 property / 100

16-20 "(Names of all members of the governing body, showing how  
16-21 each voted on the proposal to consider the tax increase or, if one  
16-22 or more were absent, indicating the absences.)"

16-23 (b-4) In addition to including the information described by  
16-24 Subsection (b-1), (b-2), or (b-3), as applicable, the notice must  
16-25 include the information described by Section 26.062.

16-26 (d) At the public hearings the governing body shall announce  
16-27 the date, time, and place of the meeting at which it will vote on the  
16-28 proposed tax rate. After each hearing the governing body shall give  
16-29 notice of the meeting at which it will vote on the proposed tax rate  
16-30 and the notice shall be in the same form as prescribed by  
16-31 Subsections (b) and (c), except that it must state the following:

16-32 "NOTICE OF TAX REVENUE INCREASE

16-33 "The (name of the taxing unit) conducted public hearings on  
16-34 (date of first hearing) and (date of second hearing) on a proposal  
16-35 to increase the total tax revenues of the (name of the taxing unit)  
16-36 from properties on the tax roll in the preceding year by (percentage  
16-37 by which proposed tax rate exceeds lower of rollback tax rate or  
16-38 no-new-taxes [effective tax] rate calculated under this chapter)  
16-39 percent.

16-40 "The total tax revenue proposed to be raised last year at last  
16-41 year's tax rate of (insert tax rate for the preceding year) for each  
16-42 \$100 of taxable value was (insert total amount of taxes imposed in  
16-43 the preceding year).

16-44 "The total tax revenue proposed to be raised this year at the  
16-45 proposed tax rate of (insert proposed tax rate) for each \$100 of  
16-46 taxable value, excluding tax revenue to be raised from new property  
16-47 added to the tax roll this year, is (insert amount computed by  
16-48 multiplying proposed tax rate by the difference between current  
16-49 total value and new property value).

16-50 "The total tax revenue proposed to be raised this year at the  
16-51 proposed tax rate of (insert proposed tax rate) for each \$100 of  
16-52 taxable value, including tax revenue to be raised from new property  
16-53 added to the tax roll this year, is (insert amount computed by  
16-54 multiplying proposed tax rate by current total value).

16-55 "The (governing body of the taxing unit) is scheduled to vote  
16-56 on the tax rate that will result in that tax increase at a public  
16-57 meeting to be held on (date of meeting) at (location of meeting,  
16-58 including mailing address) at (time of meeting).

16-59 "The (governing body of the taxing unit) proposes to use the  
16-60 increase in total tax revenue for the purpose of (description of  
16-61 purpose of increase)."

16-62 (e) The meeting to vote on the tax increase may not be  
16-63 earlier than the third day or later than the seventh [~~14th~~] day  
16-64 after the date of the second public hearing. The meeting must be  
16-65 held inside the boundaries of the taxing unit in a publicly owned  
16-66 building or, if a suitable publicly owned building is not  
16-67 available, in a suitable building to which the public normally has  
16-68 access. If the governing body does not adopt a tax rate that  
16-69 exceeds the lower of the rollback tax rate or the no-new-taxes



17-1 [~~effective~~] tax rate by the seventh [~~14th~~] day, it must give a new  
17-2 notice under Subsection (d) before it may adopt a rate that exceeds  
17-3 the lower of the rollback tax rate or the no-new-taxes [~~effective~~]  
17-4 tax rate.

17-5 SECTION 30. Chapter 26, Tax Code, is amended by adding  
17-6 Sections 26.061 and 26.062 to read as follows:

17-7 Sec. 26.061. NOTICE OF MEETING TO VOTE ON PROPOSED TAX RATE  
17-8 THAT DOES NOT EXCEED LOWER OF NO-NEW-TAXES OR ROLLBACK TAX RATE.

17-9 (a) This section applies only to the governing body of a taxing  
17-10 unit other than a school district that proposes to adopt a tax rate  
17-11 that does not exceed the lower of the no-new-taxes tax rate or the  
17-12 rollback tax rate calculated as provided by this chapter.

17-13 (b) The notice of the meeting at which the governing body of  
17-14 the taxing unit will vote on the proposed tax rate must contain a  
17-15 statement in the following form:

17-16 "NOTICE OF MEETING TO VOTE ON TAX RATE

17-17 "PROPOSED TAX RATE \$ \_\_\_\_\_ per \$100

17-18 "NO-NEW-TAXES RATE \$ \_\_\_\_\_ per \$100

17-19 "ROLLBACK TAX RATE \$ \_\_\_\_\_ per \$100

17-20 "The no-new-taxes rate is the tax rate for the (current tax  
17-21 year) tax year that will raise the same amount of property tax  
17-22 revenue for (name of taxing unit) from the same properties in both  
17-23 the (preceding tax year) tax year and the (current tax year) tax  
17-24 year.

17-25 "The rollback tax rate is the highest tax rate that (name of  
17-26 taxing unit) may adopt without holding an election to ratify the  
17-27 rate.

17-28 "The proposed tax rate is not greater than the no-new-taxes  
17-29 rate. This means that (name of taxing unit) is not proposing to  
17-30 increase property taxes for the (current tax year) tax year.

17-31 "A public meeting to vote on the proposed tax rate will be  
17-32 held on (date and time) at (meeting place).

17-33 "The proposed tax rate is also not greater than the rollback  
17-34 tax rate. As a result, (name of taxing unit) is not required to hold  
17-35 an election at which voters may accept or reject the proposed tax  
17-36 rate. However, you may express your support for or opposition to  
17-37 the proposed tax rate by contacting the members of the (name of  
17-38 governing body) of (name of taxing unit) at their offices or by  
17-39 attending the public meeting mentioned above.

17-40 "Your taxes owed under any of the above rates can be  
17-41 calculated as follows:

17-42 "Property tax amount = tax rate x taxable value of your  
17-43 property / 100

17-44 "(Names of all members of the governing body, showing how  
17-45 each voted on the proposed tax rate or, if one or more were absent,  
17-46 indicating the absences.)"

17-47 (c) In addition to including the information described by  
17-48 Subsection (b), the notice must include the information described  
17-49 by Section 26.062.

17-50 Sec. 26.062. ADDITIONAL INFORMATION TO BE INCLUDED IN TAX  
17-51 RATE NOTICE. (a) In addition to the information described by  
17-52 Section 26.06(b-1), (b-2), or (b-3) or 26.061, as applicable, a  
17-53 notice required by that provision must include at the end of the  
17-54 notice:

17-55 (1) a statement in the following form:

17-56 "The following table compares the taxes imposed on the  
17-57 average residence homestead by (name of taxing unit) last year to  
17-58 the taxes proposed to be imposed on the average residence homestead  
17-59 by (name of taxing unit) this year:";

17-60 (2) a table in the form required by this section  
17-61 following the statement described by Subdivision (1); and

17-62 (3) a statement in the following form following the  
17-63 table:

17-64 (A) if the tax assessor for the taxing unit  
17-65 maintains an Internet website: "For assistance with tax  
17-66 calculations, please contact the tax assessor for (name of taxing  
17-67 unit) at (telephone number) or (e-mail address), or visit (Internet  
17-68 website address) for more information."; or

17-69 (B) if the tax assessor for the taxing unit does

18-1 not maintain an Internet website: "For assistance with tax  
 18-2 calculations, please contact the tax assessor for (name of taxing  
 18-3 unit) at (telephone number) or (e-mail address)."  
 18-4 (b) The table must contain five rows and four columns.  
 18-5 (c) The first row must appear as follows:  
 18-6 (1) the first column of the first row must be left  
 18-7 blank;  
 18-8 (2) the second column of the first row must state the  
 18-9 year corresponding to the preceding tax year;  
 18-10 (3) the third column of the first row must state the  
 18-11 year corresponding to the current tax year; and  
 18-12 (4) the fourth column of the first row must be entitled  
 18-13 "Change".  
 18-14 (d) The second row must appear as follows:  
 18-15 (1) the first column of the second row must be entitled  
 18-16 "Total tax rate (per \$100 of value)";  
 18-17 (2) the second column of the second row must state the  
 18-18 adopted tax rate for the preceding tax year;  
 18-19 (3) the third column of the second row must state the  
 18-20 proposed tax rate for the current tax year; and  
 18-21 (4) the fourth column of the second row must state the  
 18-22 nominal and percentage difference between the adopted tax rate for  
 18-23 the preceding tax year and the proposed tax rate for the current tax  
 18-24 year as follows: "(increase or decrease, as applicable) of  
 18-25 (nominal difference between tax rate stated in second column of  
 18-26 second row and tax rate stated in third column of second row) per  
 18-27 \$100, or (percentage difference between tax rate stated in second  
 18-28 column of second row and tax rate stated in third column of second  
 18-29 row)%".  
 18-30 (e) The third row must appear as follows:  
 18-31 (1) the first column of the third row must be entitled  
 18-32 "Average homestead taxable value";  
 18-33 (2) the second column of the third row must state the  
 18-34 average taxable value of a residence homestead in the taxing unit  
 18-35 for the preceding tax year;  
 18-36 (3) the third column of the third row must state the  
 18-37 average taxable value of a residence homestead in the taxing unit  
 18-38 for the current tax year; and  
 18-39 (4) the fourth column of the third row must state the  
 18-40 percentage difference between the average taxable value of a  
 18-41 residence homestead in the taxing unit for the preceding tax year  
 18-42 and the average taxable value of a residence homestead in the taxing  
 18-43 unit for the current tax year as follows: "(increase or decrease,  
 18-44 as applicable) of (percentage difference between amount stated in  
 18-45 second column of third row and amount stated in third column of  
 18-46 third row)%".  
 18-47 (f) The fourth row must appear as follows:  
 18-48 (1) the first column of the fourth row must be entitled  
 18-49 "Tax on average homestead";  
 18-50 (2) the second column of the fourth row must state the  
 18-51 amount of taxes imposed by the taxing unit in the preceding tax year  
 18-52 on a residence homestead with a taxable value equal to the average  
 18-53 taxable value of a residence homestead in the taxing unit in the  
 18-54 preceding tax year;  
 18-55 (3) the third column of the fourth row must state the  
 18-56 amount of taxes that would be imposed by the taxing unit in the  
 18-57 current tax year on a residence homestead with a taxable value equal  
 18-58 to the average taxable value of a residence homestead in the taxing  
 18-59 unit in the current tax year if the taxing unit adopted the proposed  
 18-60 tax rate; and  
 18-61 (4) the fourth column of the fourth row must state the  
 18-62 nominal and percentage difference between the amount of taxes  
 18-63 imposed by the taxing unit in the preceding tax year on a residence  
 18-64 homestead with a taxable value equal to the average taxable value of  
 18-65 a residence homestead in the taxing unit in the preceding tax year  
 18-66 and the amount of taxes that would be imposed by the taxing unit in  
 18-67 the current tax year on a residence homestead with a taxable value  
 18-68 equal to the average taxable value of a residence homestead in the  
 18-69 taxing unit in the current tax year if the taxing unit adopted the

19-1 proposed tax rate, as follows: "(increase or decrease, as  
 19-2 applicable) of (nominal difference between amount stated in second  
 19-3 column of fourth row and amount stated in third column of fourth  
 19-4 row), or (percentage difference between amount stated in second  
 19-5 column of fourth row and amount stated in third column of fourth  
 19-6 row)%".

19-7 (g) The fifth row must appear as follows:

19-8 (1) the first column of the fifth row must be entitled  
 19-9 "Total tax levy on all properties";

19-10 (2) the second column of the fifth row must state the  
 19-11 amount equal to last year's levy;

19-12 (3) the third column of the fifth row must state the  
 19-13 amount computed by multiplying the proposed tax rate by the current  
 19-14 total value and dividing the product by 100; and

19-15 (4) the fourth column of the fifth row must state the  
 19-16 nominal and percentage difference between the total amount of taxes  
 19-17 imposed by the taxing unit in the preceding tax year and the amount  
 19-18 that would be imposed by the taxing unit in the current tax year if  
 19-19 the taxing unit adopted the proposed tax rate, as follows:  
 19-20 "(increase or decrease, as applicable) of (nominal difference  
 19-21 between amount stated in second column of fifth row and amount  
 19-22 stated in third column of fifth row), or (percentage difference  
 19-23 between amount stated in second column of fifth row and amount  
 19-24 stated in third column of fifth row)%".

19-25 (h) In calculating the average taxable value of a residence  
 19-26 homestead in the taxing unit for the preceding tax year and the  
 19-27 current tax year for purposes of Subsections (e) and (f), any  
 19-28 residence homestead exemption available only to disabled persons,  
 19-29 persons 65 years of age or older, or their surviving spouses must be  
 19-30 disregarded.

19-31 SECTION 31. The heading to Section 26.08, Tax Code, is  
 19-32 amended to read as follows:

19-33 Sec. 26.08. ELECTION TO RATIFY TAX RATE [~~SCHOOL TAXES~~].

19-34 SECTION 32. Sections 26.08(a), (b), (d), (d-1), (d-2), (e),  
 19-35 (g), (h), (n), and (p), Tax Code, are amended to read as follows:

19-36 (a) If the governing body of a taxing unit [~~school district~~]  
 19-37 adopts a tax rate that exceeds the taxing unit's [~~district's~~]  
 19-38 rollback tax rate, the registered voters of the taxing unit  
 19-39 [~~district~~] at an election held for that purpose must determine  
 19-40 whether to approve the adopted tax rate. When increased  
 19-41 expenditure of money by a taxing unit [~~school district~~] is  
 19-42 necessary to respond to a disaster, including a tornado, hurricane,  
 19-43 flood, or other calamity, but not including a drought, that has  
 19-44 impacted the taxing unit [~~a school district~~] and the governor has  
 19-45 requested federal disaster assistance for the area in which the  
 19-46 taxing unit [~~school district~~] is located, an election is not  
 19-47 required under this section to approve the tax rate adopted by the  
 19-48 governing body for the year following the year in which the disaster  
 19-49 occurs.

19-50 (b) The governing body shall order that the election be held  
 19-51 in the taxing unit [~~school district~~] on the uniform election date  
 19-52 prescribed by [~~a date not less than 30 or more than 90 days after the~~  
 19-53 ~~day on which it adopted the tax rate.~~] Section 41.001, Election  
 19-54 Code, that occurs in November of the applicable tax year. The order  
 19-55 calling the election may not be issued later than August 15 [~~does~~  
 19-56 ~~not apply to the election unless a date specified by that section~~  
 19-57 ~~falls within the time permitted by this section~~]. At the election,  
 19-58 the ballots shall be prepared to permit voting for or against the  
 19-59 proposition: "Approving the ad valorem tax rate of \$\_\_\_\_\_ per \$100  
 19-60 valuation in (name of taxing unit [~~school district~~]) for the  
 19-61 current year, a rate that is \$\_\_\_\_\_ higher per \$100 valuation than  
 19-62 the [~~school district~~] rollback tax rate of (name of taxing unit),  
 19-63 for the purpose of (description of purpose of increase)." The  
 19-64 ballot proposition must include the adopted tax rate and the  
 19-65 difference between that rate and the rollback tax rate in the  
 19-66 appropriate places.

19-67 (d) If the proposition is not approved as provided by  
 19-68 Subsection (c), the governing body may not adopt a tax rate for the  
 19-69 taxing unit [~~school district~~] for the current year that exceeds the

20-1 taxing unit's ~~[school district's]~~ rollback tax rate.

20-2 (d-1) If, after tax bills for the taxing unit ~~[school~~  
20-3 ~~district]~~ have been mailed, a proposition to approve the taxing  
20-4 unit's ~~[school district's]~~ adopted tax rate is not approved by the  
20-5 voters of the taxing unit ~~[district]~~ at an election held under this  
20-6 section, on subsequent adoption of a new tax rate by the governing  
20-7 body of the taxing unit ~~[district]~~, the assessor for the taxing unit  
20-8 ~~[school]~~ shall prepare and mail corrected tax bills. The assessor  
20-9 shall include with each bill a brief explanation of the reason for  
20-10 and effect of the corrected bill. The date on which the taxes  
20-11 become delinquent for the year is extended by a number of days equal  
20-12 to the number of days between the date the first tax bills were sent  
20-13 and the date the corrected tax bills were sent.

20-14 (d-2) If a property owner pays taxes calculated using the  
20-15 originally adopted tax rate of the taxing unit ~~[school district]~~  
20-16 and the proposition to approve the adopted tax rate is not approved  
20-17 by the voters, the taxing unit ~~[school district]~~ shall refund the  
20-18 difference between the amount of taxes paid and the amount due under  
20-19 the subsequently adopted rate if the difference between the amount  
20-20 of taxes paid and the amount due under the subsequent rate is \$1 or  
20-21 more. If the difference between the amount of taxes paid and the  
20-22 amount due under the subsequent rate is less than \$1, the taxing  
20-23 unit ~~[school district]~~ shall refund the difference on request of  
20-24 the taxpayer. An application for a refund of less than \$1 must be  
20-25 made within 90 days after the date the refund becomes due or the  
20-26 taxpayer forfeits the right to the refund.

20-27 (e) For purposes of this section, local tax funds dedicated  
20-28 to a junior college district under Section 45.105(e), Education  
20-29 Code, shall be eliminated from the calculation of the tax rate  
20-30 adopted by the governing body of a [the] school district. However,  
20-31 the funds dedicated to the junior college district are subject to  
20-32 Section 26.085.

20-33 (g) In a school district that received distributions from an  
20-34 equalization tax imposed under former Chapter 18, Education Code,  
20-35 the no-new-taxes tax ~~[effective]~~ rate of that tax as of the date of  
20-36 the county unit system's abolition is added to the district's  
20-37 rollback tax rate.

20-38 (h) For purposes of this section, increases in taxable  
20-39 values and tax levies occurring within a reinvestment zone under  
20-40 Chapter 311 (Tax Increment Financing Act), in which a school ~~[the]~~  
20-41 district is a participant, shall be eliminated from the calculation  
20-42 of the tax rate adopted by the governing body of the school  
20-43 district.

20-44 (n) For purposes of this section, the rollback tax rate of a  
20-45 school district whose maintenance and operations tax rate for the  
20-46 2005 tax year was \$1.50 or less per \$100 of taxable value is:

20-47 (1) for the 2006 tax year, the sum of the rate that is  
20-48 equal to 88.67 percent of the maintenance and operations tax rate  
20-49 adopted by the district for the 2005 tax year, the rate of \$0.04 per  
20-50 \$100 of taxable value, and the district's current debt rate; and

20-51 (2) for the 2007 and subsequent tax years, the lesser  
20-52 of the following:

20-53 (A) the sum of the following:

20-54 (i) the rate per \$100 of taxable value that  
20-55 is equal to the product of the state compression percentage, as  
20-56 determined under Section 42.2516, Education Code, for the current  
20-57 year and \$1.50;

20-58 (ii) the rate of \$0.04 per \$100 of taxable  
20-59 value;

20-60 (iii) the rate that is equal to the sum of  
20-61 the differences for the 2006 and each subsequent tax year between  
20-62 the adopted tax rate of the district for that year if the rate was  
20-63 approved at an election under this section and the rollback tax rate  
20-64 of the district for that year; and

20-65 (iv) the district's current debt rate; or

20-66 (B) the sum of the following:

20-67 (i) the no-new-taxes ~~[effective]~~  
20-68 maintenance and operations tax rate of the district as computed  
20-69 under Subsection (i) ~~[or (k), as applicable]~~;

21-1 (ii) the rate per \$100 of taxable value that  
 21-2 is equal to the product of the state compression percentage, as  
 21-3 determined under Section 42.2516, Education Code, for the current  
 21-4 year and \$0.06; and

21-5 (iii) the district's current debt rate.

21-6 (p) Notwithstanding Subsections (i), (n), and (o), if for  
 21-7 the preceding tax year a school district adopted a maintenance and  
 21-8 operations tax rate that was less than the district's no-new-taxes  
 21-9 [~~effective~~] maintenance and operations tax rate for that preceding  
 21-10 tax year, the rollback tax rate of the district for the current tax  
 21-11 year is calculated as if the district adopted a maintenance and  
 21-12 operations tax rate for the preceding tax year that was equal to the  
 21-13 district's no-new-taxes [~~effective~~] maintenance and operations tax  
 21-14 rate for that preceding tax year.

21-15 SECTION 33. Section 26.08(i), Tax Code, as effective  
 21-16 September 1, 2017, is amended to read as follows:

21-17 (i) For purposes of this section, the no-new-taxes  
 21-18 [~~effective~~] maintenance and operations tax rate of a school  
 21-19 district is the tax rate that, applied to the current total value  
 21-20 for the district, would impose taxes in an amount that, when added  
 21-21 to state funds that would be distributed to the district under  
 21-22 Chapter 42, Education Code, for the school year beginning in the  
 21-23 current tax year using that tax rate, would provide the same amount  
 21-24 of state funds distributed under Chapter 42, Education Code, and  
 21-25 maintenance and operations taxes of the district per student in  
 21-26 weighted average daily attendance for that school year that would  
 21-27 have been available to the district in the preceding year if the  
 21-28 funding elements for Chapters 41 and 42, Education Code, for the  
 21-29 current year had been in effect for the preceding year.

21-30 SECTION 34. The heading to Section 26.16, Tax Code, is  
 21-31 amended to read as follows:

21-32 Sec. 26.16. POSTING OF TAX-RELATED INFORMATION [~~TAX RATES~~]  
 21-33 ON COUNTY'S INTERNET WEBSITE.

21-34 SECTION 35. Section 26.16, Tax Code, is amended by amending  
 21-35 Subsections (a) and (d) and adding Subsections (a-1), (d-1), and  
 21-36 (d-2) to read as follows:

21-37 (a) Each county shall maintain an Internet website. The  
 21-38 county assessor-collector for each county [~~that maintains an~~  
 21-39 ~~Internet website~~] shall post on the Internet website maintained by  
 21-40 [~~of~~] the county the following information for the most recent five  
 21-41 tax years beginning with the 2012 tax year for each taxing unit all  
 21-42 or part of the territory of which is located in the county:

- 21-43 (1) the adopted tax rate;
- 21-44 (2) the maintenance and operations rate;
- 21-45 (3) the debt rate;
- 21-46 (4) the no-new-taxes [~~effective~~] tax rate;
- 21-47 (5) the no-new-taxes [~~effective~~] maintenance and  
 21-48 operations rate; and
- 21-49 (6) the rollback tax rate.

21-50 (a-1) For purposes of Subsection (a), a reference to the  
 21-51 no-new-taxes tax rate or the no-new-taxes maintenance and  
 21-52 operations rate includes the equivalent effective tax rate or  
 21-53 effective maintenance and operations rate for a preceding year.  
 21-54 This subsection expires January 1, 2024.

21-55 (d) The county assessor-collector shall post immediately  
 21-56 below the table prescribed by Subsection (c) the following  
 21-57 statement:

21-58 "The county is providing this table of property tax rate  
 21-59 information as a service to the residents of the county. Each  
 21-60 individual taxing unit is responsible for calculating the property  
 21-61 tax rates listed in this table pertaining to that taxing unit and  
 21-62 providing that information to the county.

21-63 "The adopted tax rate is the tax rate adopted by the governing  
 21-64 body of a taxing unit.

21-65 "The maintenance and operations rate is the component of the  
 21-66 adopted tax rate of a taxing unit that will impose the amount of  
 21-67 taxes needed to fund maintenance and operation expenditures of the  
 21-68 unit for the following year.

21-69 "The debt rate is the component of the adopted tax rate of a

22-1 taxing unit that will impose the amount of taxes needed to fund the  
 22-2 unit's debt service for the following year.

22-3 "The no-new-taxes [~~effective tax~~] rate is the tax rate that  
 22-4 would generate the same amount of revenue in the current tax year as  
 22-5 was generated by a taxing unit's adopted tax rate in the preceding  
 22-6 tax year from property that is taxable in both the current tax year  
 22-7 and the preceding tax year.

22-8 "The no-new-taxes [~~effective~~] maintenance and operations  
 22-9 rate is the tax rate that would generate the same amount of revenue  
 22-10 for maintenance and operations in the current tax year as was  
 22-11 generated by a taxing unit's maintenance and operations rate in the  
 22-12 preceding tax year from property that is taxable in both the current  
 22-13 tax year and the preceding tax year.

22-14 "The rollback tax rate is the highest tax rate a taxing unit  
 22-15 may adopt before requiring voter approval at an election. An [~~In~~  
 22-16 ~~the case of a taxing unit other than a school district, the voters~~  
 22-17 ~~by petition may require that a rollback election be held if the unit~~  
 22-18 ~~adopts a tax rate in excess of the unit's rollback tax rate. In the~~  
 22-19 ~~case of a school district, an~~] election will automatically be held  
 22-20 if a taxing unit [~~the district~~] wishes to adopt a tax rate in excess  
 22-21 of the unit's [~~district's~~] rollback tax rate."

22-22 (d-1) In addition to posting the information described by  
 22-23 Subsection (a), the county assessor-collector shall post on the  
 22-24 Internet website of the county for each taxing unit all or part of  
 22-25 the territory of which is located in the county:

22-26 (1) the worksheets used by the designated officer or  
 22-27 employee of each taxing unit to calculate the no-new-taxes and  
 22-28 rollback tax rates of the unit for the most recent five tax years;  
 22-29 and

22-30 (2) the name and official contact information for each  
 22-31 member of the governing body of the taxing unit.

22-32 (d-2) The designated officer or employee shall submit to the  
 22-33 county assessor-collector the worksheets used to calculate the  
 22-34 no-new-taxes and rollback tax rates for the current tax year by July  
 22-35 27. The county assessor-collector shall post the worksheets on the  
 22-36 website not later than August 1.

22-37 SECTION 36. Sections 31.12(a) and (b), Tax Code, are  
 22-38 amended to read as follows:

22-39 (a) If a refund of a tax provided by Section 11.431(b),  
 22-40 26.08(d-2) [~~26.07(g)~~], 26.15(f), 31.11, or 31.111 is paid on or  
 22-41 before the 60th day after the date the liability for the refund  
 22-42 arises, no interest is due on the amount refunded. If not paid on or  
 22-43 before that 60th day, the amount of the tax to be refunded accrues  
 22-44 interest at a rate of one percent for each month or part of a month  
 22-45 that the refund is unpaid, beginning with the date on which the  
 22-46 liability for the refund arises.

22-47 (b) For purposes of this section, liability for a refund  
 22-48 arises:

22-49 (1) if the refund is required by Section 11.431(b), on  
 22-50 the date the chief appraiser notifies the collector for the unit of  
 22-51 the approval of the late homestead exemption;

22-52 (2) if the refund is required by Section 26.08(d-2)  
 22-53 [~~26.07(g)~~], on the date the results of the election to reduce the  
 22-54 tax rate are certified;

22-55 (3) if the refund is required by Section 26.15(f):

22-56 (A) for a correction to the tax roll made under  
 22-57 Section 26.15(b), on the date the change in the tax roll is  
 22-58 certified to the assessor for the taxing unit under Section 25.25;  
 22-59 or

22-60 (B) for a correction to the tax roll made under  
 22-61 Section 26.15(c), on the date the change in the tax roll is ordered  
 22-62 by the governing body of the taxing unit;

22-63 (4) if the refund is required by Section 31.11, on the  
 22-64 date the auditor for the taxing unit determines that the payment was  
 22-65 erroneous or excessive or, if the amount of the refund exceeds the  
 22-66 applicable amount specified by Section 31.11(a), on the date the  
 22-67 governing body of the unit approves the refund; or

22-68 (5) if the refund is required by Section 31.111, on the  
 22-69 date the collector for the taxing unit determines that the payment

23-1 was erroneous.

23-2 SECTION 37. Section 33.08(b), Tax Code, is amended to read  
23-3 as follows:

23-4 (b) The governing body of the taxing unit or appraisal  
23-5 district, in the manner required by law for official action, may  
23-6 provide that taxes that become delinquent on or after June 1 under  
23-7 Section 26.08(d-1) [~~26.07(f)~~], 26.15(e), 31.03, 31.031, 31.032,  
23-8 31.04, or 42.42 incur an additional penalty to defray costs of  
23-9 collection. The amount of the penalty may not exceed the amount of  
23-10 the compensation specified in the applicable contract with an  
23-11 attorney under Section 6.30 to be paid in connection with the  
23-12 collection of the delinquent taxes.

23-13 SECTION 38. Section 41.03(a), Tax Code, is amended to read  
23-14 as follows:

23-15 (a) A taxing unit is entitled to challenge before the  
23-16 appraisal review board:

23-17 (1) [~~the level of appraisals of any category of~~  
23-18 ~~property in the district or in any territory in the district, but~~  
23-19 ~~not the appraised value of a single taxpayer's property;~~

23-20 [~~2~~] an exclusion of property from the appraisal  
23-21 records;

23-22 (2) [~~3~~] a grant in whole or in part of a partial  
23-23 exemption;

23-24 (3) [~~4~~] a determination that land qualifies for  
23-25 appraisal as provided by Subchapter C, D, E, or H, Chapter 23; or

23-26 (4) [~~5~~] failure to identify the taxing unit as one  
23-27 in which a particular property is taxable.

23-28 SECTION 39. Section 41.11(a), Tax Code, is amended to read  
23-29 as follows:

23-30 (a) Not later than the date the appraisal review board  
23-31 approves the appraisal records as provided by Section 41.12, the  
23-32 secretary of the board shall deliver written notice to a property  
23-33 owner of any change in the records that is ordered by the board as  
23-34 provided by this subchapter and that will result in an increase in  
23-35 the tax liability of the property owner. An owner who receives a  
23-36 notice as provided by this section shall be entitled to protest such  
23-37 action as provided by Section 41.44(a)(2) [~~41.44(a)(3)~~].

23-38 SECTION 40. Section 41.12(a), Tax Code, is amended to read  
23-39 as follows:

23-40 (a) By July 5 [~~20~~], the appraisal review board shall:

23-41 (1) hear and determine all or substantially all timely  
23-42 filed protests;

23-43 (2) determine all timely filed challenges;

23-44 (3) submit a list of its approved changes in the  
23-45 records to the chief appraiser; and

23-46 (4) approve the records.

23-47 SECTION 41. Sections 41.44(a), (b-1), (c), and (d), Tax  
23-48 Code, are amended to read as follows:

23-49 (a) Except as provided by Subsections (b), (b-1), (c),  
23-50 (c-1), and (c-2), to be entitled to a hearing and determination of a  
23-51 protest, the property owner initiating the protest must file a  
23-52 written notice of the protest with the appraisal review board  
23-53 having authority to hear the matter protested:

23-54 (1) before May 15 [~~1~~] or not later than the 30th day  
23-55 after the date that notice to the property owner was delivered to  
23-56 the property owner as provided by Section 25.19, [~~if the property is~~  
23-57 ~~a single-family residence that qualifies for an exemption under~~  
23-58 ~~Section 11.13,~~] whichever is later;

23-59 (2) [~~before June 1 or not later than the 30th day after~~  
23-60 ~~the date that notice was delivered to the property owner as provided~~  
23-61 ~~by Section 25.19 in connection with any other property, whichever~~  
23-62 ~~is later,~~

23-63 [~~3~~] in the case of a protest of a change in the  
23-64 appraisal records ordered as provided by Subchapter A of this  
23-65 chapter or by Chapter 25, not later than the 30th day after the date  
23-66 notice of the change is delivered to the property owner;

23-67 (3) [~~4~~] in the case of a determination that a change  
23-68 in the use of land appraised under Subchapter C, D, E, or H, Chapter  
23-69 23, has occurred, not later than the 30th day after the date the

24-1 notice of the determination is delivered to the property owner; or  
 24-2 (4) [~~(5)~~] in the case of a determination of  
 24-3 eligibility for a refund under Section 23.1243, not later than the  
 24-4 30th day after the date the notice of the determination is delivered  
 24-5 to the property owner.

24-6 (b-1) Notwithstanding Subsection (a)(1), an owner of a  
 24-7 single-family residence that qualifies for an exemption under  
 24-8 Section 11.13 [~~property described by that subsection~~] who files a  
 24-9 notice of protest after the deadline prescribed by that subsection  
 24-10 but before the appraisal review board approves the appraisal  
 24-11 records is entitled to a hearing and determination of the protest if  
 24-12 the property owner files the notice before June 1.

24-13 (c) A property owner who files notice of a protest  
 24-14 authorized by Section 41.411 is entitled to a hearing and  
 24-15 determination of the protest if the property owner files the notice  
 24-16 prior to the date the taxes on the property to which the notice  
 24-17 applies become delinquent. An owner of land who files a notice of  
 24-18 protest under Subsection (a)(3) [~~(a)(4)~~] is entitled to a hearing  
 24-19 and determination of the protest without regard to whether the  
 24-20 appraisal records are approved.

24-21 (d) A notice of protest is sufficient if it identifies the  
 24-22 protesting property owner, including a person claiming an ownership  
 24-23 interest in the property even if that person is not listed on the  
 24-24 appraisal records as an owner of the property, identifies the  
 24-25 property that is the subject of the protest, and indicates apparent  
 24-26 dissatisfaction with some determination of the appraisal office.  
 24-27 The notice need not be on an official form, but the comptroller  
 24-28 shall prescribe a form that provides for more detail about the  
 24-29 nature of the protest. The form must permit a property owner to  
 24-30 include each property in the appraisal district that is the subject  
 24-31 of a protest. The form must permit a property owner to request that  
 24-32 the protest be heard by a special panel established under Section  
 24-33 6.425 if the protest will be determined by an appraisal review board  
 24-34 to which that section applies and the property is included in a  
 24-35 classification described by that section. The comptroller, each  
 24-36 appraisal office, and each appraisal review board shall make the  
 24-37 forms readily available and deliver one to a property owner on  
 24-38 request.

24-39 SECTION 42. Section 41.45, Tax Code, is amended by amending  
 24-40 Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to  
 24-41 read as follows:

24-42 (d) This subsection does not apply to a special panel  
 24-43 established under Section 6.425. An appraisal review board  
 24-44 consisting of more than three members may sit in panels of not fewer  
 24-45 than three members to conduct protest hearings. [~~However, the~~  
 24-46 ~~determination of a protest heard by a panel must be made by the~~  
 24-47 ~~board.~~] If the recommendation of a panel is not accepted by the  
 24-48 board, the board may refer the matter for rehearing to a panel  
 24-49 composed of members who did not hear the original hearing or, if  
 24-50 there are not at least three members who did not hear the original  
 24-51 protest, the board may determine the protest. [~~Before determining~~  
 24-52 ~~a protest or conducting a rehearing before a new panel or the board,~~  
 24-53 ~~the board shall deliver notice of the hearing or meeting to~~  
 24-54 ~~determine the protest in accordance with the provisions of this~~  
 24-55 ~~subchapter.]~~

24-56 (d-1) An appraisal review board to which Section 6.425  
 24-57 applies shall sit in special panels established under that section  
 24-58 to conduct protest hearings. A special panel may conduct a protest  
 24-59 hearing relating to property only if the property is included in the  
 24-60 classification for which the panel was established and the property  
 24-61 owner has requested that the panel conduct the hearing. The board  
 24-62 may rehear a protest heard by a special panel if the board elects  
 24-63 not to accept the recommendation of the panel.

24-64 (d-2) The determination of a protest heard by a panel under  
 24-65 Subsection (d) or (d-1) must be made by the board.

24-66 (d-3) The board must deliver notice of a hearing or meeting  
 24-67 to determine a protest heard by a panel, or to rehear a protest,  
 24-68 under Subsection (d) or (d-1) in accordance with the provisions of  
 24-69 this subchapter.



25-1 SECTION 43. Section 41.66, Tax Code, is amended by amending  
 25-2 Subsection (k) and adding Subsection (k-1) to read as follows:

25-3 (k) This subsection does not apply to a special panel  
 25-4 established under Section 6.425. If an appraisal review board sits  
 25-5 in panels to conduct protest hearings, protests shall be randomly  
 25-6 assigned to panels, except that the board may consider the type of  
 25-7 property subject to the protest or the ground of the protest for the  
 25-8 purpose of using the expertise of a particular panel in hearing  
 25-9 protests regarding particular types of property or based on  
 25-10 particular grounds. If a protest is scheduled to be heard by a  
 25-11 particular panel, the protest may not be reassigned to another  
 25-12 panel without the consent of the property owner or designated  
 25-13 agent. If the appraisal review board has cause to reassign a  
 25-14 protest to another panel, a property owner or designated agent may  
 25-15 agree to reassignment of the protest or may request that the hearing  
 25-16 on the protest be postponed. The board shall postpone the hearing  
 25-17 on that request. A change of members of a panel because of a  
 25-18 conflict of interest, illness, or inability to continue  
 25-19 participating in hearings for the remainder of the day does not  
 25-20 constitute reassignment of a protest to another panel.

25-21 (k-1) On the request of a property owner, an appraisal  
 25-22 review board to which Section 6.425 applies shall assign a protest  
 25-23 relating to property included in a classification described by that  
 25-24 section to the special panel established to conduct protest  
 25-25 hearings relating to property included in that classification. If  
 25-26 the board has established more than one special panel to conduct  
 25-27 protest hearings relating to property included in a particular  
 25-28 classification, protests relating to property included in that  
 25-29 classification shall be randomly assigned to those special panels.  
 25-30 If a protest is scheduled to be heard by a particular special panel,  
 25-31 the protest may not be reassigned to another special panel without  
 25-32 the consent of the property owner or designated agent. If the board  
 25-33 has cause to reassign a protest to another special panel, a property  
 25-34 owner or designated agent may agree to reassignment of the protest  
 25-35 or may request that the hearing on the protest be postponed. The  
 25-36 board shall postpone the hearing on that request. A change of  
 25-37 members of a special panel because of a conflict of interest,  
 25-38 illness, or inability to continue participating in hearings for the  
 25-39 remainder of the day does not constitute reassignment of a protest  
 25-40 to another special panel.

25-41 SECTION 44. Section 41.71, Tax Code, is amended to read as  
 25-42 follows:

25-43 Sec. 41.71. EVENING AND WEEKEND HEARINGS. (a) An  
 25-44 appraisal review board by rule shall provide for hearings on  
 25-45 protests [~~in the evening or~~] on a Saturday or after 5 p.m. on a  
 25-46 weekday [Sunday].

25-47 (b) The board may not schedule:

25-48 (1) the first hearing on a protest held on a weekday  
 25-49 evening to begin after 7 p.m.; or

25-50 (2) a hearing on a protest on a Sunday.

25-51 SECTION 45. Section 41A.01, Tax Code, is amended to read as  
 25-52 follows:

25-53 Sec. 41A.01. RIGHT OF APPEAL BY PROPERTY OWNER. As an  
 25-54 alternative to filing an appeal under Section 42.01, a property  
 25-55 owner is entitled to appeal through binding arbitration under this  
 25-56 chapter an appraisal review board order determining a protest filed  
 25-57 under Section 41.41(a)(1) or (2) concerning the appraised or market  
 25-58 value of property if:

25-59 (1) the property qualifies as the owner's residence  
 25-60 homestead under Section 11.13; or

25-61 (2) the appraised or market value, as applicable, of  
 25-62 the property as determined by the order is \$5 [~~\$3~~] million or less.

25-63 SECTION 46. Section 41A.03(a), Tax Code, is amended to read  
 25-64 as follows:

25-65 (a) To appeal an appraisal review board order under this  
 25-66 chapter, a property owner must file with the appraisal district not  
 25-67 later than the 45th day after the date the property owner receives  
 25-68 notice of the order:

25-69 (1) a completed request for binding arbitration under

26-1 this chapter in the form prescribed by Section 41A.04; and  
 26-2 (2) an arbitration deposit made payable to the  
 26-3 comptroller in the amount of:

26-4 (A) \$450, if the property qualifies as the  
 26-5 owner's residence homestead under Section 11.13 and the appraised  
 26-6 or market value, as applicable, of the property is \$500,000 or less,  
 26-7 as determined by the order;

26-8 (B) \$500, if the property qualifies as the  
 26-9 owner's residence homestead under Section 11.13 and the appraised  
 26-10 or market value, as applicable, of the property is more than  
 26-11 \$500,000, as determined by the order;

26-12 (C) \$500, if the property does not qualify as the  
 26-13 owner's residence homestead under Section 11.13 and the appraised  
 26-14 or market value, as applicable, of the property is \$1 million or  
 26-15 less, as determined by the order;

26-16 (D) \$800, if the property does not qualify as the  
 26-17 owner's residence homestead under Section 11.13 and the appraised  
 26-18 or market value, as applicable, of the property is more than \$1  
 26-19 million but not more than \$2 million, as determined by the order;  
 26-20 [~~or~~]

26-21 (E) \$1,050, if the property does not qualify as  
 26-22 the owner's residence homestead under Section 11.13 and the  
 26-23 appraised or market value, as applicable, of the property is more  
 26-24 than \$2 million but not more than \$3 million, as determined by the  
 26-25 order; or

26-26 (F) \$1,250, if the property does not qualify as  
 26-27 the owner's residence homestead under Section 11.13 and the  
 26-28 appraised or market value, as applicable, of the property is more  
 26-29 than \$3 million but not more than \$5 million, as determined by the  
 26-30 order.

26-31 SECTION 47. Section 41A.06(b), Tax Code, is amended to read  
 26-32 as follows:

26-33 (b) To initially qualify to serve as an arbitrator under  
 26-34 this chapter, a person must:

26-35 (1) meet the following requirements, as applicable:

26-36 (A) be licensed as an attorney in this state; or

26-37 (B) have:

26-38 (i) completed at least 30 hours of training  
 26-39 in arbitration and alternative dispute resolution procedures from a  
 26-40 university, college, or legal or real estate trade association; and

26-41 (ii) been licensed or certified  
 26-42 continuously during the five years preceding the date the person  
 26-43 agrees to serve as an arbitrator as:

26-44 (a) a real estate broker or sales  
 26-45 agent [~~salesperson~~] under Chapter 1101, Occupations Code;

26-46 (b) a real estate appraiser under  
 26-47 Chapter 1103, Occupations Code; or

26-48 (c) a certified public accountant  
 26-49 under Chapter 901, Occupations Code; and

26-50 (2) agree to conduct an arbitration for a fee that is  
 26-51 not more than:

26-52 (A) \$400, if the property qualifies as the  
 26-53 owner's residence homestead under Section 11.13 and the appraised  
 26-54 or market value, as applicable, of the property is \$500,000 or less,  
 26-55 as determined by the order;

26-56 (B) \$450, if the property qualifies as the  
 26-57 owner's residence homestead under Section 11.13 and the appraised  
 26-58 or market value, as applicable, of the property is more than  
 26-59 \$500,000, as determined by the order;

26-60 (C) \$450, if the property does not qualify as the  
 26-61 owner's residence homestead under Section 11.13 and the appraised  
 26-62 or market value, as applicable, of the property is \$1 million or  
 26-63 less, as determined by the order;

26-64 (D) \$750, if the property does not qualify as the  
 26-65 owner's residence homestead under Section 11.13 and the appraised  
 26-66 or market value, as applicable, of the property is more than \$1  
 26-67 million but not more than \$2 million, as determined by the order;  
 26-68 [~~or~~]

26-69 (E) \$1,000, if the property does not qualify as

27-1 the owner's residence homestead under Section 11.13 and the  
 27-2 appraised or market value, as applicable, of the property is more  
 27-3 than \$2 million but not more than \$3 million, as determined by the  
 27-4 order; or

27-5 (F) \$1,200, if the property does not qualify as  
 27-6 the owner's residence homestead under Section 11.13 and the  
 27-7 appraised or market value, as applicable, of the property is more  
 27-8 than \$3 million but not more than \$5 million, as determined by the  
 27-9 order.

27-10 SECTION 48. Section 45.105(e), Education Code, is amended  
 27-11 to read as follows:

27-12 (e) The governing body of an independent school district  
 27-13 that governs a junior college district under Subchapter B, Chapter  
 27-14 130, in a county with a population of more than two million may  
 27-15 dedicate a specific percentage of the local tax levy to the use of  
 27-16 the junior college district for facilities and equipment or for the  
 27-17 maintenance and operating expenses of the junior college district.  
 27-18 To be effective, the dedication must be made by the governing body  
 27-19 on or before the date on which the governing body adopts its tax  
 27-20 rate for a year. The amount of local tax funds derived from the  
 27-21 percentage of the local tax levy dedicated to a junior college  
 27-22 district from a tax levy may not exceed the amount that would be  
 27-23 levied by five percent of the no-new-taxes ~~[effective]~~ tax rate for  
 27-24 the tax year calculated as provided by Section 26.04, Tax Code, on  
 27-25 all property taxable by the school district. All real property  
 27-26 purchased with these funds is the property of the school district,  
 27-27 but is subject to the exclusive control of the governing body of the  
 27-28 junior college district for as long as the junior college district  
 27-29 uses the property for educational purposes.

27-30 SECTION 49. Section 130.016(b), Education Code, is amended  
 27-31 to read as follows:

27-32 (b) If the board of trustees of an independent school  
 27-33 district that divests itself of the management, control, and  
 27-34 operation of a junior college district under this section or under  
 27-35 Section 130.017 ~~[of this code]~~ was authorized by ~~[Subsection (e)~~  
 27-36 ~~of]~~ Section 45.105(e) or under former Section 20.48(e) ~~[20.48 of~~  
 27-37 ~~this code]~~ to dedicate a portion of its tax levy to the junior  
 27-38 college district before the divestment, the junior college district  
 27-39 may levy an ad valorem tax from and after the divestment. In the  
 27-40 first two years in which the junior college district levies an ad  
 27-41 valorem tax, the tax rate adopted by the governing body may not  
 27-42 exceed the rate that, if applied to the total taxable value  
 27-43 submitted to the governing body under Section 26.04, Tax Code,  
 27-44 would impose an amount equal to the amount of taxes of the school  
 27-45 district dedicated to the junior college under ~~[Subsection (e) of]~~  
 27-46 Section 45.105(e) or former Section 20.48(e) ~~[20.48 of this code]~~  
 27-47 in the last dedication before the divestment. In subsequent years,  
 27-48 the tax rate of the junior college district is subject to Section  
 27-49 26.08 ~~[26.07]~~, Tax Code.

27-50 SECTION 50. Section 403.302(o), Government Code, is amended  
 27-51 to read as follows:

27-52 (o) The comptroller shall adopt rules governing the conduct  
 27-53 of the study after consultation with the comptroller's property tax  
 27-54 administration advisory board ~~[Comptroller's Property Value Study~~  
 27-55 ~~Advisory Committee]~~.

27-56 SECTION 51. Sections 281.124(d) and (e), Health and Safety  
 27-57 Code, are amended to read as follows:

27-58 (d) If a majority of the votes cast in the election favor the  
 27-59 proposition, the tax rate for the specified tax year is the rate  
 27-60 approved by the voters, and that rate is not subject to ~~[a rollback~~  
 27-61 ~~election under]~~ Section 26.08 ~~[26.07]~~, Tax Code. The board shall  
 27-62 adopt the tax rate as provided by Chapter 26, Tax Code.

27-63 (e) If the proposition is not approved as provided by  
 27-64 Subsection (c), the board may not adopt a tax rate for the district  
 27-65 for the specified tax year that exceeds the rate that was not  
 27-66 approved, and Section 26.08 ~~[26.07]~~, Tax Code, applies to the  
 27-67 adopted rate if that rate exceeds the district's rollback tax rate.

27-68 SECTION 52. Section 102.007(d), Local Government Code, is  
 27-69 amended to read as follows:

28-1 (d) An adopted budget must contain a cover page that  
 28-2 includes:  
 28-3 (1) one of the following statements in 18-point or  
 28-4 larger type that accurately describes the adopted budget:  
 28-5 (A) "This budget will raise more revenue from  
 28-6 property taxes than last year's budget by an amount of (insert total  
 28-7 dollar amount of increase), which is a (insert percentage increase)  
 28-8 percent increase from last year's budget. The property tax revenue  
 28-9 to be raised from new property added to the tax roll this year is  
 28-10 (insert amount computed by multiplying the proposed tax rate by the  
 28-11 value of new property added to the roll).";  
 28-12 (B) "This budget will raise less revenue from  
 28-13 property taxes than last year's budget by an amount of (insert total  
 28-14 dollar amount of decrease), which is a (insert percentage decrease)  
 28-15 percent decrease from last year's budget. The property tax revenue  
 28-16 to be raised from new property added to the tax roll this year is  
 28-17 (insert amount computed by multiplying the proposed tax rate by the  
 28-18 value of new property added to the roll)."; or  
 28-19 (C) "This budget will raise the same amount of  
 28-20 revenue from property taxes as last year's budget. The property tax  
 28-21 revenue to be raised from new property added to the tax roll this  
 28-22 year is (insert amount computed by multiplying the proposed tax  
 28-23 rate by the value of new property added to the roll).";  
 28-24 (2) the record vote of each member of the governing  
 28-25 body by name voting on the adoption of the budget;  
 28-26 (3) the municipal property tax rates for the preceding  
 28-27 fiscal year, and each municipal property tax rate that has been  
 28-28 adopted or calculated for the current fiscal year, including:  
 28-29 (A) the property tax rate;  
 28-30 (B) the no-new-taxes ~~[effective]~~ tax rate;  
 28-31 (C) the no-new-taxes ~~[effective]~~ maintenance and  
 28-32 operations tax rate;  
 28-33 (D) the rollback tax rate; and  
 28-34 (E) the debt rate; and  
 28-35 (4) the total amount of municipal debt obligations.

28-36 SECTION 53. Section 111.008(d), Local Government Code, is  
 28-37 amended to read as follows:

28-38 (d) An adopted budget must contain a cover page that  
 28-39 includes:  
 28-40 (1) one of the following statements in 18-point or  
 28-41 larger type that accurately describes the adopted budget:  
 28-42 (A) "This budget will raise more revenue from  
 28-43 property taxes than last year's budget by an amount of (insert total  
 28-44 dollar amount of increase), which is a (insert percentage increase)  
 28-45 percent increase from last year's budget. The property tax revenue  
 28-46 to be raised from new property added to the tax roll this year is  
 28-47 (insert amount computed by multiplying the proposed tax rate by the  
 28-48 value of new property added to the roll).";  
 28-49 (B) "This budget will raise less revenue from  
 28-50 property taxes than last year's budget by an amount of (insert total  
 28-51 dollar amount of decrease), which is a (insert percentage decrease)  
 28-52 percent decrease from last year's budget. The property tax revenue  
 28-53 to be raised from new property added to the tax roll this year is  
 28-54 (insert amount computed by multiplying the proposed tax rate by the  
 28-55 value of new property added to the roll)."; or  
 28-56 (C) "This budget will raise the same amount of  
 28-57 revenue from property taxes as last year's budget. The property tax  
 28-58 revenue to be raised from new property added to the tax roll this  
 28-59 year is (insert amount computed by multiplying the proposed tax  
 28-60 rate by the value of new property added to the roll).";  
 28-61 (2) the record vote of each member of the  
 28-62 commissioners court by name voting on the adoption of the budget;  
 28-63 (3) the county property tax rates for the preceding  
 28-64 fiscal year, and each county property tax rate that has been adopted  
 28-65 or calculated for the current fiscal year, including:  
 28-66 (A) the property tax rate;  
 28-67 (B) the no-new-taxes ~~[effective]~~ tax rate;  
 28-68 (C) the no-new-taxes ~~[effective]~~ maintenance and  
 28-69 operations tax rate;

29-1 (D) the rollback tax rate; and

29-2 (E) the debt rate; and

29-3 (4) the total amount of county debt obligations.

29-4 SECTION 54. Section 111.039(d), Local Government Code, is  
29-5 amended to read as follows:

29-6 (d) An adopted budget must contain a cover page that  
29-7 includes:

29-8 (1) one of the following statements in 18-point or  
29-9 larger type that accurately describes the adopted budget:

29-10 (A) "This budget will raise more revenue from  
29-11 property taxes than last year's budget by an amount of (insert total  
29-12 dollar amount of increase), which is a (insert percentage increase)  
29-13 percent increase from last year's budget. The property tax revenue  
29-14 to be raised from new property added to the tax roll this year is  
29-15 (insert amount computed by multiplying the proposed tax rate by the  
29-16 value of new property added to the roll).";

29-17 (B) "This budget will raise less revenue from  
29-18 property taxes than last year's budget by an amount of (insert total  
29-19 dollar amount of decrease), which is a (insert percentage decrease)  
29-20 percent decrease from last year's budget. The property tax revenue  
29-21 to be raised from new property added to the tax roll this year is  
29-22 (insert amount computed by multiplying the proposed tax rate by the  
29-23 value of new property added to the roll)."; or

29-24 (C) "This budget will raise the same amount of  
29-25 revenue from property taxes as last year's budget. The property tax  
29-26 revenue to be raised from new property added to the tax roll this  
29-27 year is (insert amount computed by multiplying the proposed tax  
29-28 rate by the value of new property added to the roll).";

29-29 (2) the record vote of each member of the  
29-30 commissioners court by name voting on the adoption of the budget;

29-31 (3) the county property tax rates for the preceding  
29-32 fiscal year, and each county property tax rate that has been adopted  
29-33 or calculated for the current fiscal year, including:

29-34 (A) the property tax rate;

29-35 (B) the no-new-taxes ~~[effective]~~ tax rate;

29-36 (C) the no-new-taxes ~~[effective]~~ maintenance and  
29-37 operations tax rate;

29-38 (D) the rollback tax rate; and

29-39 (E) the debt rate; and

29-40 (4) the total amount of county debt obligations.

29-41 SECTION 55. Section 111.068(c), Local Government Code, is  
29-42 amended to read as follows:

29-43 (c) An adopted budget must contain a cover page that  
29-44 includes:

29-45 (1) one of the following statements in 18-point or  
29-46 larger type that accurately describes the adopted budget:

29-47 (A) "This budget will raise more revenue from  
29-48 property taxes than last year's budget by an amount of (insert total  
29-49 dollar amount of increase), which is a (insert percentage increase)  
29-50 percent increase from last year's budget. The property tax revenue  
29-51 to be raised from new property added to the tax roll this year is  
29-52 (insert amount computed by multiplying the proposed tax rate by the  
29-53 value of new property added to the roll).";

29-54 (B) "This budget will raise less revenue from  
29-55 property taxes than last year's budget by an amount of (insert total  
29-56 dollar amount of decrease), which is a (insert percentage decrease)  
29-57 percent decrease from last year's budget. The property tax revenue  
29-58 to be raised from new property added to the tax roll this year is  
29-59 (insert amount computed by multiplying the proposed tax rate by the  
29-60 value of new property added to the roll)."; or

29-61 (C) "This budget will raise the same amount of  
29-62 revenue from property taxes as last year's budget. The property tax  
29-63 revenue to be raised from new property added to the tax roll this  
29-64 year is (insert amount computed by multiplying the proposed tax  
29-65 rate by the value of new property added to the roll).";

29-66 (2) the record vote of each member of the  
29-67 commissioners court by name voting on the adoption of the budget;

29-68 (3) the county property tax rates for the preceding  
29-69 fiscal year, and each county property tax rate that has been adopted

- 30-1 or calculated for the current fiscal year, including:
- 30-2 (A) the property tax rate;
- 30-3 (B) the no-new-taxes ~~[effective]~~ tax rate;
- 30-4 (C) the no-new-taxes ~~[effective]~~ maintenance and
- 30-5 operations tax rate;
- 30-6 (D) the rollback tax rate; and
- 30-7 (E) the debt rate; and
- 30-8 (4) the total amount of county debt obligations.

30-9 SECTION 56. Section 1101.254(f), Special District Local  
 30-10 Laws Code, is amended to read as follows:

30-11 (f) This section does not affect the applicability of [any  
 30-12 ~~rights district voters may have to petition for an election under]~~  
 30-13 Section 26.08 [26.07], Tax Code, to the district's tax rate, except  
 30-14 that if district voters approve a tax rate increase under this  
 30-15 section, [the voters may not petition for an election under]  
 30-16 Section 26.08 [26.07], Tax Code, does not apply [as] to the tax rate  
 30-17 for that year.

30-18 SECTION 57. Sections 1122.2522, 3828.157, and 8876.152,  
 30-19 Special District Local Laws Code, are amended to read as follows:

30-20 Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE.  
 30-21 ~~[(a)]~~ If in any year the board adopts a tax rate that exceeds the  
 30-22 rollback tax rate calculated as provided by Chapter 26, Tax Code,  
 30-23 ~~[the qualified voters of the district by petition may require that]~~  
 30-24 an election under Section 26.08 of that code must be held to  
 30-25 determine whether or not to approve ~~[reduce]~~ the tax rate adopted by  
 30-26 the board for that year ~~[to the rollback tax rate]~~.

30-27 ~~[(b) To the extent a conflict exists between this section~~  
 30-28 ~~and a provision of the Tax Code, the provision of the Tax Code~~  
 30-29 ~~prevails.]~~

30-30 Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE  
 30-31 PROVISIONS. Sections 26.04, 26.05, and 26.08 [26.07], Tax Code, do  
 30-32 not apply to a tax imposed under Section 3828.153 or 3828.156.

30-33 Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS.  
 30-34 (a) Sections 26.04, 26.05, 26.06, 26.061, and 26.08 [26.07], Tax  
 30-35 Code, do not apply to a tax imposed by the district.

30-36 (b) Sections 49.236(a)(1) and (2) and (b) ~~[Section 49.236]~~,  
 30-37 Water Code, apply [as added by Chapter 248 (H.B. 1541), Acts of the  
 30-38 ~~78th Legislature, Regular Session, 2003, applies]~~ to the district.

30-39 SECTION 58. Section 49.107(g), Water Code, is amended to  
 30-40 read as follows:

30-41 (g) Sections 26.04, 26.05, 26.061, and 26.08 [26.07], Tax  
 30-42 Code, do not apply to a tax levied and collected under this section  
 30-43 or an ad valorem tax levied and collected for the payment of the  
 30-44 interest on and principal of bonds issued by a district.

30-45 SECTION 59. Section 49.108(f), Water Code, is amended to  
 30-46 read as follows:

30-47 (f) Sections 26.04, 26.05, 26.061, and 26.08 [26.07], Tax  
 30-48 Code, do not apply to a tax levied and collected for payments made  
 30-49 under a contract approved in accordance with this section.

30-50 SECTION 60. Section 49.236, Water Code, as added by Chapter  
 30-51 335 (S.B. 392), Acts of the 78th Legislature, Regular Session,  
 30-52 2003, is amended by amending Subsections (a) and (d) and adding  
 30-53 Subsections (e), (f), (g), (h), (i), (j), and (k) to read as  
 30-54 follows:

30-55 (a) Before the board adopts an ad valorem tax rate for the  
 30-56 district for debt service, operation and maintenance purposes, or  
 30-57 contract purposes, the board shall give notice of each meeting of  
 30-58 the board at which the adoption of a tax rate will be considered.  
 30-59 The notice must:

30-60 (1) contain a statement in substantially the following  
 30-61 form:

30-62 "NOTICE OF PUBLIC HEARING ON TAX RATE  
 30-63 "The (name of the district) will hold a public hearing on a  
 30-64 proposed tax rate for the tax year (year of tax levy) on (date and  
 30-65 time) at (meeting place). Your individual taxes may increase or  
 30-66 decrease, depending on the change in the taxable value of your  
 30-67 property in relation to the change in taxable value of all other  
 30-68 property and the tax rate that is adopted.  
 30-69 "(Names of all board members and, if a vote was taken, an

31-1 indication of how each voted on the proposed tax rate and an  
31-2 indication of any absences.)";

31-3 (2) contain the following information:

31-4 (A) the district's total adopted tax rate for the  
31-5 preceding year and the proposed tax rate, expressed as an amount per  
31-6 \$100;

31-7 (B) the difference, expressed as an amount per  
31-8 \$100 and as a percent increase or decrease, as applicable, in the  
31-9 proposed tax rate compared to the adopted tax rate for the preceding  
31-10 year;

31-11 (C) the average appraised value of a residence  
31-12 homestead in the district in the preceding year and in the current  
31-13 year; the district's total homestead exemption, other than an  
31-14 exemption available only to disabled persons or persons 65 years of  
31-15 age or older, applicable to that appraised value in each of those  
31-16 years; and the average taxable value of a residence homestead in the  
31-17 district in each of those years, disregarding any homestead  
31-18 exemption available only to disabled persons or persons 65 years of  
31-19 age or older;

31-20 (D) the amount of tax that would have been  
31-21 imposed by the district in the preceding year on a residence  
31-22 homestead appraised at the average appraised value of a residence  
31-23 homestead in that year, disregarding any homestead exemption  
31-24 available only to disabled persons or persons 65 years of age or  
31-25 older;

31-26 (E) the amount of tax that would be imposed by the  
31-27 district in the current year on a residence homestead appraised at  
31-28 the average appraised value of a residence homestead in that year,  
31-29 disregarding any homestead exemption available only to disabled  
31-30 persons or persons 65 years of age or older, if the proposed tax  
31-31 rate is adopted; ~~and~~

31-32 (F) the difference between the amounts of tax  
31-33 calculated under Paragraphs (D) and (E), expressed in dollars and  
31-34 cents and described as the annual percentage increase or decrease,  
31-35 as applicable, in the tax to be imposed by the district on the  
31-36 average residence homestead in the district in the current year if  
31-37 the proposed tax rate is adopted; and

31-38 (G) if the proposed combined debt service,  
31-39 operation and maintenance, and contract tax rate requires or  
31-40 authorizes an election in the district to ratify the tax rate, a  
31-41 description of the purpose of the proposed tax increase; and

31-42 (3) contain a statement in substantially the following  
31-43 form, as applicable:

31-44 (A) if there are not any new improvements  
31-45 included in the appraisal roll for the district for the current tax  
31-46 year:

31-47 "NOTICE OF VOTE ON TAX RATE [~~TAXPAYERS' RIGHT TO ROLLBACK ELECTION~~]

31-48 "If taxes on the average residence homestead increase by more  
31-49 than four [~~eight~~] percent, [~~the qualified voters of the district by~~  
31-50 ~~petition may require that~~] an election must be held to determine  
31-51 whether to ratify [~~reduce~~] the [~~operation and maintenance~~] tax rate  
31-52 [~~to the rollback tax rate~~] under Section 49.236(d), Water Code.";  
31-53 or

31-54 (B) if there are any new improvements included in  
31-55 the appraisal roll for the district for the current tax year:

31-56 "NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

31-57 "If taxes on the average residence homestead increase by more  
31-58 than four percent, the qualified voters of the district by petition  
31-59 may require that an election be held to determine whether to ratify  
31-60 the tax rate under Section 49.236(e), Water Code."

31-61 (d) This subsection applies to a district only if there are  
31-62 not any new improvements included in the appraisal roll for the  
31-63 district for the current tax year. If the board [~~governing body~~] of  
31-64 the [~~a~~] district adopts a combined debt service, operation and  
31-65 maintenance, and contract tax rate that would impose more than 1.05  
31-66 [~~1.08~~] times the amount of tax imposed by the district in the  
31-67 preceding year on a residence homestead appraised at the average  
31-68 appraised value of a residence homestead in the district in that  
31-69 year, disregarding any homestead exemption available only to

32-1 disabled persons or persons 65 years of age or older, ~~[the qualified~~  
 32-2 ~~voters of the district by petition may require that]~~ an election  
 32-3 must be held to determine whether ~~[or not]~~ to ratify ~~[reduce]~~ the  
 32-4 tax rate adopted for the current year ~~[to the rollback tax rate]~~ in  
 32-5 accordance with the procedures provided by Sections 26.08(b)-(d-2)  
 32-6 ~~[26.07(b)-(g) and 26.081]~~, Tax Code.

32-7 (e) This subsection and Subsections (f)-(i) apply to a  
 32-8 district only if there are any new improvements included in the  
 32-9 appraisal roll for the district for the current tax year. If the  
 32-10 board of the district adopts a combined debt service, operation and  
 32-11 maintenance, and contract tax rate that would impose more than 1.05  
 32-12 times the amount of tax imposed by the district in the preceding  
 32-13 year on a residence homestead appraised at the average appraised  
 32-14 value of a residence homestead in the district in that year,  
 32-15 disregarding any homestead exemption available only to disabled  
 32-16 persons or persons 65 years of age or older, the qualified voters of  
 32-17 the district by petition may require that an election be held to  
 32-18 determine whether to ratify the tax rate adopted for the current  
 32-19 year in accordance with the procedures provided by Subsections  
 32-20 (f)-(i) of this section and Section 26.081, Tax Code.

32-21 (f) A petition is valid only if:

32-22 (1) it states that it is intended to require an  
 32-23 election in the district on the question of ratifying the tax rate  
 32-24 adopted for the current year;

32-25 (2) it is signed by a number of registered voters of  
 32-26 the district equal to at least:

32-27 (A) seven percent of the number of registered  
 32-28 voters of the district according to the most recent official list of  
 32-29 registered voters if the tax rate adopted for the current tax year  
 32-30 would impose taxes for operation and maintenance in an amount of at  
 32-31 least \$5 million; or

32-32 (B) 10 percent of the number of registered voters  
 32-33 of the district according to the most recent official list of  
 32-34 registered voters if the tax rate adopted for the current tax year  
 32-35 would impose taxes for operation and maintenance in an amount of  
 32-36 less than \$5 million; and

32-37 (3) it is submitted to the board on or before the 90th  
 32-38 day after the date on which the board adopted the tax rate for the  
 32-39 current year.

32-40 (g) Not later than the 20th day after the day a petition is  
 32-41 submitted, the board shall determine whether or not the petition is  
 32-42 valid and pass a resolution stating its finding. If the board fails  
 32-43 to act within the time allowed, the petition is treated as if it had  
 32-44 been found valid.

32-45 (h) If the board finds that the petition is valid (or fails  
 32-46 to act within the time allowed), it shall order that an election be  
 32-47 held in the district on a date not less than 30 or more than 90 days  
 32-48 after the last day on which it could have acted to approve or  
 32-49 disapprove the petition. A state law requiring local elections to  
 32-50 be held on a specified date does not apply to the election unless a  
 32-51 specified date falls within the time permitted by this section. At  
 32-52 the election, the ballots shall be prepared to permit voting for or  
 32-53 against the proposition: "Approving the ad valorem tax rate of  
 32-54 \$\_\_\_\_ per \$100 valuation in (name of district) for the current year,  
 32-55 a rate that is \$\_\_\_\_ higher per \$100 valuation than the district's  
 32-56 rollback tax rate, for the purpose of (description of purpose of  
 32-57 increase)." The ballot proposition must include the adopted tax  
 32-58 rate and the difference between that rate and the rollback tax rate  
 32-59 in the appropriate places.

32-60 (i) Sections 26.08(c), (d), (d-1), and (d-2), Tax Code,  
 32-61 apply to an election under Subsection (e) of this section in the  
 32-62 same manner as those subsections apply to an election under Section  
 32-63 26.08, Tax Code.

32-64 (j) For purposes of an election under Subsection (d) or (e),  
 32-65 as applicable ~~[Sections 26.07(b)-(g) and this subsection]~~, the  
 32-66 rollback tax rate of a district is the sum of the following tax  
 32-67 rates:

32-68 (1) the current year's debt service tax rate;

32-69 (2) the current year's ~~and~~ contract tax rate; and



33-1 (3) [~~rates plus~~] the operation and maintenance tax  
 33-2 rate that would impose 1.05 [~~1.08~~] times the amount of the operation  
 33-3 and maintenance tax imposed by the district in the preceding year on  
 33-4 a residence homestead appraised at the average appraised value of a  
 33-5 residence homestead in the district in that year, disregarding any  
 33-6 homestead exemption available only to disabled persons or persons  
 33-7 65 years of age or older.

33-8 (k) Notwithstanding any other provision of this section,  
 33-9 the board may substitute "eight percent" for "four percent" in  
 33-10 Subsection (a) and "1.08" for "1.05" in Subsection (d) or (e), as  
 33-11 applicable, and Subsection (j) if any part of the district is  
 33-12 located in an area declared a disaster area during the current tax  
 33-13 year by the governor or by the president of the United States.

33-14 SECTION 61. The following provisions are repealed:  
 33-15 (1) Sections 403.302(m-1) and (n), Government Code;  
 33-16 (2) Section 140.010, Local Government Code;  
 33-17 (3) Section 1063.255, Special District Local Laws  
 33-18 Code;  
 33-19 (4) Section 26.07, Tax Code;  
 33-20 (5) Section 49.236, Water Code, as added by Chapter  
 33-21 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,  
 33-22 2003; and  
 33-23 (6) Section 49.2361, Water Code.

33-24 SECTION 62. The changes in law made by this Act relating to  
 33-25 the ad valorem tax rate of a taxing unit apply beginning with the  
 33-26 2018 tax year.

33-27 SECTION 63. Sections 5.05, 5.102, 5.13, and 23.01, Tax  
 33-28 Code, as amended by this Act, apply only to the appraisal of  
 33-29 property for ad valorem tax purposes for a tax year beginning on or  
 33-30 after January 1, 2018.

33-31 SECTION 64. Section 6.03(a), Tax Code, as amended by this  
 33-32 Act, does not affect the right of a person serving on the board of  
 33-33 directors of an appraisal district on January 1, 2018, to complete  
 33-34 the person's term on the board.

33-35 SECTION 65. Section 6.41(d-9), Tax Code, as amended by this  
 33-36 Act, and Section 6.41(d-10), Tax Code, as added by this Act, apply  
 33-37 only to the appointment of appraisal review board members to terms  
 33-38 beginning on or after January 1, 2019.

33-39 SECTION 66. Section 6.42(d), Tax Code, as added by this Act,  
 33-40 applies only to a recommendation, determination, decision, or other  
 33-41 action by an appraisal review board or a panel of such a board on or  
 33-42 after January 1, 2018. A recommendation, determination, decision,  
 33-43 or other action by an appraisal review board or a panel of such a  
 33-44 board before January 1, 2018, is governed by the law as it existed  
 33-45 immediately before that date, and that law is continued in effect  
 33-46 for that purpose.

33-47 SECTION 67. Section 25.19(b-3), Tax Code, as added by this  
 33-48 Act, applies only to a notice of appraised value for a tax year  
 33-49 beginning on or after January 1, 2019. A notice of appraised value  
 33-50 for a tax year beginning before January 1, 2019, is governed by the  
 33-51 law in effect immediately before that date, and that law is  
 33-52 continued in effect for that purpose.

33-53 SECTION 68. Not later than October 1, 2017:

33-54 (1) the designated officer or employee of each taxing  
 33-55 unit shall submit to the county assessor-collector for each county  
 33-56 in which all or part of the territory of the taxing unit is located  
 33-57 the worksheets used by the designated officer or employee to  
 33-58 calculate the effective and rollback tax rates of the unit for the  
 33-59 2013-2017 tax years; and

33-60 (2) the county assessor-collector for each county  
 33-61 shall post the worksheets submitted to the county  
 33-62 assessor-collector under Subdivision (1) of this section on the  
 33-63 Internet website of the county.

33-64 SECTION 69. Section 41.03(a), Tax Code, as amended by this  
 33-65 Act, applies only to a challenge under Chapter 41, Tax Code, for  
 33-66 which a challenge petition is filed on or after January 1, 2018. A  
 33-67 challenge under Chapter 41, Tax Code, for which a challenge  
 33-68 petition was filed before January 1, 2018, is governed by the law in  
 33-69 effect on the date the challenge petition was filed, and the former

34-1 law is continued in effect for that purpose.  
34-2 SECTION 70. Sections 41.45 and 41.66, Tax Code, as amended  
34-3 by this Act, apply only to a protest filed under Chapter 41, Tax  
34-4 Code, on or after January 1, 2019. A protest filed under that  
34-5 chapter before January 1, 2019, is governed by the law in effect on  
34-6 the date the protest was filed, and the former law is continued in  
34-7 effect for that purpose.

34-8 SECTION 71. Section 41.71, Tax Code, as amended by this Act,  
34-9 applies only to a hearing on a protest under Chapter 41, Tax Code,  
34-10 that is scheduled on or after January 1, 2018. A hearing on a  
34-11 protest under Chapter 41, Tax Code, that is scheduled before  
34-12 January 1, 2018, is governed by the law in effect on the date the  
34-13 hearing was scheduled, and that law is continued in effect for that  
34-14 purpose.

34-15 SECTION 72. Sections 41A.01, 41A.03, and 41A.06, Tax Code,  
34-16 as amended by this Act, apply only to a request for binding  
34-17 arbitration under Chapter 41A, Tax Code, that is filed on or after  
34-18 January 1, 2018. A request for binding arbitration under Chapter  
34-19 41A, Tax Code, that is filed before January 1, 2018, is governed by  
34-20 the law in effect on the date the request is filed, and the former  
34-21 law is continued in effect for that purpose.

34-22 SECTION 73. (a) Except as provided by Subsections (b) and  
34-23 (c) of this section, this Act takes effect January 1, 2018.

34-24 (b) Section 68 of this Act takes effect September 1, 2017.

34-25 (c) The following provisions take effect September 1, 2018:

- 34-26 (1) Sections 6.41(b) and (d-9), Tax Code, as amended  
34-27 by this Act;
- 34-28 (2) Sections 6.41(b-1), (b-2), and (d-10), Tax Code,  
34-29 as added by this Act;
- 34-30 (3) Section 6.414(d), Tax Code, as amended by this  
34-31 Act;
- 34-32 (4) Section 6.425, Tax Code, as added by this Act;
- 34-33 (5) Section 25.19(b-3), Tax Code, as added by this  
34-34 Act;
- 34-35 (6) Section 41.44(d), Tax Code, as amended by this  
34-36 Act;
- 34-37 (7) Section 41.45(d), Tax Code, as amended by this  
34-38 Act;
- 34-39 (8) Sections 41.45(d-1), (d-2), and (d-3), Tax Code,  
34-40 as added by this Act;
- 34-41 (9) Section 41.66(k), Tax Code, as amended by this  
34-42 Act; and
- 34-43 (10) Section 41.66(k-1), Tax Code, as added by this  
34-44 Act.

34-45 \* \* \* \* \*