

BILL ANALYSIS

Senate Research Center
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S.B. 1227
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Property Tax
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties are concerned about impacts of the direct relationship between holding school tax ratification elections (TRE) on a date other than a uniform election date and low voter participation in those elections. Fewer votes means fewer number of votes determine the winning margin of an item on the election ballot. Under these circumstances, including when the ballot measure relates to bond indebtedness, fewer total votes are needed to pass the measure. Additionally concerning, compared to November uniform date elections, elections held on a date other than a uniform election date result in extra costs to the taxpayer to administer the election. Current law allowing TREs on non-uniform election dates allow school officials to cherry-pick voters sympathetic to their tax-hike and debt proposals and low-turnout election days in order to limit the electorate. The result is less voter engagement in local government decisions about budgets and property tax rates.

To address these concerns, S.B. 1227 requires all school tax ratification elections—TREs—be held on a November uniform election date. Consistent with other provisions of law, an exception is allowed when the governor determines an emergency warrants holding a school tax ratification election before the November uniform election date, for the election may be held on an earlier May uniform election date. The bill makes other changes in law relating to school tax ratification elections.

As proposed, S.B. 1227 amends current law relating to the date for ordering or holding an election to ratify the ad valorem tax rate of a school district and makes conforming changes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.4391(a), Tax Code, to require the chief appraiser to accept and approve or deny an application for an exemption for freeport goods under Section 11.251 (Tangible Personal Property Exempt) after the deadline for filing it has passed if it is filed not later than June 1, rather than not later than June 15.

SECTION 2. Amends Sections 22.23(a) and (b), Tax Code, as follows:

(a) Requires rendition statements and property reports to be delivered to the chief appraiser after January 1 and not later than April 1, rather than April 15, except as provided by Section 22.02 (Rendition of Property Losing Exemption During Tax Year or For Which Exemption Application is Denied).

(b) Requires the chief appraiser, on written request by the property owner, to extend a deadline for filing a rendition statement or property report to a date not later than May 1, rather than May 15.

SECTION 3. Amends Sections 25.19(a) and (g), Tax Code, as follows:

(a) Requires the chief appraiser, by April 15 or as soon thereafter as practicable, to deliver a clear and understandable written notice to a property owner of the appraised value of the property owner's property if certain criteria are met, rather than requiring the chief appraiser, by April 1 or as soon thereafter practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13 (Residence Homestead), or by May 1 or as soon thereafter as practicable in connection with any other property, to deliver a clear and understandable written notice to a property owner of the appraised value of the property owner's property if certain criteria are met.

(g) Requires the chief appraiser, by April 15 or as soon thereafter as practicable, to deliver a written notice to the owner of each property not included in a notice required to be delivered under Subsection (a), if the property was reappraised in the current tax year, if the ownership of the property changed during the preceding year, or if the property owner or the agent of a property owner authorized under Section 1.111 (Representation of Property Owner) makes a written request for the notice, rather than requiring the chief appraiser, by April 1 or as soon thereafter practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with any other property, to deliver a written notice to the owner of each property not included in a notice required to be delivered under Subsection (a), if the property was reappraised in the current tax year, if the ownership of the property changed during the preceding year, or if the property owner or the agent of a property owner authorized under Section 1.111 makes a written request for the notice.

SECTION 4. Amends Section 25.22(a), Tax Code, as follows:

(a) Requires the chief appraiser, by May 1, rather than by May 15, or as soon thereafter as practicable, to submit the completed appraisal records to the appraisal review board for review and determination of protests. Prohibits the chief appraiser from submitting the records until the chief appraiser has delivered the notices required by Sections 11.45(d) (relating to requiring the chief appraiser to deliver a written notice of the modification or denial of an exemption), 23.44(d) (relating to requiring the chief appraiser to deliver a written notice of denial of an application), 23.57(d) (relating to requiring the chief appraiser to deliver written notice of denial to an applicant), 23.79(d) (relating to requiring the chief appraiser to deliver written notice of denial to an applicant), 23.85(d) (relating to requiring the chief appraiser to deliver written notice of denial to a claimant), 23.95(d) (relating to requiring the chief appraiser to deliver written notice of denial to a claimant), 23.9805(d) (relating to requiring the chief appraiser to deliver written notice of denial to an applicant), and 25.19 (Notice of Appraised Value). Makes nonsubstantive changes.

SECTION 5. Amends Sections 26.01(a) and (e), Tax Code, as follows:

(a) Requires the chief appraiser, by July 10, rather than by July 25, to prepare and certify to the assessor for each taxing unit participating in the district that part of the appraisal roll for the district that lists the property taxable by the taxing unit. Makes conforming changes.

(e) Requires the chief appraiser, except as provided by Subsection (f) (relating to a county or municipality that notifies the chief appraiser that the county or municipality elects not to receive a certain estimate), not later than May 15, rather than not later than April 30, to prepare and certify to the assessor for each county, municipality, and school district participating in the appraisal district an estimate of the taxable value of property in that taxing unit.

SECTION 6. Amends Sections 26.04(b) and (e), Tax Code, as follows:

(b) Requires the assessor to submit the appraisal roll for the taxing unit showing the total appraised, assessed, and taxable values of all property and the total taxable value of new property to the governing body of the taxing unit by July 15, rather than by August 1, or as soon thereafter as practicable. Requires the taxing unit's collector, by July 15 or as

soon thereafter as practicable, to certify the anticipated collection rate for the current year to the governing body, rather than requires the taxing unit's collector, by August 1 or as soon thereafter as practicable, to certify an estimate of the collection rate for the current year to the governing body.

(e) Requires the designated officer or employee, by July 22, rather than by August 7, or as soon thereafter as practicable, to submit the rates to the governing body. Requires the designated officer or employee, by July 27, to deliver certain information by mail to each property owner in the taxing unit or publish in a newspaper in the form prescribed by the comptroller of public accounts of the State of Texas (comptroller). Makes conforming changes.

SECTION 7. Amends Section 26.05(a), Tax Code, as follows:

(a) Requires the governing body of each taxing unit, rather than requires the governing body of each taxing unit, before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, to adopt a tax rate for the current tax year and to notify the assessor for the taxing unit of the rate adopted. Requires the governing body to adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, except that the governing body must adopt a tax rate that exceeds the rollback tax rate before August 15. Makes a conforming change.

SECTION 8. Amends Section 26.06(e), Tax Code, as follows:

(e) Prohibits the meeting to vote on the tax increase from being earlier than the third day or later than the seventh day, rather than the 14th day, after the date of the second public hearing. Requires the governing body, if it does not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate by the seventh day, rather than 14th day, to give a new notice under Subsection (d) before it is authorized to adopt a rate that exceeds the lower of the rollback tax rate or the effective tax rate.

SECTION 9. Amends Section 26.08, Tax Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Requires the governing body, except as provided by Subsection (b-1), to order that the election be held in the school district on the uniform election date prescribed by Section 41.001, Election Code, that occurs in November of the applicable tax year, rather than requiring the governing body, except as provided by Subsection (b-1), to order that the election be held in the school district on the uniform election date prescribed by Section 41.001 on a date not less than 30 or more than 90 days after the day on which it adopted the tax rate. Prohibits the order calling the election from being issued later than August 15.

(b-1) Requires an emergency election under Section 41.0011 of the Election Code at which a proposition described by Subsection (b) of this section is submitted to the voters, notwithstanding Section 41.0011(a) (relating to authorizing the governor to call for a special election on a nonuniform date if an emergency warrants the special election), Election Code, to be held on any uniform election date.

SECTION 10. Amends Section 41.12(a), Tax Code, to require the appraisal review board, by July 5, rather than by July 20, to take certain actions.

SECTION 11. Repealer: Section 22.23(c) (relating to requiring rendition statements and property reports for property located in an appraisal district to be delivered to the chief appraiser), Tax Code.

SECTION 12. Provides that the changes in law made by this Act apply to the ad valorem tax rate of a taxing unit beginning with the 2020 tax year.

SECTION 13. Makes application of Sections 11.4391(a) and 22.23(a) and (b), Tax Code, as amended by this Act, prospective to January 1, 2020.

SECTION 14. (a) Requires the comptroller, not later than the 30th day after the date this section takes effect, to mail a written notice to each appraisal district and the assessor for each taxing unit in this state of any change made by this Act to the deadline for complying with a requirement, duty, or function of an appraisal district or taxing unit.

(b) Effective date, this section: upon passage or on the 91st day after the last day of the legislative session.

SECTION 15. Effective date, except as otherwise provided by this Act: January 1, 2020.