

By: Raymond

H.B. No. 160

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to an exemption from ad valorem taxation by certain taxing  
3 units of a portion of the appraised value of the residence homestead  
4 of the parent or guardian of a minor who is disabled and who resides  
5 with the parent or guardian.

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

7 SECTION 1. Section 11.13, Tax Code, is amended by amending  
8 Subsections (c), (d), and (h) and adding Subsection (d-1) to read as  
9 follows:

10 (c) In addition to the exemption provided by Subsection (b)  
11 ~~[of this section]~~, an individual ~~[adult]~~ who is disabled, is the  
12 parent or guardian of a minor who is disabled and who resides with  
13 the parent or guardian, or is 65 years of age or older is entitled to  
14 an exemption from taxation by a school district of \$10,000 of the  
15 appraised value of the individual's ~~[his]~~ residence homestead.

16 (d) In addition to the exemptions provided by Subsections  
17 (b) and (c) ~~[of this section]~~, an individual who is disabled, is the  
18 parent or guardian of a minor who is disabled and who resides with  
19 the parent or guardian, or is 65 years of age or older is entitled to  
20 an exemption from taxation by a taxing unit of the ~~[a]~~ portion  
21 determined ~~[(the amount of which is fixed)]~~ as provided by  
22 Subsection (e) ~~[of this section]~~ of the appraised value of the  
23 individual's ~~[his]~~ residence homestead if the exemption is adopted  
24 by ~~[either]~~:

1 (1) ~~by~~ the governing body of the taxing unit; or

2 (2) ~~by~~ a favorable vote of a majority of the  
3 qualified voters of the taxing unit at an election called by the  
4 governing body of the ~~a~~ taxing unit.

5 (d-1) The ~~, and the~~ governing body of a taxing unit shall  
6 call an ~~the~~ election described by Subsection (d)(2) on the  
7 petition of at least 20 percent of the number of qualified voters  
8 who voted in the preceding election of the taxing unit.

9 (h) Joint, community, or successive owners may not each  
10 receive the same exemption provided by or pursuant to this section  
11 for the same residence homestead in the same year. An individual  
12 who is eligible for more than one ~~[disabled person who is 65 or~~  
13 older may not receive both a disabled and an elderly residence  
14 homestead] exemption under Subsection (c) or more than one  
15 exemption under Subsection (d) is entitled to ~~but may~~ choose and  
16 receive only one exemption under each of those subsections  
17 ~~either~~. A person may not receive an exemption under this section  
18 for more than one residence homestead in the same tax year.

19 SECTION 2. Section 26.06(b), Tax Code, is amended to read as  
20 follows:

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

25 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

26 "The (name of the taxing unit) will hold two public hearings  
27 on a proposal to increase total tax revenues from properties on the

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

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

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

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

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

1 guardians of minors who are disabled and who reside with the parents  
2 or guardians, [persons] or are [persons] 65 years of age or  
3 older).

4 "The average taxable value of a residence homestead in (name  
5 of taxing unit) this year is \$\_\_\_\_ (average taxable value of a  
6 residence homestead in the taxing unit for the current tax year,  
7 disregarding residence homestead exemptions available only to  
8 individuals who are disabled, are the parents or guardians of  
9 minors who are disabled and who reside with the parents or  
10 guardians, [persons] or are [persons] 65 years of age or  
11 older). If the governing body adopts the effective tax rate for  
12 this year of \$\_\_\_\_ (effective tax rate) per \$100 of taxable value,  
13 the amount of taxes imposed this year on the average home would be  
14 \$\_\_\_\_ (tax on average taxable value of a residence homestead in the  
15 taxing unit for the current tax year, disregarding residence  
16 homestead exemptions available only to individuals who are  
17 disabled, are the parents or guardians of minors who are disabled  
18 and who reside with the parents or guardians, [persons] or are  
19 [persons] 65 years of age or older).

20 "If the governing body adopts the proposed tax rate of \$\_\_\_\_  
21 (proposed tax rate) per \$100 of taxable value, the amount of taxes  
22 imposed this year on the average home would be \$\_\_\_\_ (tax on the  
23 average taxable value of a residence in the taxing unit for the  
24 current year disregarding residence homestead exemptions available  
25 only to individuals who are disabled, are the parents or guardians  
26 of minors who are disabled and who reside with the parents or  
27 guardians, [persons] or are [persons] 65 years of age or older).

1 "Members of the public are encouraged to attend the hearings  
2 and express their views."

3 SECTION 3. Section 44.004(c), Education Code, is amended to  
4 read as follows:

5 (c) The notice of public meeting to discuss and adopt the  
6 budget and the proposed tax rate may not be smaller than one-quarter  
7 page of a standard-size or a tabloid-size newspaper, and the  
8 headline on the notice must be in 18-point or larger type. Subject  
9 to Subsection (d), the notice must:

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

11 "NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE  
12 "The (name of school district) will hold a public meeting at  
13 (time, date, year) in (name of room, building, physical location,  
14 city, state). The purpose of this meeting is to discuss the school  
15 district's budget that will determine the tax rate that will be  
16 adopted. Public participation in the discussion is invited." The  
17 statement of the purpose of the meeting must be in bold type. In  
18 reduced type, the notice must state: "The tax rate that is  
19 ultimately adopted at this meeting or at a separate meeting at a  
20 later date may not exceed the proposed rate shown below unless the  
21 district publishes a revised notice containing the same information  
22 and comparisons set out below and holds another public meeting to  
23 discuss the revised notice.";

24 (2) contain a section entitled "Comparison of Proposed  
25 Budget with Last Year's Budget," which must show the difference,  
26 expressed as a percent increase or decrease, as applicable, in the  
27 amounts budgeted for the preceding fiscal year and the amount

1 budgeted for the fiscal year that begins in the current tax year for  
2 each of the following:

3 (A) maintenance and operations;

4 (B) debt service; and

5 (C) total expenditures;

6 (3) contain a section entitled "Total Appraised Value  
7 and Total Taxable Value," which must show the total appraised value  
8 and the total taxable value of all property and the total appraised  
9 value and the total taxable value of new property taxable by the  
10 district in the preceding tax year and the current tax year as  
11 calculated under Section 26.04, Tax Code;

12 (4) contain a statement of the total amount of the  
13 outstanding and unpaid bonded indebtedness of the school district;

14 (5) contain a section entitled "Comparison of Proposed  
15 Rates with Last Year's Rates," which must:

16 (A) show in rows the tax rates described by  
17 Subparagraphs (i)-(iii), expressed as amounts per \$100 valuation of  
18 property, for columns entitled "Maintenance & Operations,"  
19 "Interest & Sinking Fund," and "Total," which is the sum of  
20 "Maintenance & Operations" and "Interest & Sinking Fund":

21 (i) the school district's "Last Year's  
22 Rate";

23 (ii) the "Rate to Maintain Same Level of  
24 Maintenance & Operations Revenue & Pay Debt Service," which:

25 (a) in the case of "Maintenance &  
26 Operations," is the tax rate that, when applied to the current  
27 taxable value for the district, as certified by the chief appraiser

1 under Section 26.01, Tax Code, and as adjusted to reflect changes  
2 made by the chief appraiser as of the time the notice is prepared,  
3 would impose taxes in an amount that, when added to state funds to  
4 be distributed to the district under Chapter 42, would provide the  
5 same amount of maintenance and operations taxes and state funds  
6 distributed under Chapter 42 per student in average daily  
7 attendance for the applicable school year that was available to the  
8 district in the preceding school year; and

9 (b) in the case of "Interest & Sinking  
10 Fund," is the tax rate that, when applied to the current taxable  
11 value for the district, as certified by the chief appraiser under  
12 Section 26.01, Tax Code, and as adjusted to reflect changes made by  
13 the chief appraiser as of the time the notice is prepared, and when  
14 multiplied by the district's anticipated collection rate, would  
15 impose taxes in an amount that, when added to state funds to be  
16 distributed to the district under Chapter 46 and any excess taxes  
17 collected to service the district's debt during the preceding tax  
18 year but not used for that purpose during that year, would provide  
19 the amount required to service the district's debt; and

20 (iii) the "Proposed Rate";

21 (B) contain fourth and fifth columns aligned with  
22 the columns required by Paragraph (A) that show, for each row  
23 required by Paragraph (A):

24 (i) the "Local Revenue per Student," which  
25 is computed by multiplying the district's total taxable value of  
26 property, as certified by the chief appraiser for the applicable  
27 school year under Section 26.01, Tax Code, and as adjusted to

1 reflect changes made by the chief appraiser as of the time the  
2 notice is prepared, by the total tax rate, and dividing the product  
3 by the number of students in average daily attendance in the  
4 district for the applicable school year; and

5 (ii) the "State Revenue per Student," which  
6 is computed by determining the amount of state aid received or to be  
7 received by the district under Chapters 42, 43, and 46 and dividing  
8 that amount by the number of students in average daily attendance in  
9 the district for the applicable school year; and

10 (C) contain an asterisk after each calculation  
11 for "Interest & Sinking Fund" and a footnote to the section that, in  
12 reduced type, states "The Interest & Sinking Fund tax revenue is  
13 used to pay for bonded indebtedness on construction, equipment, or  
14 both. The bonds, and the tax rate necessary to pay those bonds, were  
15 approved by the voters of this district.";

16 (6) contain a section entitled "Comparison of Proposed  
17 Levy with Last Year's Levy on Average Residence," which must:

18 (A) show in rows the information described by  
19 Subparagraphs (i)-(iv), rounded to the nearest dollar, for columns  
20 entitled "Last Year" and "This Year":

21 (i) "Average Market Value of Residences,"  
22 determined using the same group of residences for each year;

23 (ii) "Average Taxable Value of Residences,"  
24 determined after taking into account the limitation on the  
25 appraised value of residences under Section 23.23, Tax Code, and  
26 after subtracting all homestead exemptions applicable in each year,  
27 other than exemptions available only to individuals who are



1 disabled, are the parents or guardians of minors who are disabled  
2 and who reside with the parents or guardians, [~~persons~~] or are  
3 [~~persons~~] 65 years of age or older or their surviving spouses, and  
4 using the same group of residences for each year;

5 (iii) "Last Year's Rate Versus Proposed  
6 Rate per \$100 Value"; and

7 (iv) "Taxes Due on Average Residence,"  
8 determined using the same group of residences for each year; and

9 (B) contain the following  
10 information: "Increase (Decrease) in Taxes" expressed in dollars  
11 and cents, which is computed by subtracting the "Taxes Due on  
12 Average Residence" for the preceding tax year from the "Taxes Due on  
13 Average Residence" for the current tax year;

14 (7) contain the following statement in bold  
15 print: "Under state law, the dollar amount of school taxes imposed  
16 on the residence of a person 65 years of age or older or of the  
17 surviving spouse of such a person, if the surviving spouse was 55  
18 years of age or older when the person died, may not be increased  
19 above the amount paid in the first year after the person turned 65,  
20 regardless of changes in tax rate or property value.";

21 (8) contain the following statement in bold  
22 print: "Notice of Rollback Rate: The highest tax rate the  
23 district can adopt before requiring voter approval at an election  
24 is (the school district rollback rate determined under Section  
25 26.08, Tax Code). This election will be automatically held if the  
26 district adopts a rate in excess of the rollback rate of (the school  
27 district rollback rate)."; and

1           (9) contain a section entitled "Fund Balances," which  
2 must include the estimated amount of interest and sinking fund  
3 balances and the estimated amount of maintenance and operation or  
4 general fund balances remaining at the end of the current fiscal  
5 year that are not encumbered with or by corresponding debt  
6 obligation, less estimated funds necessary for the operation of the  
7 district before the receipt of the first payment under Chapter 42 in  
8 the succeeding school year.

9           SECTION 4. Section 8876.152(b), Special District Local Laws  
10 Code, is amended to read as follows:

11           (b) Sections 49.236(a)(1), (a)(2)(A)-(F), and (b) [~~Section~~  
12 ~~49.236~~], Water Code, apply [~~as added by Chapter 248 (H.B. 1541),~~  
13 ~~Acts of the 78th Legislature, Regular Session, 2003, applies~~] to  
14 the district.

15           SECTION 5. Sections 49.236(a) and (d), Water Code, as added  
16 by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular  
17 Session, 2003, are amended to read as follows:

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

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

25                               "NOTICE OF PUBLIC HEARING ON TAX RATE

26           "The (name of the district) will hold a public hearing on a  
27 proposed tax rate for the tax year (year of tax levy) on (date and

1 time) at (meeting place). Your individual taxes may increase or  
2 decrease, depending on the change in the taxable value of your  
3 property in relation to the change in taxable value of all other  
4 property and the tax rate that is adopted.

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

8 (2) contain the following information:

9 (A) the district's total adopted tax rate for the  
10 preceding year and the proposed tax rate, expressed as an amount per  
11 \$100;

12 (B) the difference, expressed as an amount per  
13 \$100 and as a percent increase or decrease, as applicable, in the  
14 proposed tax rate compared to the adopted tax rate for the preceding  
15 year;

16 (C) the average appraised value of a residence  
17 homestead in the district in the preceding year and in the current  
18 year; the district's total homestead exemption, other than an  
19 exemption available only to individuals who are disabled, are the  
20 parents or guardians of minors who are disabled and who reside with  
21 the parents or guardians, [persons] or are [persons] 65 years of age  
22 or older, applicable to that appraised value in each of those years;  
23 and the average taxable value of a residence homestead in the  
24 district in each of those years, disregarding any homestead  
25 exemption available only to individuals who are disabled, are the  
26 parents or guardians of minors who are disabled and who reside with  
27 the parents or guardians, [persons] or are [persons] 65 years of age

1 or older;

2 (D) the amount of tax that would have been  
3 imposed by the district in the preceding year on a residence  
4 homestead appraised at the average appraised value of a residence  
5 homestead in that year, disregarding any homestead exemption  
6 available only to individuals who are disabled, are the parents or  
7 guardians of minors who are disabled and who reside with the parents  
8 or guardians, [persons] or are [persons] 65 years of age or older;

9 (E) the amount of tax that would be imposed by the  
10 district in the current year on a residence homestead appraised at  
11 the average appraised value of a residence homestead in that year,  
12 disregarding any homestead exemption available only to individuals  
13 who are disabled, are the parents or guardians of minors who are  
14 disabled and who reside with the parents or guardians, [persons] or  
15 are [persons] 65 years of age or older, if the proposed tax rate is  
16 adopted; [and]

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

23 (G) if the proposed combined debt service,  
24 operation and maintenance, and contract tax rate would authorize  
25 the qualified voters of the district by petition to require a  
26 rollback election to be held in the district, a description of the  
27 purpose of the proposed tax increase; and

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

3           "NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

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

9           (d) If the governing body of a district adopts a combined  
10 debt service, operation and maintenance, and contract tax rate that  
11 would impose more than 1.08 times the amount of tax imposed by the  
12 district in the preceding year on a residence homestead appraised  
13 at the average appraised value of a residence homestead in the  
14 district in that year, disregarding any homestead exemption  
15 available only to individuals who are disabled, are the parents or  
16 guardians of minors who are disabled and who reside with the parents  
17 or guardians, [persons] or are [persons] 65 years of age or older,  
18 the qualified voters of the district by petition may require that an  
19 election be held to determine whether or not to reduce the tax rate  
20 adopted for the current year to the rollback tax rate in accordance  
21 with the procedures provided by Sections 26.07(b)-(g) and 26.081,  
22 Tax Code. For purposes of Sections 26.07(b)-(g), Tax Code, and this  
23 subsection, the rollback tax rate is the current year's debt  
24 service and contract tax rates plus the operation and maintenance  
25 tax rate that would impose 1.08 times the amount of the operation  
26 and maintenance tax imposed by the district in the preceding year on  
27 a residence homestead appraised at the average appraised value of a

1 residence homestead in the district in that year, disregarding any  
2 homestead exemption available only to individuals who are disabled,  
3 are the parents or guardians of minors who are disabled and who  
4 reside with the parents or guardians, ~~[persons]~~ or are ~~[persons]~~ 65  
5 years of age or older.

6 SECTION 6. The following provisions are repealed:

7 (1) Section 49.236, Water Code, as added by Chapter  
8 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,  
9 2003; and

10 (2) Section 49.2361, Water Code.

11 SECTION 7. This Act applies only to ad valorem taxes imposed  
12 for a tax year that begins on or after the effective date of this  
13 Act.

14 SECTION 8. This Act takes effect January 1, 2020, but only  
15 if the constitutional amendment proposed by the 86th Legislature,  
16 Regular Session, 2019, to provide for an exemption from ad valorem  
17 taxation by certain political subdivisions of a portion of the  
18 market value of the residence homestead of the parent or guardian of  
19 a minor who is disabled and who resides with the parent or guardian  
20 is approved by the voters. If that amendment is not approved by the  
21 voters, this Act has no effect.