AN ACT
relating to ad valorem taxation; authorizing fees.

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

SECTION 1. This Act may be cited as the Texas Property Tax Reform and Transparency Act of 2019.

SECTION 2. Chapter 1, Tax Code, is amended by adding Section 1.045 to read as follows:

Sec. 1.045. REFERENCE TO CERTAIN TERMS IN LAW. Unless the context indicates otherwise:

(1) a reference in law to a taxing unit's effective maintenance and operations rate is a reference to the taxing unit's no-new-revenue maintenance and operations rate, as defined by Chapter 26;

(2) a reference in law to a taxing unit's effective tax rate is a reference to the taxing unit's no-new-revenue tax rate, as defined by Chapter 26; and

(3) a reference in law to a taxing unit's rollback tax rate is a reference to the taxing unit's voter-approval tax rate, as defined by Chapter 26.

SECTION 3. Section 1.07(a), Tax Code, is amended to read as follows:

(a) An official or agency required by this title to deliver a notice to a property owner may deliver the notice by regular first-class mail, with postage prepaid, unless this section or
another provision of this title requires or authorizes a different method of delivery or the parties agree that the notice must be delivered as provided by Section 1.085 or 1.086.

SECTION 4. Section 1.085(a), Tax Code, is amended to read as follows:

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

SECTION 5. Chapter 1, Tax Code, is amended by adding Section 1.086 to read as follows:

Sec. 1.086. DELIVERY OF CERTAIN NOTICES BY E-MAIL. (a) On the written request of the owner of a residential property that is occupied by the owner as the owner’s principal residence, the chief appraiser of the appraisal district in which the property is located shall send each notice required by this title related to the following to the e-mail address of the owner:

(1) a change in value of the property;

(2) the eligibility of the property for an exemption;
or

(3) the grant, denial, cancellation, or other change in the status of an exemption or exemption application applicable to the property.

(b) A property owner must provide the e-mail address to which the chief appraiser must send the notices described by Subsection (a) in a request made under that subsection.

(c) A chief appraiser who delivers a notice electronically under this section is not required to mail the same notice to the property owner.

(d) A request made under this section remains in effect until revoked by the property owner in a written revocation filed with the chief appraiser.

(e) After a property owner makes a request under this section and before a chief appraiser may deliver a notice electronically under this section, the chief appraiser must send an e-mail to the address provided by the property owner confirming the owner’s request to receive notices electronically.

(f) The chief appraiser of an appraisal district that maintains an Internet website shall provide a form on the website that a property owner may use to electronically make a request under this section.

SECTION 6. Chapter 5, Tax Code, is amended by adding Section 5.01 to read as follows:

Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD.

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

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

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

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

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

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

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

SECTION 7. Sections 5.041(b), (c), (e-1), and (e-3), Tax
Code, are amended to read as follows:

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

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

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

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

(2) the appraisal of business personal property;

(3) the determination of capitalization rates for
property appraisal purposes;

(4) the duties of an appraisal review board;

(5) the requirements regarding the independence of an
appraisal review board from the board of directors and the chief appraiser and other employees of the appraisal district;

(6) the prohibitions against ex parte communications applicable to appraisal review board members;

(7) the Uniform Standards of Professional Appraisal Practice;

(8) the duty of the appraisal district to substantiate the district's determination of the value of property;

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

(10) the right of a property owner to protest the appraisal of the property as provided by Chapter 41; and

(11) a detailed explanation of each of the actions described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413, 41.42, and 41.43 so that members are fully aware of each of the grounds on which a property appraisal can be appealed.

(e-3) The comptroller may contract with service providers to assist with the duties imposed under Subsection (e-1), but the course required by that subsection may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the continuing education course, but the fee may not exceed $50 for each person trained. If the training is provided to an individual other than a member of an appraisal review board, the comptroller may assess a fee not to exceed $50 for each
person trained.

SECTION 8. Chapter 5, Tax Code, is amended by adding Section 5.043 to read as follows:

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

(b) The comptroller shall:
   (1) approve curricula and provide an arbitration manual and other materials for use in training and educating arbitrators;
   (2) make all materials for use in training and educating arbitrators freely available online; and
   (3) establish and supervise a training program on property tax law for the training and education of arbitrators.

(c) The training program must:
   (1) emphasize the requirements regarding the equal and uniform appraisal of property; and
   (2) be at least four hours in length.

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

(e) The comptroller may contract with service providers to assist with the duties imposed under Subsection (b), but the training program may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member
of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training program, but the fee may not exceed $50 for each person trained. If the training is provided to a person other than a person who has agreed to serve as an arbitrator under Chapter 41A, the comptroller may assess a fee not to exceed $50 for each person trained.

(f) The comptroller shall prepare an arbitration manual for use in the training program. The manual shall be updated regularly and may be revised on request, in writing, to the comptroller. The revised language must be approved by the unanimous agreement of a committee selected by the comptroller and representing, equally, taxpayers and chief appraisers. The person requesting the revision must pay the costs of mediation if the comptroller determines that mediation is required.

SECTION 9. Section 5.05, Tax Code, is amended by adding Subsections (c-1) and (c-2) to read as follows:

(c-1) An appraisal district shall appraise property in accordance with any appraisal manuals required by law to be prepared and issued by the comptroller.

(c-2) Appraisal manuals required by law to be prepared and issued by the comptroller for the purpose of determining the market value of property shall be prepared based on generally accepted appraisal methods and techniques.

SECTION 10. Section 5.07, Tax Code, is amended by adding Subsections (f), (g), (h), (i), and (j) to read as follows:

(f) The comptroller shall prescribe tax rate calculation
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forms to be used by the designated officer or employee of each:

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

(2) a school district to:

(A) calculate and submit the no-new-revenue tax rate and the voter-approval tax rate for the district as required by Chapter 26; and

(B) submit the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year as required by Chapter 26.

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

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

(2) be capable of being certified by the designated officer or employee after completion as accurately calculating the applicable tax rates and using values that are the same as the values shown in, as applicable:

(A) the taxing unit's certified appraisal roll;

or

(B) the certified estimate of taxable value of property in the taxing unit prepared under Section 26.01(a-1); and

(3) be capable of being electronically incorporated into the property tax database maintained by each appraisal district under Section 26.17 and submitted electronically to the
For purposes of Subsections (f) and (g), the comptroller shall use the forms published on the comptroller's Internet website as of January 1, 2019, modified as necessary to comply with the requirements of this section. The comptroller shall update the forms as necessary to reflect formatting or other nonsubstantive changes.

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

(j) A meeting of the committee held under Subsection (i) is not subject to the requirements of Chapter 551, Government Code.

SECTION 11. Section 5.09, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The comptroller shall prepare a biennial report of the total appraised values and taxable values of taxable property by category and the tax rates of each county, municipality, special district, and school district in effect for the two years preceding
the year in which the report is prepared.  

(a-1) The comptroller shall:

(1) prescribe the format by which an appraisal
district or taxing unit must submit information under this section
to the comptroller;

(2) collect and review in detail the information
submitted that relates to each county, municipality, and school
district; and

(3) collect and review the information submitted that
relates to each special district.

SECTION 12. Section 5.091, Tax Code, is amended to read as
follows:

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

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

(2) list the tax rates alphabetically according to:

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

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

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

SECTION 13. Sections 5.102(a) and (c), Tax Code, are
amended to read as follows:

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

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

(1) the appraisal district's chief appraiser and board
of directors; and
(2) the superintendent and board of trustees of each school district participating in the appraisal district.

SECTION 14. Chapter 5, Tax Code, is amended by adding Section 5.104 to read as follows:

Sec. 5.104. APPRAISAL REVIEW BOARD SURVEY; REPORT.

(a) The comptroller shall:

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

(2) prepare instructions for completing and submitting the survey; and

(3) implement and maintain a method that allows an individual described by Subsection (b) to electronically complete and submit the survey through a uniform resource locator (URL) address.

(b) The following individuals who attend a hearing in person or by telephone conference call on a motion filed under Section 25.25 to correct the appraisal roll or a protest under Chapter 41 may complete and submit a survey under this section:

(1) a property owner whose property is the subject of the motion or protest;

(2) the designated agent of the owner; or

(3) a designated representative of the appraisal district in which the motion or protest is filed.

(c) The survey must allow an individual to submit comments and suggestions regarding:
(1) the matters listed in Section 5.103(b); and

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

(d) An appraisal district must provide to each property owner or designated agent of the owner who is authorized to submit a survey under this section a notice that states that the owner or agent:

(1) is entitled to complete and submit the survey;

(2) may submit the survey to the comptroller:

(A) in person;

(B) by mail;

(C) by electronic mail; or

(D) through the uniform resource locator (URL) address described by Subsection (a)(3); and

(3) may obtain a paper copy of the survey and instructions for completing the survey at the appraisal office.

(e) The notice described by Subsection (d) must include the uniform resource locator (URL) address described by Subsection (a)(3).

(f) An appraisal district must provide the notice described by Subsection (d) to a property owner or the designated agent of the owner:

(1) at or before the first hearing on the motion or protest described by Subsection (b) by the appraisal review board established for the appraisal district or by a panel of the board; and

(2) with each order under Section 25.25 or 41.47.
determining a motion or protest, as applicable, delivered by the
board or a panel of the board.

(g) At or before the first hearing on the motion or protest
described by Subsection (b) by the appraisal review board
established for the appraisal district or by a panel of the board,
the board or panel must provide verbal notice to the property owner
or designated agent of the owner of the owner or agent's right to
complete and submit the survey.

(h) Notwithstanding Subsections (d), (f), and (g), if an
appraisal district provides the notice described by Subsection (d),
or an appraisal review board provides the verbal notice required by
Subsection (g), to a property owner or the designated agent of the
owner at or before a hearing on a motion or protest described by
Subsection (b), the appraisal district or board, as applicable, is
not required to provide another notice in the same manner to the
owner or agent at or before another hearing on a motion or protest
held on the same day.

(i) An individual who elects to submit the survey must
submit the survey to the comptroller as provided by this section.
An individual may submit only one survey for each hearing.

(j) The comptroller shall allow an individual to submit a
survey to the comptroller in the following manner:

(1) in person;
(2) by mail;
(3) by electronic mail; or
(4) through the uniform resource locator (URL) address
described by Subsection (a)(3).
(k) An appraisal district may not require a property owner or the designated agent of the owner to complete a survey at the appraisal office.

(1) The comptroller shall issue an annual report that summarizes the information included in the surveys submitted during the preceding tax year. The report may not disclose the identity of an individual who submitted a survey.

(m) The comptroller may adopt rules necessary to implement this section.

SECTION 15. Section 5.13(d), Tax Code, is amended to read as follows:

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

(1) the extent to which the district complies with applicable law or generally accepted standards of appraisal or other relevant practice, including appraisal standards and practices prescribed by any appraisal manuals required by law to be prepared and issued by the comptroller;

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

(3) duplication of effort and efficiency of operation;

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

(5) except as otherwise provided by Subsection (b) [of this section], any other matter included in the request for the
SECTION 16. Section 6.035(a-1), Tax Code, is amended to read as follows:

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

SECTION 17. Subchapter A, Chapter 6, Tax Code, is amended by adding Section 6.054 to read as follows:

Sec. 6.054. RESTRICTION ON EMPLOYMENT BY APPRAISAL DISTRICT. An individual may not be employed by an appraisal district if the individual is:

(1) an officer of a taxing unit that participates in the appraisal district; or

(2) an employee of a taxing unit that participates in the appraisal district.

SECTION 18. Section 6.15, Tax Code, is amended by adding Subsection (c-1) to read as follows:

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

SECTION 19. Subchapter A, Chapter 6, Tax Code, is amended by adding Section 6.16 to read as follows:
Sec. 6.16. RESIDENTIAL PROPERTY OWNER ASSISTANCE. (a) The chief appraiser of an appraisal district may maintain a list of the following individuals who have designated themselves as an individual who will provide free assistance to an owner of residential property that is occupied by the owner as the owner's principal residence:

1. A real estate broker or sales agent licensed under Chapter 1101, Occupations Code;
2. A real estate appraiser licensed or certified under Chapter 1103, Occupations Code; or
3. A property tax consultant registered under Chapter 1152, Occupations Code.

(b) On the request of an owner described by Subsection (a), a chief appraiser who maintains a list under this section shall provide to the owner a copy of the list.

(c) A list must:

1. Be organized by county;
2. Be available on the appraisal district's Internet website, if the appraisal district maintains a website; and
3. Provide the name, contact information, and job title of each individual who will provide free assistance.

(d) A person must designate himself or herself as an individual who will provide free assistance by completing a form prescribed by the chief appraiser and submitting the form to the chief appraiser.

SECTION 20. Section 6.41, Tax Code, is amended by amending Subsections (b) and (d-9) and adding Subsections (b-1), (b-2), and
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(d-10) to read as follows:

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

(b-1) An appraisal district board of directors by resolution of a majority of the board's members may increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate.

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

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

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

SECTION 21. Sections 6.412(a) and (d), Tax Code, are amended to read as follows:
(a) An individual is ineligible to serve on an appraisal review board if the individual:

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

2. owns property on which delinquent taxes have been owed to a taxing unit for more than 60 days after the date the individual knew or should have known of the delinquency unless:
   
   (A) the delinquent taxes and any penalties and interest are being paid under an installment payment agreement under Section 33.02; or
   
   (B) a suit to collect the delinquent taxes is deferred or abated under Section 33.06 or 33.065; or

3. is related within the third degree by consanguinity or within the second degree by affinity, as determined under Chapter 573, Government Code, to a member of:
   
   (A) the appraisal district's board of directors; or
   
   (B) the appraisal review board.

(d) A person is ineligible to serve on the appraisal review board of an appraisal district established for a county described by Section 6.41(d-1) [having a population of more than 100,000] if the person:
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(1) is a former member of the board of directors, former officer, or former employee of the appraisal district;

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

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

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

SECTION 22. Section 6.414(d), Tax Code, is amended to read as follows:

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

SECTION 23. Section 6.42, Tax Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:
(a) A majority of the appraisal review board constitutes a quorum. The local administrative district judge under Subchapter D, Chapter 74, Government Code, in the county in which the appraisal district is established shall select a chairman and a secretary from among the members of the appraisal review board. The judge is encouraged to select as chairman a member of the appraisal review board, if any, who has a background in law and property appraisal.

(d) The concurrence of a majority of the members of the appraisal review board present at a meeting of the board is sufficient for a recommendation, determination, decision, or other action by the board. The concurrence of a majority of the members of a panel of the board present at a meeting of the panel is sufficient for a recommendation by the panel. The concurrence of more than a majority of the members of the board or panel may not be required.

SECTION 24. Subchapter C, Chapter 6, Tax Code, is amended by adding Section 6.425 to read as follows:

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

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

(1) has an appraised value as determined by the
1 appraisal district equal to or greater than the minimum eligibility amount determined as provided by Subsection (g); and
2 (2) is included in one of the following classifications:
3 (A) commercial real and personal property;
4 (B) real and personal property of utilities;
5 (C) industrial and manufacturing real and personal property; and
6 (D) multifamily residential real property.
7 (c) Each special panel described by this section consists of three members of the appraisal review board appointed by the chairman of the board.
8 (d) To be eligible to be appointed to a special panel described by this section, a member of the appraisal review board must:
9 (1) hold a juris doctor or equivalent degree;
10 (2) hold a master of business administration degree;
11 (3) be licensed as a certified public accountant under Chapter 901, Occupations Code;
12 (4) be accredited by the American Society of Appraisers as an accredited senior appraiser;
13 (5) possess an MAI professional designation from the Appraisal Institute;
14 (6) possess a Certified Assessment Evaluator (CAE) professional designation from the International Association of Assessing Officers;
15 (7) have at least 10 years of experience in property
tax appraisal or consulting; or

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

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

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

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

(f) In addition to conducting protest hearings relating to property described by Subsection (b) of this section, a special panel may conduct protest hearings under Chapter 41 relating to property not described by Subsection (b) of this section as assigned by the chairman of the appraisal review board.

(g) By February 1 or as soon thereafter as practicable, the comptroller shall determine the minimum eligibility amount for the current tax year for purposes of Subsection (b)(1) and publish that amount in the Texas Register. The minimum eligibility amount for the 2020 tax year is $50 million. For each succeeding tax year, the minimum eligibility amount is equal to the minimum eligibility amount for the preceding tax year as adjusted by the comptroller to reflect the inflation rate.

(h) In this section:

(1) "Consumer price index" means the Consumer Price
Index for All Urban Consumers (CPI-U), U.S. City Average, published by the Bureau of Labor Statistics of the United States Department of Labor.

(2) "Inflation rate" means the amount, expressed in decimal form rounded to the nearest thousandth, computed by determining the percentage change in the consumer price index for the preceding calendar year as compared to the consumer price index for the calendar year preceding that calendar year.

SECTION 25. Section 11.24, Tax Code, is amended to read as follows:

Sec. 11.24. HISTORIC SITES. (a) The governing body of a taxing unit by official action of the body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or archeological site, if the structure or archeological site is:

(1) designated as a Recorded Texas Historic Landmark under Chapter 442, Government Code, or a state archeological landmark under Chapter 191, Natural Resources Code, by the Texas Historical Commission; or

(2) designated as a historically or archeologically significant site in need of tax relief to encourage its preservation pursuant to an ordinance or other law adopted by the governing body of the taxing unit.

(b) The governing body of a taxing unit may not repeal or reduce the amount of an exemption granted under Subsection (a) for a property that otherwise qualifies for the exemption unless:
(1) the owner of the property consents to the repeal or reduction; or
(2) the taxing unit provides written notice of the repeal or reduction to the owner not later than five years before the date the governing body repeals or reduces the exemption.

SECTION 26. Section 11.4391(a), Tax Code, is amended to read as follows:

(a) The chief appraiser shall accept and approve or deny an application for an exemption for freeport goods under Section 11.251 after the deadline for filing it has passed if it is filed on or before the later of:

(1) June 15; or
(2) if applicable, the 60th day after the date on which the chief appraiser delivers notice to the property owner under Section 22.22.

SECTION 27. Section 22.23(d), Tax Code, is amended to read as follows:

(d) Notwithstanding any other provision of this section, rendition statements and property reports required to be filed by a property owner [for property] regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission must be delivered to the chief appraiser not later than April 30, except as provided by Section 22.02. On written request by the property owner, the chief appraiser shall extend the filing deadline to May 15. The chief appraiser may further extend the filing deadline an additional 15 days for good cause shown in
writing by the property owner.

SECTION 28. Section 23.01, Tax Code, is amended by adding Subsection (h) to read as follows:

(h) Appraisal methods and techniques included in the most recent versions of the following are considered generally accepted appraisal methods and techniques for the purposes of this title:

(1) the Appraisal of Real Estate published by the Appraisal Institute;
(2) the Dictionary of Real Estate Appraisal published by the Appraisal Institute;
(3) the Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation; and
(4) a publication that includes information related to mass appraisal.

SECTION 29. Section 25.19, Tax Code, is amended by amending Subsections (b) and (i) and adding Subsections (b-3) and (b-4) to read as follows:

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

(1) a list of the taxing units in which the property is taxable;
(2) the appraised value of the property in the preceding year;
(3) the taxable value of the property in the preceding year for each taxing unit taxing the property;
(4) the appraised value of the property for the current year, the kind and amount of each exemption and partial
exemption, if any, approved for the property for the current year
and for the preceding year, and, if an exemption or partial
exemption that was approved for the preceding year was canceled or
reduced for the current year, the amount of the exemption or partial
exemption canceled or reduced;

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

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

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

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

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

(b-3) This subsection applies only to an appraisal district
described by Section 6.41(b-2). In addition to the information
required by Subsection (b), the chief appraiser shall state in a
notice of appraised value of property described by Section 6.425(b)
that the property owner has the right to have a protest relating to
the property heard by a special panel of the appraisal review board.
(b-4) Subsection (b)(5) applies only to a notice of appraised value required to be delivered by the chief appraiser of an appraisal district established in a county with a population of less than 120,000. This subsection expires January 1, 2022.

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

SECTION 30. Chapter 25, Tax Code, is amended by adding Sections 25.192 and 25.193 to read as follows:

Sec. 25.192. NOTICE OF RESIDENCE HOMESTEAD EXEMPTION ELIGIBILITY. (a) This section applies only to residential property that has not qualified for a residence homestead exemption in the current tax year.

(b) If the records of the appraisal district indicate that the address of the property is also the address of the owner of the property, the chief appraiser must send to the property owner a notice that contains:

(1) the following statement in boldfaced 18-point type at the top of the first page of the notice: "NOTICE: A residence homestead exemption from ad valorem taxation is NOT currently being allowed on the property listed below. However, our records show that this property may qualify for a residence homestead exemption, which will reduce your taxes."

(2) following the statement described by Subdivision
(1), the following statement in 12-point type: "According to the records of the appraisal district, the property described in this notice may be your primary residence and may qualify for a residence homestead exemption from ad valorem taxation. If the property is your home and you occupy it as your primary residence, the property likely qualifies for one or more residence homestead exemptions, which will reduce the amount of taxes imposed on the property. The form needed to apply for a residence homestead exemption is enclosed. Although the form may state that the deadline for filing an application for a residence homestead exemption is April 30, a late application for a residence homestead exemption will be accepted if filed before February 1, (insert year application must be filed). There is no fee or charge for filing an application or a late application for a residence homestead exemption."; and

(3) following the statement described by Subdivision (2), the address to which the notice is sent.

(c) The notice required by this section must be accompanied by an application form for a residence homestead exemption.

(d) If a property owner has elected to receive notices by e-mail as provided by Section 1.086, the notice required by this section must be sent in that manner separately from any other notice sent to the property owner by the chief appraiser.

Sec. 25.193. NOTICE OF CERTAIN CANCELED OR REDUCED EXEMPTIONS. (a) By April 1 or as soon thereafter as practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with residential property that does not
qualify for an exemption under Section 11.13, the chief appraiser shall deliver a clear and understandable written notice to a property owner if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year.

(b) If a property owner has elected to receive notices by e-mail as provided by Section 1.086, for property described by that section, the notice required by this section must be sent in that manner regardless of whether the information was also included in a notice under Section 25.19 and must be sent separately from any other notice sent to the property owner by the chief appraiser.

SECTION 31. Section 26.01, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) If by July 20 the appraisal review board for an appraisal district has not approved the appraisal records for the district as required under Section 41.12, the chief appraiser shall not later than July 25 prepare and certify to the assessor for each taxing unit participating in the district an estimate of the taxable value of property in that taxing unit.

SECTION 32. Section 26.012, Tax Code, is amended by adding Subdivisions (8-a) and (19) and amending Subdivisions (10) and (13) to read as follows:

(B-a) "De minimis rate" means the rate equal to the sum of:

(A) a taxing unit's no-new-revenue maintenance and operations rate;

(B) the rate that, when applied to a taxing
unit's current total value, will impose an amount of taxes equal to $500,000; and

(C) a taxing unit's current debt rate.

(10) "Excess collections" means the amount, if any, by which debt taxes collected in the preceding year exceeded the amount anticipated in the preceding year's calculation of the voter-approval tax [rollback] rate, as certified by the collector under Section 26.04(b) [of this code].

(13) "Last year's levy" means the total of:

(A) the amount of taxes that would be generated by multiplying the total tax rate adopted by the governing body in the preceding year by the total taxable value of property on the appraisal roll for the preceding year, including:

(i) taxable value that was reduced in an appeal under Chapter 42; [and]

(ii) all appraisal roll supplements and corrections other than corrections made pursuant to Section 25.25(d), as of the date of the calculation, except that last year's taxable value for a school district excludes the total value of homesteads that qualified for a tax limitation as provided by Section 11.26 and last year's taxable value for a county, municipality, or junior college district excludes the total value of homesteads that qualified for a tax limitation as provided by Section 11.261; and

(iii) the portion of taxable value of property that is the subject of an appeal under Chapter 42 on July 25 that is not in dispute; and
(B) the amount of taxes refunded by the taxing unit in the preceding year for tax years before that year.

(19) "Special taxing unit" means:

(A) a taxing unit, other than a school district, for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per $100 of taxable value;

(B) a junior college district; or

(C) a hospital district.

SECTION 33. Section 26.012(9), Tax Code, is redesignated as Section 26.012(18), Tax Code, and amended to read as follows:

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

\[
\text{NO-NEW-REVENUE [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE} = \frac{\text{LAST YEAR'S LEVY} - \text{LAST YEAR'S DEBT LEVY} - \text{LAST YEAR'S JUNIOR COLLEGE LEVY}}{\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE}}
\]

SECTION 34. Chapter 26, Tax Code, is amended by adding Section 26.013 to read as follows:

Sec. 26.013. UNUSED INCREMENT RATE. (a) In this section:

(1) "Actual tax rate" means a taxing unit's actual tax rate used to levy taxes in the applicable preceding tax year.

(2) "Voter-approval tax rate" means a taxing unit's voter-approval tax rate in the applicable preceding tax year less the unused increment rate for that preceding tax year.

(3) "Year 1" means the third tax year preceding the current tax year.
(4) "Year 2" means the second tax year preceding the current tax year.

(5) "Year 3" means the tax year preceding the current tax year.

(b) In this chapter, "unused increment rate" means the greater of:

(1) zero; or
(2) the rate expressed in dollars per $100 of taxable value calculated according to the following formula:

\[
\text{UNUSED INCREMENT RATE} = (\text{YEAR 1 VOTER-APPROVAL TAX RATE} - \text{YEAR 1 ACTUAL TAX RATE}) + (\text{YEAR 2 VOTER-APPROVAL TAX RATE} - \text{YEAR 2 ACTUAL TAX RATE}) + (\text{YEAR 3 VOTER-APPROVAL TAX RATE} - \text{YEAR 3 ACTUAL TAX RATE})
\]

(c) Notwithstanding Subsection (b)(2), for each tax year before the 2020 tax year, the difference between the taxing unit’s voter-approval tax rate and actual tax rate is considered to be zero. This subsection expires December 31, 2022.

SECTION 35. The heading to Section 26.04, Tax Code, is amended to read as follows:

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

SECTION 36. Section 26.04, Tax Code, is amended by amending Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and adding Subsections (c-1), (c-2), (d-1), (d-2), (d-3), (e-2), (e-3), (e-4), (e-5), (h-1), and (h-2) to read as follows:

(b) The assessor shall 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 August 1 or as soon thereafter as practicable. By August 1 or as soon thereafter as practicable, the taxing unit's collector shall certify [an estimate of] the anticipated collection rate as calculated under Subsections (h), (h-1), and (h-2) for the current year to the governing body. If the collector certified an anticipated collection rate in the preceding year and the actual collection rate in that year exceeded the anticipated rate, the collector shall also certify the amount of debt taxes collected in excess of the anticipated amount in the preceding year.

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

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

\[
\text{NO-NEW-REVENUE [EFFECTIVE] TAX RATE} = \frac{\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}}{\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE}};
\]

and

2. "Voter-approval [Rollback] tax rate" means a rate expressed in dollars per $100 of taxable value calculated according
to the following applicable formula:

(A) for a special taxing unit:

VOTER-APPROVAL [ROLLBACK] TAX RATE = (NO-NEW-REVENUE [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE \times 1.08) + CURRENT DEBT RATE; or

(B) for a taxing unit other than a special taxing unit:

VOTER-APPROVAL TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE \times 1.035) + (CURRENT DEBT RATE + UNUSED INCREMENT RATE)

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a special taxing unit may direct the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the voter-approval tax rate in the manner provided by this subsection until the earlier of:

(1) the second tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or
(2) the third tax year after the tax year in which the disaster occurred.

(c-2) Notwithstanding any other provision of this section, if the assessor for a taxing unit receives a certified estimate of the taxable value of property in the taxing unit under Section 26.01(a-1), the officer or employee designated by the governing body of the taxing unit shall calculate the no-new-revenue tax rate and voter-approval tax rate using the certified estimate of taxable value.

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

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

(d-2) The designated officer or employee may not submit the no-new-revenue tax rate and the voter-approval tax rate to the governing body of the taxing unit and the taxing unit may not adopt a tax rate until the designated officer or employee certifies on the tax rate calculation forms that the designated officer or employee has accurately calculated the tax rates and has used values that are the same as the values shown in the taxing unit's certified appraisal roll in performing the calculations.
(d-3) As soon as practicable after the designated officer or employee calculates the no-new-revenue tax rate and the voter-approval tax rate of the taxing unit, the designated officer or employee shall submit the tax rate calculation forms used in calculating the rates to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located.

(e) By August 7 or as soon thereafter as practicable, the designated officer or employee shall submit the rates to the governing body. The designated officer or employee shall post prominently on the home page of the taxing unit's Internet website (deliver by mail to each property owner in the unit or publish in a newspaper) in the form prescribed by the comptroller:

1. the no-new-revenue [effective] tax rate, the voter-approval [rollback] tax rate, and an explanation of how they were calculated;

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

3. a schedule of the taxing unit's debt obligations showing:

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

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

(C) the total of the amounts listed in Paragraphs (A)-(B), less any amount collected in excess of the previous year's anticipated collections certified as provided in Subsection (b)(4)

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

(5) a statement that the adoption of a tax rate equal to the effective tax rate would result in an increase or decrease, as applicable, in the amount of taxes imposed by the unit as compared to last year's levy, and the amount of the increase or decrease;

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

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

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

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

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

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

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

(e-1) The tax rate certification requirements imposed by Subsection (d-2) and the notice requirements imposed by Subsections (e)(1)-(3) [(e)(1)-(6)] do not apply to a school district.

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

(1) a statement directing the property owner to an
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1 Internet website from which the owner may access information
2 related to the actions taken or proposed to be taken by each taxing
3 unit in which the property is located that may affect the taxes
4 imposed on the owner's property;
5
6 (2) a statement that the property owner may request
7 from the county assessor-collector for the county in which the
8 property is located or, if the county assessor-collector does not
9 assess taxes for the county, the person who assesses taxes for the
10 county under Section 6.24(b), contact information for the assessor
11 for each taxing unit in which the property is located, who must
12 provide the information described by this subsection to the owner
13 on request; and
14
15 (3) the name, address, and telephone number of the
16 county assessor-collector for the county in which the property is
17 located or, if the county assessor-collector does not assess taxes
18 for the county, the person who assesses taxes for the county under
19 Section 6.24(b).
20
21 (e-3) The statement described by Subsection (e-2)(1) must
22 include a heading that is in bold, capital letters in type larger
23 than that used in the other provisions of the notice.
24
25 (e-4) The comptroller:
26
27 (1) with the advice of the property tax administration
28 advisory board, shall adopt rules prescribing the form of the
29 notice required by Subsection (e-2); and
30
31 (2) may adopt rules regarding the format and delivery
32 of the notice.
33
34 (e-5) The governing body of a taxing unit shall include as
an appendix to the taxing unit's budget for a fiscal year the tax
rate calculation forms used by the designated officer or employee
of the taxing unit to calculate the no-new-revenue tax rate and the
voter-approval tax rate of the taxing unit for the tax year in which
the fiscal year begins.

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

(g) A person who owns taxable property is entitled to an
injunction prohibiting the taxing unit in which the property is
taxable from adopting a tax rate if the assessor or designated
officer or employee of the taxing unit, the chief appraiser of the
applicable appraisal district, or the taxing unit, as applicable,
has not complied with the computation, [or] publication, or posting
requirements of this section or Section 26.16, 26.17, or 26.18 [and
the failure to comply was not in good faith]. It is a defense in an
action for an injunction under this subsection that the failure to
comply was in good faith.

(h-1) Notwithstanding Subsection (h), if the anticipated
collection rate of a taxing unit as calculated under that
subsection is lower than the lowest actual collection rate of the
taxing unit for any of the preceding three years, the anticipated
collection rate of the taxing unit for purposes of this section is
equal to the lowest actual collection rate of the taxing unit for
any of the preceding three years.

(h-2) The anticipated collection rate of a taxing unit for purposes of this section is the rate calculated under Subsection (h) as modified by Subsection (h-1), if applicable, regardless of whether that rate exceeds 100 percent.

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

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

SECTION 37. Section 26.041, Tax Code, is amended by
amending Subsections (a), (b), (c), (e), (g), and (h) and adding
Subsection (c-1) to read as follows:

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

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

and

\[
\text{VOTER-APPROVAL TAX \ [ROLLBACK] RATE FOR SPECIAL TAXING UNIT} = (\text{NO-NEW-REVENUE \ [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE} \times 1.08) + (\text{CURRENT DEBT RATE} - \text{SALES TAX GAIN RATE})
\]

or

\[
\text{VOTER-APPROVAL TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT} = (\text{NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE} \times 1.035) + (\text{CURRENT DEBT RATE} + \text{UNUSED})
\]
INCREMENT RATE - SALES TAX GAIN RATE)

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

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

VOTER-APPROVAL TAX [ROLLBACK] RATE FOR SPECIAL TAXING UNIT = 
\[
\frac{\text{(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x 1.08)}}{\text{[TOTAL CURRENT TOTAL VALUE - NEW PROPERTY VALUE]}} + \text{(CURRENT DEBT RATE - SALES TAX REVENUE RATE)}
\]

or

VOTER-APPROVAL TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT = 
\[
\frac{\text{(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x 1.035)}}{\text{[CURRENT TOTAL VALUE - INCREMENT RATE - SALES TAX REVENUE RATE]}} + \text{(CURRENT DEBT RATE + UNUSED)}
\]

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

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

**NO-NEW-REVENUE [EFFECTIVE] TAX RATE** = [(LAST YEAR’S LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + SALES TAX LOSS RATE

and

**VOTER-APPROVAL [ROLLBACK] TAX RATE FOR SPECIAL TAXING UNIT** = [((LAST YEAR’S MAINTENANCE AND OPERATIONS EXPENSE x 1.08) / ([TOTAL] CURRENT TOTAL VALUE - NEW PROPERTY VALUE)) + CURRENT DEBT RATE]

or

**VOTER-APPROVAL TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT** = [((LAST YEAR’S MAINTENANCE AND OPERATIONS EXPENSE x 1.035) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)) + (CURRENT DEBT RATE + UNUSED INCREMENT RATE)]

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

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a special taxing unit may direct the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the voter-approval tax rate in the manner provided by this subsection until the earlier of:

(1) the second tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or

(2) the third tax year after the tax year in which the disaster occurred.

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

(g) If the rate of the additional sales and use tax is
increased, the designated officer or employee shall make two
projections, in the manner provided by Subsection (d) [of this
section], of the revenue generated by the additional sales and use
tax in the following year. The first projection must take into
account the increase and the second projection must not take into
account the increase. The designated officer or employee shall
then subtract the amount of the result of the second projection from
the amount of the result of the first projection to determine the
revenue generated as a result of the increase in the additional
sales and use tax. In the first year in which an additional sales
and use tax is increased, the no-new-revenue [effective] tax rate
for the taxing unit is the no-new-revenue [effective] tax rate
before the increase minus a number the numerator of which is the
1 revenue generated as a result of the increase in the additional
2 sales and use tax, as determined under this subsection, and the
3 denominator of which is the current total value minus the new
4 property value.
5
6 (h) If the rate of the additional sales and use tax is
7 decreased, the designated officer or employee shall make two
8 projections, in the manner provided by Subsection (d) [of this
9 section], of the revenue generated by the additional sales and use
10 tax in the following year. The first projection must take into
11 account the decrease and the second projection must not take into
12 account the decrease. The designated officer or employee shall
13 then subtract the amount of the result of the first projection from
14 the amount of the result of the second projection to determine the
15 revenue lost as a result of the decrease in the additional sales and
16 use tax. In the first year in which an additional sales and use tax
17 is decreased, the no-new-revenue [effective] tax rate for the
18 taxing unit is the no-new-revenue [effective] tax rate before the
19 decrease plus a number the numerator of which is the revenue lost as
20 a result of the decrease in the additional sales and use tax, as
21 determined under this subsection, and the denominator of which is
22 the current total value minus the new property value.
23
24 SECTION 38. The heading to Section 26.043, Tax Code, is
25 amended to read as follows:
26 Sec. 26.043. VOTER-APPROVAL AND NO-NEW-REVENUE [EFFECTIVE]
27 TAX RATES [RATE] IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.
28
29 SECTION 39. Sections 26.043(a) and (b), Tax Code, are
30 amended to read as follows:
(a) In the tax year in which a city has set an election on
the question of whether to impose a local sales and use tax under
Subchapter H, Chapter 453, Transportation Code, the officer or
employee designated to make the calculations provided by Section
26.04 may not make those calculations until the outcome of the
election is determined. If the election is determined in favor of
the imposition of the tax, the designated officer or employee
[representative] shall subtract from the city's voter-approval
[rollback] and no-new-revenue [effective] tax rates the amount
that, if applied to the city's current total value, would impose an
amount equal to the amount of property taxes budgeted in the current
tax year to pay for expenses related to mass transit services.

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

SECTION 40. The heading to Section 26.044, Tax Code, is
amended to read as follows:

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

SECTION 41. Sections 26.044(a), (b), and (c), Tax Code, are
amended to read as follows:

(a) The first time that a county adopts a tax rate after
September 1, 1991, in which the state criminal justice mandate
applies to the county, the no-new-revenue [effective] maintenance
and operation rate for the county is increased by the rate
calculated according to the following formula:
(b) In the second and subsequent years that a county adopts a tax rate, if the amount spent by the county for the state criminal justice mandate increased over the previous year, the no-new-revenue [effective] maintenance and operation rate for the county is increased by the rate calculated according to the following formula:

\[
\frac{\text{This Year's State Criminal Justice Mandate} - \text{Previous Year's State Criminal Justice Mandate}}{\text{Current Total Value} - \text{New Property Value}}
\]

(c) The county shall include a notice of the increase in the no-new-revenue [effective] maintenance and operation rate provided by this section, including a description and amount of the state criminal justice mandate, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061 [26.06(b) of this code].

SECTION 42. Sections 26.0441(a), (b), and (c), Tax Code, are amended to read as follows:

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

\[
\text{Amount of Increase} = \text{Enhanced Indigent Health Care}
\]
Expenditures / (Current Total Value - New Property Value)

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

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

(c) The taxing unit shall include a notice of the increase in its no-new-revenue [effective] maintenance and operations rate provided by this section, including a brief description and the amount of the enhanced indigent health care expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061(b).

SECTION 43. Chapter 26, Tax Code, is amended by adding Sections 26.0442 and 26.0443 to read as follows:

Sec. 26.0442. TAX RATE ADJUSTMENT FOR COUNTY INDIGENT DEFENSE COMPENSATION EXPENDITURES. (a) In this section, "indigent defense compensation expenditures" for a tax year means the amount paid by a county to provide appointed counsel for indigent individuals in criminal or civil proceedings in accordance with the schedule of fees adopted under Article 26.05, Code of Criminal Procedure, in the period beginning on July 1 of the tax
year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted, less the amount of any state grants received by the county during that period for the same purpose.

(b) If a county's indigent defense compensation expenditures exceed the amount of those expenditures for the preceding tax year, the no-new-revenue maintenance and operations rate for the county is increased by the lesser of the rates computed according to the following formulas:

\[
\text{(Current Tax Year's Indigent Defense Compensation Expenditures - Preceding Tax Year's Indigent Defense Compensation Expenditures)} / \text{(Current Total Value - New Property Value)}
\]

or

\[
\text{(Preceding Tax Year's Indigent Defense Compensation Expenditures \times 0.05)} / \text{(Current Total Value - New Property Value)}
\]

(c) The county shall include a notice of the increase in the no-new-revenue maintenance and operations rate provided by this section, including a description and the amount of indigent defense compensation expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

Sec. 26.0443. TAX RATE ADJUSTMENT FOR ELIGIBLE COUNTY HOSPITAL EXPENDITURES. (a) In this section:

(1) "Eligible county hospital" means a hospital that:

(A) is:
(i) owned or leased by a county and operated in accordance with Chapter 263, Health and Safety Code; or
(ii) owned or leased jointly by a municipality and a county and operated in accordance with Chapter 265, Health and Safety Code; and

(B) is located in an area not served by a hospital district created under Sections 4 through 11, Article IX, Texas Constitution.

(2) "Eligible county hospital expenditures" for a tax year means the amount paid by a county or municipality in the period beginning on July 1 of the tax year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted to maintain and operate an eligible county hospital.

(b) If a county's or municipality's eligible county hospital expenditures exceed the amount of those expenditures for the preceding tax year, the no-new-revenue maintenance and operations rate for the county or municipality, as applicable, is increased by the lesser of the rates computed according to the following formulas:

\[
\frac{(\text{Current Tax Year's Eligible County Hospital Expenditures} - \text{Preceding Tax Year's Eligible County Hospital Expenditures})}{\text{Current Total Value} - \text{New Property Value}}
\]
or
\[
\frac{(\text{Preceding Tax Year's Eligible County Hospital Expenditures} \times 0.08)}{\text{Current Total Value} - \text{New Property Value}}
\]
(c) The county or municipality shall include a notice of the increase in the no-new-revenue maintenance and operations rate provided by this section, including a description and amount of eligible county hospital expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

SECTION 44. The heading to Section 26.045, Tax Code, is amended to read as follows:

Sec. 26.045. VOTER-APPROVAL TAX RATE [ROLLBACK] RELIEF FOR POLLUTION CONTROL REQUIREMENTS.

SECTION 45. Sections 26.045(a), (c), and (i), Tax Code, are amended to read as follows:

(a) The voter-approval [rollback] tax rate for a political subdivision of this state is increased by the rate that, if applied to the [total] current total value, would impose an amount of taxes equal to the amount the political subdivision will spend out of its maintenance and operation funds under Section 26.012(16) to pay for a facility, device, or method for the control of air, water, or land pollution that is necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality.

(c) To receive an adjustment to the voter-approval [rollback] tax rate under this section, a political subdivision shall present information to the executive director of the Texas Commission on Environmental Quality in a permit application or in a request for any exemption from a permit that would otherwise be required detailing:
the anticipated environmental benefits from the installation of the facility, device, or method for the control of air, water, or land pollution;

(2) the estimated cost of the pollution control facility, device, or method; and

(3) the purpose of the installation of the facility, device, or method, and the proportion of the installation that is pollution control property.

(i) A political subdivision of the state seeking an adjustment in its voter-approval [rollback] tax rate under this section shall provide to its tax assessor a copy of the letter issued by the executive director of the Texas Commission on Environmental Quality under Subsection (d). The tax assessor shall accept the copy of the letter from the executive director as conclusive evidence that the facility, device, or method is used wholly or partly as pollution control property and shall adjust the voter-approval [rollback] tax rate for the political subdivision as provided for by Subsection (a).

SECTION 46. Section 26.05, Tax Code, is amended by amending Subsections (a), (b), (c), (d), (e), and (g) and adding Subsections (d-1), (d-2), and (e-1) to read as follows:

(a) The governing body of each taxing unit[ before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit] shall adopt a tax rate for the current tax year and shall notify the assessor for the taxing unit of the rate adopted. The governing body must adopt a tax rate before the later of September 30 or the 60th day after the
date the certified appraisal roll is received by the taxing unit, except that the governing body must adopt a tax rate that exceeds the voter-approval tax rate not later than the 71st day before the next uniform election date prescribed by Section 41.001, Election Code, that occurs in November of that year. The tax rate consists of two components, each of which must be approved separately. The components are:

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

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

(b) A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget. For a taxing unit other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue [effective] tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote
in favor of the ordinance, resolution, or order. For a school
district, the vote on the ordinance, resolution, or order setting a
tax rate that exceeds the sum of the no-new-revenue [effective]
maintenance and operations tax rate of the district as determined
under Section 26.08(i) and the district's current debt rate must be
a record vote, and at least 60 percent of the members of the
governing body must vote in favor of the ordinance, resolution, or
order. A motion to adopt an ordinance, resolution, or order setting
a tax rate that exceeds the no-new-revenue [effective] tax rate
must be made in the following form: "I move that the property tax
rate be increased by the adoption of a tax rate of (specify tax
rate), which is effectively a (insert percentage by which the
proposed tax rate exceeds the no-new-revenue [effective] tax rate)
percent increase in the tax rate." If the ordinance, resolution, or
order sets a tax rate that, if applied to the total taxable value,
will impose an amount of taxes to fund maintenance and operation
expenditures of the taxing unit that exceeds the amount of taxes
imposed for that purpose in the preceding year, the taxing unit
must:

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

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

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

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

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

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

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

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

(d-1) The governing body of a taxing unit other than a
school district may not hold a public hearing on a proposed tax rate
or a public meeting to adopt a tax rate until the fifth day after the
date the chief appraiser of each appraisal district in which the
taxing unit participates has:

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

(2) complied with Section 26.17(f).

(d-2) Notwithstanding Subsection (a), the governing body of
a taxing unit other than a school district may not adopt a tax rate
until the chief appraiser of each appraisal district in which the
taxing unit participates has complied with Subsection (d-1).

(e) A person who owns taxable property is entitled to an
injunction restraining the collection of taxes by a taxing unit in
which the property is taxable if the taxing unit has not complied
with the requirements of this section or Section 26.04 [and the
failure to comply was not in good faith]. It is a defense in an
action for an injunction under this subsection that the failure to comply was in good faith. An action to enjoin the collection of taxes must be filed not later than the 15th day after the date the taxing unit adopts a tax rate. A property owner is not required to pay the taxes imposed by a taxing unit on the owner's property while an action filed by the property owner to enjoin the collection of taxes imposed by the taxing unit on the owner's property is pending. If the property owner pays the taxes and subsequently prevails in the action, the property owner is entitled to a refund of the taxes paid, together with reasonable attorney's fees and court costs. The property owner is not required to apply to the collector for the taxing unit to receive the refund [prior to the date a taxing unit delivers substantially all of its tax bills].

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

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

SECTION 47. Section 26.052, Tax Code, is amended by amending Subsection (e) and adding Subsection (f) to read as follows:

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

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

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

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

(f) A taxing unit to which this section applies that elects
to provide public notice of its proposed tax rate under Subsection (c)(2) must also provide public notice of its proposed tax rate by posting notice of the proposed tax rate, including the information prescribed by Subsection (e), prominently on the home page of the Internet website of the taxing unit.

SECTION 48. Section 26.06, Tax Code, is amended by amending Subsections (a), (b), (c), (d), and (e) and adding Subsections (b-1), (b-2), (b-3), and (b-4) to read as follows:

(a) A public hearing required by Section 26.05 may not be held before the fifth [seventh] day after the date the notice of the public hearing is given. The [second hearing may not be held earlier than the third day after the date of the first hearing.

Each] hearing must be on a weekday that is not a public holiday. The [Each] hearing must be held inside the boundaries of the unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. At the hearing [hearings], the governing body must afford adequate opportunity for proponents and opponents of the tax increase to present their views.

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

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

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

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

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

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

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

"The average taxable value of a residence homestead in (name of taxing unit) this year is $____ (average taxable value of a residence homestead in the taxing unit for the current tax year,
disregarding residence homestead exemptions available only to
disabled persons or persons 65 years of age or older). If the

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

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

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

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

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE $_______ per $100

"NO-NEW-REVENUE TAX RATE $_______ per $100

"VOTER-APPROVAL TAX RATE $_______ per $100

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

"The voter-approval tax rate is the highest tax rate that
(name of taxing unit) may adopt without holding an election to seek
voter approval of the rate.

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

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

"The proposed tax rate is also greater than the
voter-approval tax rate. If (name of taxing unit) adopts the
proposed tax rate, (name of taxing unit) is required to hold an
election so that the voters may accept or reject the proposed tax
rate. If a majority of the voters reject the proposed tax rate, the
tax rate of the (name of taxing unit) will be the voter-approval tax
rate. The election will be held on (date of election). You may
contact the (name of office responsible for administering the
election) for information about voting locations. The hours of
voting on election day are (voting hours).

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

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

"(Names of all members of the governing body, showing how
each voted on the proposal to consider the tax increase or, if one
or more were absent, indicating the absences.)
"The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."

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

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE $________ per $100
"NO-NEW-REVENUE TAX RATE $________ per $100
"VOTER-APPROVAL TAX RATE $________ per $100

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

"The voter-approval tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek voter approval of the rate.

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

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

"The proposed tax rate is not greater than the voter-approval tax rate. As a result, (name of taxing unit) is not required to hold an election at which voters may accept or reject the proposed tax rate."

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rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public hearing mentioned above.

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

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

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

"The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."

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

"NOTICE OF PUBLIC HEARING ON TAX RATE

"PROPOSED TAX RATE $_________ per $100

"NO-NEW-REVENUE TAX RATE $_________ per $100

"VOTER-APPROVAL TAX RATE $_________ per $100

"The no-new-revenue tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year."
"The voter-approval tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek voter approval of the rate.

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

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

"The proposed tax rate is greater than the voter-approval tax rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate. If a majority of the voters reject the proposed tax rate, the tax rate of the (name of taxing unit) will be the voter-approval tax rate. The election will be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).

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

\[ \text{Property tax amount} = \text{tax rate} \times \frac{\text{taxable value of your property}}{100} \]

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

"The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of..."
property taxes in the state."

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

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

(d) The governing body may vote on the proposed tax rate at the public hearing. If the governing body does not vote on the proposed tax rate at the public hearing, [At the public hearings] the governing body shall announce at the public hearing the date, time, and place of the meeting at which it will vote on the proposed tax rate. [After each hearing the governing body shall give notice of the meeting at which it will vote on the proposed tax rate and the notice shall be in the same form as prescribed by Subsections (b) and (c), except that it must state the following:

"NOTICE OF TAX REVENUE INCREASE

["The (name of the taxing unit) conducted public hearings on (date of first hearing) and (date of second hearing) on a proposal to increase the total tax revenues of the (name of the taxing unit)."
from properties on the tax roll in the preceding year by (percentage
by which proposed tax rate exceeds lower of rollback tax rate or
effective tax rate calculated under this chapter) percent.

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

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

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

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

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

(e) A [The] meeting to vote on the tax increase may not be
held [earlier than the third day or] later than the seventh ([14th]
day after the date of the [second] public hearing. The meeting must be held inside the boundaries of the taxing unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. [If the governing body does not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate by the 14th day, it must give a new notice under Subsection (d) before it may adopt a rate that exceeds the lower of the rollback tax rate or the effective tax rate.]

SECTION 49. Chapter 26, Tax Code, is amended by adding Sections 26.061, 26.062, and 26.063 to read as follows:

Sec. 26.061. NOTICE OF MEETING TO VOTE ON PROPOSED TAX RATE THAT DOES NOT EXCEED LOWER OF NO-NEW-REVENUE OR VOTER-APPROVAL TAX RATE. (a) This section applies only to the governing body of a taxing unit other than a school district that proposes to adopt a tax rate that does not exceed the lower of the no-new-revenue tax rate or the voter-approval tax rate calculated as provided by this chapter.

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

"NOTICE OF MEETING TO VOTE ON TAX RATE"

"PROPOSED TAX RATE $________ per $100"

"NO-NEW-REVENUE TAX RATE $________ per $100"

"VOTER-APPROVAL TAX RATE $________ per $100"

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

"The voter-approval tax rate is the highest tax rate that
(name of taxing unit) may adopt without holding an election to seek
voter approval of the rate.

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

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

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

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

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

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

"The 86th Texas Legislature modified the manner in which the
voter-approval tax rate is calculated to limit the rate of growth of
property taxes in the state."

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

(d) The notice required under this section must be provided in the manner required under Section 26.06(c).

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

(1) a statement in the following form:

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

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

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

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

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

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

(c) The first row must appear as follows:

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

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

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

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

(d) The second row must appear as follows:

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

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

(3) the third column of the second row must state the proposed tax rate for the current tax year; and

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

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

The fourth row must appear as follows:

1. the first column of the fourth row must be entitled "Tax on average homestead";
2. the second column of the fourth row must state the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the preceding tax year;
3. the third column of the fourth row must state the...
amount of taxes that would be imposed by the taxing unit in the
current tax year on a residence homestead with a taxable value equal
to the average taxable value of a residence homestead in the taxing
unit in the current tax year if the taxing unit adopted the proposed
tax rate; and

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

(g) The fifth row must appear as follows:

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

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

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

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

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

Sec. 26.063. ALTERNATE PROVISIONS FOR TAX RATE NOTICE WHEN
DE MINIMIS RATE EXCEEDS VOTER-APPROVAL TAX RATE. (a) This section
applies only to a taxing unit:

(1) that is:

(A) a taxing unit other than a special taxing
unit; or

(B) a municipality with a population of less than
30,000, regardless of whether it is a special taxing unit;

(2) that is required to provide notice under Section
26.06(b-1) or (b-3); and
(3) for which the de minimis rate exceeds the voter-approval tax rate.

(b) This subsection applies only to a taxing unit that is required to hold an election under Section 26.07. In the notice required to be provided by the taxing unit under Section 26.06(b-1) or (b-3), as applicable, the taxing unit shall:

(1) add the following to the end of the list of rates included in the notice:

"DE MINIMIS RATE $__________ per $100";

(2) substitute the following for the definition of "voter-approval tax rate": "The voter-approval tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek voter approval of the rate, unless the de minimis rate for (name of taxing unit) exceeds the voter-approval tax rate for (name of taxing unit).";

(3) add the following definition of "de minimis rate": "The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for (name of taxing unit), the rate that will raise $500,000, and the current debt rate for (name of taxing unit)."; and

(4) substitute the following for the provision that provides notice that an election is required: "The proposed tax rate is greater than the voter-approval tax rate and the de minimis rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate. If a majority of the voters reject the proposed tax rate, the tax rate of the (name of
taxing unit) will be the voter-approval tax rate of the (name of
taxing unit). The election will be held on (date of election). You
may contact the (name of office responsible for administering the
election) for information about voting locations. The hours of
voting on election day are (voting hours)."

(c) This subsection applies only to a taxing unit for which
the qualified voters of the taxing unit may petition to hold an
election under Section 26.075. In the notice required to be
provided by the taxing unit under Section 26.06(b-1) or (b-3), as
applicable, the taxing unit shall:

(1) add the following to the end of the list of rates
included in the notice:

"DE MINIMIS RATE $__________ per $100";

(2) substitute the following for the definition of
"voter-approval tax rate": "The voter-approval tax rate is the
highest tax rate that (name of taxing unit) may adopt without
holding an election to seek voter approval of the rate, unless the
de minimis rate for (name of taxing unit) exceeds the
voter-approval tax rate for (name of taxing unit).";

(3) add the following definition of "de minimis rate":
"The de minimis rate is the rate equal to the sum of the
no-new-revenue maintenance and operations rate for (name of taxing
unit), the rate that will raise $500,000, and the current debt rate
for (name of taxing unit)."; and

(4) substitute the following for the provision that
provides notice that an election is required: "The proposed tax
rate is greater than the voter-approval tax rate but not greater
than the de minimis rate. However, the proposed tax rate exceeds the rate that allows voters to petition for an election under Section 26.075, Tax Code. If (name of taxing unit) adopts the proposed tax rate, the qualified voters of the (name of taxing unit) may petition the (name of taxing unit) to require an election to be held to determine whether to reduce the proposed tax rate. If a majority of the voters reject the proposed tax rate, the tax rate of the (name of taxing unit) will be the voter-approval tax rate of the (name of taxing unit).

SECTION 50. Section 26.065(b), Tax Code, is amended to read as follows:

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

SECTION 51. Section 26.07, Tax Code, is amended to read as follows:

Sec. 26.07. AUTOMATIC ELECTION TO APPROVE TAX RATE OF TAXING UNIT OTHER THAN SCHOOL DISTRICT [REPEAL INCREASE].

(a) This section applies to [If the governing body of] a taxing unit other than a school district.

(b) If the governing body of a special taxing unit or a municipality with a population of 30,000 or more adopts a tax rate that exceeds the taxing unit's voter-approval [rollback] tax rate
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[calculated as provided by this chapter], or the governing body of a
taxing unit other than a special taxing unit or a municipality with
a population of less than 30,000 regardless of whether it is a
special taxing unit adopts a tax rate that exceeds the greater of
the taxing unit's voter-approval tax rate or de minimis rate, the
registered [qualified] voters of the taxing unit at an election
held for that purpose must determine whether to approve the adopted
tax rate. When increased expenditure of money by a taxing unit is
necessary to respond to a disaster, including a tornado, hurricane,
flood, wildfire, or other calamity, but not including a drought,
that has impacted the taxing unit and the governor has declared any
part of the area in which the taxing unit is located as a disaster
area, an election is not required under this section to approve the
tax rate adopted by the governing body for the year following the
year in which the disaster occurs [by petition may require that an
election be held to determine whether or not to reduce the tax rate
adopted for the current year to the rollback tax rate calculated as
provided by this chapter].

(b) A petition is valid only if:

(1) it states that it is intended to require an
election in the taxing unit on the question of reducing the tax rate
for the current year;

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

[A] seven percent of the number of registered
voters of the taxing unit according to the most recent list of
registered voters if the tax rate adopted for the current tax year
would impose taxes for maintenance and operations in an amount of at least $5 million; or

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

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

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

(d) If the governing body finds that the petition is valid (or fails to act within the time allowed), it] shall order that the [an] election be held in the taxing unit on the uniform election date prescribed by Section 41.001, Election Code, that occurs in November of the applicable tax year. The order calling the election may not be issued later than the 71st day before the date of the election [a date not less than 30 or more than 90 days after the last day on which it could have acted to approve or disapprove the petition. A state law requiring local elections to be held on a specified date does not apply to the election unless a specified date falls within the time permitted by this section]. At the election, the ballots shall be prepared to permit voting for or
against the proposition: "Approving the ad valorem tax rate of
$_____ per $100 valuation in (name of taxing unit) for the current
year, a rate that is $_____ higher per $100 valuation than the
voter-approval tax rate of (name of taxing unit), for the purpose of
(description of purpose of increase). Last year, the ad valorem tax
rate in (name of taxing unit) was $__________ per $100 valuation
["Reducing the tax rate in (name of taxing unit) for the current
year from (the rate adopted) to (the rollback tax rate calculated as
provided by this chapter)." The ballot proposition must include
the adopted tax rate, the difference between the adopted tax rate
and the voter-approval tax rate, and the taxing unit's tax rate for
the preceding tax year in the appropriate places.

(d) [(e)] If a majority of the votes cast [qualified voters
voting on the question] in the election favor the proposition, the
tax rate for the [taxing unit for the] current year is the [rollback
tax] rate that was adopted by the governing body [calculated as
provided by this chapter; otherwise, the tax rate for the current
year is the one adopted by the governing body].

(e) If the proposition is not approved as provided by
Subsection (d), the taxing unit's tax rate for the current tax year
is the taxing unit's voter-approval tax rate.

(f) If [the tax rate is reduced by an election called under
this section] after tax bills for the taxing unit have been [are]
mailed, a proposition to approve the taxing unit's adopted tax rate
is not approved by the voters of the taxing unit at an election held
under this section, the assessor for the taxing unit shall prepare
and mail corrected tax bills. The assessor [He] shall include with
the bill a brief explanation of the reason for and effect of the corrected bill.  [The date on which the taxes become delinquent for the year is extended by a number of days equal to the number of days between the date the first tax bills were sent and the date the corrected tax bills were sent.]

(g) If a property owner pays taxes calculated using the originally adopted [higher] tax rate of the taxing unit and the proposition to approve the adopted tax rate is not approved by voters [when the rate is reduced by an election called under this section], the taxing unit shall refund the difference between the amount of taxes paid and the amount due under the voter-approval tax [reduced] rate if the difference between the amount of taxes paid and the amount due under the voter-approval tax [reduced] rate is $1 or more.  If the difference between the amount of taxes paid and the amount due under the voter-approval tax [reduced] rate is less than $1, the taxing unit shall refund the difference on request of the taxpayer.  An application for a refund of less than $1 must be made within 90 days after the date the refund becomes due or the taxpayer forfeits the right to the refund.

SECTION 52.  Chapter 26, Tax Code, is amended by adding Section 26.075 to read as follows:

Sec. 26.075.  PETITION ELECTION TO REDUCE TAX RATE OF TAXING UNIT OTHER THAN SCHOOL DISTRICT.  (a)  This section applies only to a taxing unit other than:

(1) a special taxing unit;
(2) a school district; or
(3) a municipality with a population of 30,000 or
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(b) This section applies to a taxing unit only in a tax year in which the taxing unit's:

1. de minimis rate exceeds the taxing unit's voter-approval tax rate; and
2. adopted tax rate is:
   (A) equal to or lower than the taxing unit's de minimis rate; and
   (B) greater than the greater of the taxing unit's:
      (i) voter-approval tax rate calculated as if the taxing unit were a special taxing unit; or
      (ii) voter-approval tax rate.

(c) The qualified voters of a taxing unit by petition may require that an election be held to determine whether to reduce the tax rate adopted by the governing body of the taxing unit for the current tax year to the voter-approval tax rate.

(d) A petition is valid only if the petition:

1. states that it is intended to require an election in the taxing unit on the question of reducing the taxing unit's adopted tax rate for the current tax year;
2. is signed by a number of registered voters of the taxing unit equal to at least three percent of the registered voters of the taxing unit determined according to the most recent list of those voters; and
3. is submitted to the governing body of the taxing unit not later than the 90th day after the date on which the
governing body adopts the tax rate for the current tax year.

(e) Not later than the 20th day after the date on which a petition is submitted, the governing body shall determine whether the petition is valid and must by resolution state the governing body's determination. If the governing body fails to make the determination in the time and manner required by this subsection, the petition is considered to be valid for the purposes of this section.

(f) If the governing body determines that the petition is valid or fails to make the determination in the time and manner required by Subsection (e), the governing body shall order that an election be held in the taxing unit on the next uniform election date that allows sufficient time to comply with the requirements of other law.

(g) At the election, the ballots shall be prepared to permit voting for or against the proposition: "Reducing the tax rate in (name of taxing unit) for the current year from (insert tax rate adopted for current year) to (insert voter-approval tax rate)."

(h) If a majority of the votes cast in the election favor the proposition, the tax rate for the current tax year is the voter-approval tax rate.

(i) If the proposition is not approved as provided by Subsection (h), the tax rate for the taxing unit for the current tax year is the tax rate adopted by the governing body of the taxing unit for the current tax year.

(j) If the tax rate is reduced by an election held under this section after tax bills for the taxing unit have been mailed, the
assessor for the taxing unit shall prepare and mail corrected tax bills. The assessor shall include with the bill a brief explanation of the reason for and effect of the corrected bill. The date on which the taxes become delinquent for the tax year is extended by a number of days equal to the number of days between the date the first tax bills were sent and the date the corrected tax bills were sent.

(k) If a property owner pays taxes calculated using the higher tax rate when the tax rate is reduced by an election held under this section, the taxing unit shall refund the difference between the amount of taxes paid and the amount due under the reduced tax rate if the difference between the amount of taxes paid and the amount due under the reduced tax rate is $1 or more. If the difference between the amount of taxes paid and the amount due under the reduced rate is less than $1, the taxing unit shall refund the difference on request of the taxpayer. An application for a refund of less than $1 must be made within 90 days after the date the refund becomes due or the taxpayer forfeits the right to the refund.

(l) Except as otherwise expressly provided by law, this section does not apply to a tax imposed by a taxing unit if a provision of an uncodified local or special law enacted by the 86th Legislature, Regular Session, 2019, or by an earlier legislature provides that Section 26.07 does not apply to a tax imposed by the taxing unit.

SECTION 53. The heading to Section 26.08, Tax Code, is amended to read as follows:

Sec. 26.08. AUTOMATIC ELECTION TO APPROVE TAX RATE OF
RATIFY SCHOOL DISTRICT [TAXES].

SECTION 54. Section 26.08(a), Tax Code, is amended to read as follows:

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

SECTION 55. The heading to Section 26.16, Tax Code, is amended to read as follows:

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

SECTION 56. Section 26.16, Tax Code, is amended by amending Subsections (a) and (d) and adding Subsections (a-1), (d-1), and (d-2) to read as follows:

(a) Each county shall maintain an Internet website. The county assessor-collector for each county [that maintains an Internet website] shall post on the Internet website maintained by [of] the county the following information for the most recent five tax years [beginning with the 2012 tax year] for each taxing unit
(1) the adopted tax rate;
(2) the maintenance and operations rate;
(3) the debt rate;
(4) the no-new-revenue [effective] tax rate;
(5) the no-new-revenue [effective] maintenance and operations rate; and
(6) the voter-approval [rollback] tax rate.

(a-1) For purposes of Subsection (a), a reference to the no-new-revenue tax rate or the no-new-revenue maintenance and operations rate includes the equivalent effective tax rate or effective maintenance and operations rate for a preceding year. This subsection expires January 1, 2026.

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

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

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

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

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

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

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

(d-1) In addition to posting the information described by Subsection (a), the county assessor-collector shall post on the Internet website of the county for each taxing unit all or part of the territory of which is located in the county:
(1) the tax rate calculation forms used by the designated officer or employee of each taxing unit to calculate the no-new-revenue and voter-approval tax rates of the taxing unit for the most recent five tax years beginning with the 2020 tax year, as certified by the designated officer or employee under Section 26.04(d-2); and

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

(d-2) By August 7 or as soon thereafter as practicable, the county assessor-collector shall post on the website the tax rate calculation forms described by Subsection (d-1)(1) for the current tax year.

SECTION 57. Chapter 26, Tax Code, is amended by adding Sections 26.17 and 26.18 to read as follows:

Sec. 26.17. DATABASE OF PROPERTY-TAX-RELATED INFORMATION.
(a) The chief appraiser of each appraisal district shall create and maintain a property tax database that:

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

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

(3) is continuously updated as preliminary and revised data become available to and are provided by the designated officers or employees of taxing units;
(4) is accessible to the public;
(5) is searchable by property address and owner, except to the extent that access to the information in the database is restricted by Section 25.025 or 25.026; and
(6) includes the following statement: "The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."
(b) The database must include, with respect to each property listed on the appraisal roll for the appraisal district:
(1) the property's identification number;
(2) the property's market value;
(3) the property's taxable value;
(4) the name of each taxing unit in which the property is located;
(5) for each taxing unit other than a school district in which the property is located:
   (A) the no-new-revenue tax rate; and
   (B) the voter-approval tax rate;
(6) for each school district in which the property is located:
   (A) the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and
   (B) the voter-approval tax rate;
(7) the tax rate proposed by the governing body of each
(8) for each taxing unit other than a school district in which the property is located, the taxes that would be imposed on the property if the taxing unit adopted a tax rate equal to:

(A) the no-new-revenue tax rate; and

(B) the proposed tax rate;

(9) for each school district in which the property is located, the taxes that would be imposed on the property if the district adopted a tax rate equal to:

(A) the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and

(B) the proposed tax rate;

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

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

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

(13) the date, time, and location of the public meeting, if applicable, at which the tax rate will be adopted to be
held by the governing body of each taxing unit in which the property
is located; and

(14) for each taxing unit in which the property is
located, an e-mail address at which the taxing unit is capable of
receiving written comments regarding the proposed tax rate of the
taxing unit.

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

(d) The database must allow the property owner to
electronically complete and submit to a taxing unit in which the
owner's property is located a form on which the owner may provide
the owner's opinion as to whether the tax rate proposed by the
governing body of the taxing unit should be adopted. The form must
require the owner to provide the owner's name and contact
information and the physical address of the owner's property
located in the taxing unit. The database must allow a property
owner to complete and submit the form at any time during the period
beginning on the date the governing body of the taxing unit proposes
the tax rate for that tax year and ending on the date the governing
body adopts a tax rate for that tax year.

(e) The officer or employee designated by the governing body
of each taxing unit in which the property is located to calculate
the no-new-revenue tax rate and the voter-approval tax rate for the
taxing unit must electronically incorporate into the database:

(1) the information described by Subsections (b)(5),
(6), (7), (12), and (13), as applicable, as the information becomes
available; and

(2) the tax rate calculation forms prepared under Section 26.04(d-1) at the same time the designated officer or employee submits the tax rates to the governing body of the taxing unit under Section 26.04(e).

(f) The chief appraiser shall make the information described by Subsection (e)(1) and the tax rate calculation forms described by Subsection (e)(2) available to the public not later than the third business day after the date the information and forms are incorporated into the database.

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

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

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

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

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

(5) the taxing unit's proposed or adopted budget for the current year;
(6) the change in the amount of the taxing unit's budget from the preceding year to the current year, by dollar amount and percentage;

(7) in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for maintenance and operations for:
   (A) the preceding two years; and
   (B) the current year;

(8) in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for debt service for:
   (A) the preceding two years; and
   (B) the current year;

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

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

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

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

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

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

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

SECTION 58. Sections 31.12(a) and (b), Tax Code, are amended to read as follows:

(a) If a refund of a tax provided by Section 11.431(b), 26.07(g), 26.075(k), 26.15(f), 31.11, 31.111, or 31.112 is paid on or before the 60th day after the date the liability for the refund arises, no interest is due on the amount refunded. If not paid on or before that 60th day, the amount of the tax to be refunded accrues interest at a rate of one percent for each month or part of a month that the refund is unpaid, beginning with the date on which the liability for the refund arises.

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

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

(2) if the refund is required by Section 26.07(g) or 26.075(k), on the date the results of the election to approve or reduce the tax rate, as applicable, are certified;

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

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

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

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

(6) if the refund is required by Section 31.112, on the date required by Section 31.112(d) or (e), as applicable.

SECTION 59. Section 33.08(b), Tax Code, is amended to read as follows:

(b) The governing body of the taxing unit or appraisal district, in the manner required by law for official action, may provide that taxes that become delinquent on or after June 1 under Section 26.075(j) [26.07(f)], 26.15(e), 31.03, 31.031, 31.032, 31.04, or 42.42 incur an additional penalty to defray costs of collection. The amount of the penalty may not exceed the amount of the compensation specified in the applicable contract with an attorney under Section 6.30 to be paid in connection with the collection of the delinquent taxes.

SECTION 60. Section 41.03(a), Tax Code, is amended to read as follows:

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

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

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

(3) a grant in whole or in part of a partial exemption;

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

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

SECTION 61. Section 41.44(d), Tax Code, is amended to read as follows:

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

SECTION 62. Section 41.45, Tax Code, is amended by amending
Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to
read as follows:

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

(d-1) An appraisal review board to which Section 6.425
applies shall sit in special panels established under that section
to conduct protest hearings. A special panel may conduct a protest
hearing relating to property only if the property is described by
Section 6.425(b) and the property owner has requested that a
special panel conduct the hearing or if the protest is assigned to
the special panel under Section 6.425(f). If the recommendation of
a special panel is not accepted by the board, the board may refer
the matter for rehearing to another special panel composed of
members who did not hear the original protest or, if there are not
at least three other special panel members who did not hear the
original protest, the board may determine the protest.

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

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

SECTION 63. Section 41.46(a), Tax Code, is amended to read
as follows:

(a) The appraisal review board before which a protest
hearing is scheduled shall deliver written notice to the property
owner initiating a protest not later than the 15th day before the
date of the hearing. The notice must include:

(1) the date, time, and place of the hearing;

(2) a description of the subject matter of the hearing
that is sufficient to identify the specific action being protested,
such as:

(A) the determination of the appraised value of
the property owner's property;

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

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

(3) a statement that [on the protest and of] the
property owner is entitled [owner's entitlement] to a postponement
of the hearing as provided by Section 41.45 unless the property
owner waives in writing notice of the hearing. [The board shall
deliver the notice not later than the 15th day before the date of
the hearing.]

SECTION 64. Section 41.461, Tax Code, is amended to read as
follows:

Sec. 41.461. NOTICE OF CERTAIN MATTERS BEFORE HEARING;
DELIVERY OF REQUESTED INFORMATION. (a) At least 14 days before a
hearing on a protest, the chief appraiser shall:

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

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

(3) deliver a copy of the hearing procedures
established by the appraisal review board under Section 41.66 to
the property owner.
(b) The chief appraiser may not charge a property owner or the designated agent of the owner for copies provided to the owner or designated agent under this section, regardless of the manner in which the copies are prepared or delivered [may not exceed the charge for copies of public information as provided under Subchapter F, Chapter 552, Government Code, except:

1. the total charge for copies provided in connection with a protest of the appraisal of residential property may not exceed $15 for each residence; and
2. the total charge for copies provided in connection with a protest of the appraisal of a single unit of property subject to appraisal, other than residential property, may not exceed $25].

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

1. by regular first-class mail, deposited in the United States mail, postage prepaid, and addressed to the property owner or agent at the address provided in the request for the information;
2. in an electronic format as provided by an agreement under Section 1.085; or
3. subject to Subsection (d), by referring the property owner or the agent of the owner to a secure Internet website with user registration and authentication or to the exact Internet location or uniform resource locator (URL) address on an Internet website maintained by the appraisal district on which the
requested information is identifiable and readily available.

(d) If a chief appraiser provides a property owner or the designated agent of the owner information under Subsection (c)(3), the notice must contain a statement in a conspicuous font that clearly indicates that the property owner or the agent of the owner may on request receive the information by regular first-class mail or in person at the appraisal office. On request by a property owner or the agent of the owner, the chief appraiser must provide the information by regular first-class mail or in person at the appraisal office.

SECTION 65. Section 41.47, Tax Code, is amended by adding Subsections (c-2), (f), and (g) and amending Subsections (d) and (e) to read as follows:

(c-2) The board may not determine the appraised value of the property that is the subject of a protest to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23, except as requested and agreed to by the property owner. This subsection does not apply if the action being protested is the cancellation, modification, or denial of an exemption or the determination that the property does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23.

(d) The board shall deliver by certified mail:

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

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

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

(f) The appraisal review board shall take the actions required by Subsections (a) and (d) not later than:

(1) the 30th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of less than four million; or

(2) the 45th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of four million or more.

(g) The chief appraiser and the property owner or the designated agent of the owner may file a joint motion with the appraisal review board notifying the board that the chief appraiser and the property owner or the designated agent of the owner have agreed to a disposition of the protest and requesting the board to issue an agreed order. The joint motion must contain the terms of the disposition of the protest. The board shall issue the agreed
order not later than the fifth day after the date on which the joint
motion is filed with the board. The chief appraiser and the
property owner or the designated agent of the owner may provide in
the joint motion that the agreed order is appealable in the same
manner as any other order issued by the board under this section.

SECTION 66. Section 41.66, Tax Code, is amended by amending
Subsections (h), (i), (j), and (k) and adding Subsections (j-1),
(j-2), (k-1), and (p) to read as follows:

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

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

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

(j-1) An appraisal review board may schedule the hearings on all protests filed by a property owner or the designated agent of the owner to be held consecutively. The notice of the hearings must state the date and time that the first hearing will begin, state the date the last hearing will end, and list the order in which the hearings will be held. The order of the hearings listed in the notice may not be changed without the agreement of the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. The board may not reschedule a hearing for which notice is given under this subsection to a date earlier than the seventh day after the date the last hearing was scheduled to end unless agreed to by the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. Unless agreed to by the parties, the board must provide written notice of the date and time of the rescheduled hearing to the property owner or the designated agent of the owner not later than the seventh day before the date of the hearing.

(j-2) An appraisal review board must schedule a hearing on a
protest filed by a property owner who is 65 years of age or older, disabled, a military service member, a military veteran, or the spouse of a military service member or military veteran before scheduling a hearing on a protest filed by a designated agent of a property owner.

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

(k-1) On the request of a property owner or the designated agent of the owner, an appraisal review board to which Section 6.425 applies shall assign a protest relating to property described by
Section 6.425(b) to a special panel. In addition, the chairman of the appraisal review board may assign a protest relating to property not described by Section 6.425(b) to a special panel as authorized by Section 6.425(f), but only if the assignment is requested or consented to by the property owner or the designated agent of the owner. Protests assigned to special panels shall be randomly assigned to those panels. If a protest is scheduled to be heard by a particular special panel, the protest may not be reassigned to another special panel without the consent of the property owner or the designated agent of the owner. If the board has cause to reassign a protest to another special panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a special panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another special panel.

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

SECTION 67. Section 41.67(d), Tax Code, is amended to read as follows:

(d) Information that was previously requested under Section 41.461 by the protesting party that was not delivered
available] to the protesting party at least 14 days before the
scheduled or postponed hearing may not be used or offered in any
form as evidence in the hearing, including as a document or through
argument or testimony. This subsection does not apply to
information offered to rebut evidence or argument presented at the
hearing by the protesting party or that party's designated agent.

SECTION 68. Section 41.71, Tax Code, is amended to read as
follows:

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

(b) The board may not schedule:

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

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

SECTION 69. Section 41A.03(a-1), Tax Code, is amended to
read as follows:

(a-1) If a property owner requests binding arbitration
under this chapter to appeal appraisal review board orders
involving two or more contiguous tracts of land that are owned by
the property owner [contiguous to one another], a single
arbitration deposit in the amount provided by Subsection (a)(2) is
sufficient to satisfy the requirement of Subsection (a)(2). For
purposes of this subsection, "contiguous tracts of land" means
improved or unimproved tracts of land that are touching or that
share a common boundary, as determined using appraisal district
records or legal descriptions of the tracts.

SECTION 70. Section 41A.06(b), Tax Code, is amended to read as follows:

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

(1) meet the following requirements, as applicable:
   (A) be licensed as an attorney in this state; or
   (B) have:
       (i) completed at least 30 hours of training in arbitration and alternative dispute resolution procedures from a university, college, or legal or real estate trade association; and
       (ii) been licensed or certified continuously during the five years preceding the date the person agrees to serve as an arbitrator as:
           (a) a real estate broker or sales agent under Chapter 1101, Occupations Code;
           (b) a real estate appraiser under Chapter 1103, Occupations Code; or
           (c) a certified public accountant under Chapter 901, Occupations Code; [and]
   (2) complete the courses for training and education of appraisal review board members established under Sections 5.041(a) and (e-1) and be issued a certificate for each course indicating course completion;
   (3) complete the training program on property tax law for the training and education of arbitrators established under Section 5.043; and
(4) agree to conduct an arbitration for a fee that is not more than:

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

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

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

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

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

(F) $1,500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than $3 million but not more than $5 million, as determined by the order.
SECTION 71. Sections 41A.061(b) and (c), Tax Code, are amended to read as follows:

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

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

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

(3) during the preceding two years have completed at least eight hours of continuing education in arbitration and alternative dispute resolution procedures offered by a university, college, real estate trade association, or legal association; and

(4) complete a revised training program on property tax law for the training and education of arbitrators established under Section 5.043 not later than the 120th day after the date the program is available to be taken if the comptroller:

(A) revises the program after the person is included in the registry; and

(B) determines that the program is substantially revised.

(c) The comptroller shall remove a person from the registry if:

(1) the person fails or declines to renew the person's agreement to serve as an arbitrator in the manner required by this section; [and]

(2) the comptroller determines by clear and convincing
evidence that there is good cause to remove the person from the
registry, including evidence of repeated bias or misconduct by the
person while acting as an arbitrator; or

(3) the person fails to complete a revised training
program on property tax law for the training and education of
arbitrators established under Section 5.043 not later than the
120th day after the date the program is available to be taken if the
comptroller:

(A) revises the program after the person is
included in the registry; and

(B) determines that the program is substantially
revised.

SECTION 72. Section 41A.07, Tax Code, is amended by
amending Subsections (e), (f), and (g) and adding Subsection (h) to
read as follows:

(e) To be eligible for appointment as an arbitrator under
this section [Subsection (a)], the arbitrator must reside[

(1) in the county in which the property that is the
subject of the appeal is located; or

(2) in this state [if no available arbitrator on the
registry resides in that county].

(f) A person is not eligible for appointment as an
arbitrator under this section [Subsection (a)] if at any time
during the preceding two [five] years, the person has:

(1) represented a person for compensation in a
proceeding under this title in the appraisal district in which the
property that is the subject of the appeal is located;
(2) served as an officer or employee of that appraisal district; or
(3) served as a member of the appraisal review board for that appraisal district.

(g) The comptroller may not appoint an arbitrator under this section [Subsection (a)] if the comptroller determines that there is good cause not to appoint the arbitrator, including information or evidence indicating repeated bias or misconduct by the person while acting as an arbitrator.

(h) A property owner may request that, in appointing an initial arbitrator under this section, the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located or an arbitrator who resides outside that county. In appointing an initial arbitrator under Subsection (a), the comptroller shall comply with the request of the property owner unless the property owner requests that the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located and there is not an available arbitrator who resides in that county. In appointing a substitute arbitrator under Subsection (d), the comptroller shall consider but is not required to comply with the request of the property owner. This subsection does not authorize a property owner to request the appointment of a specific individual as an arbitrator.

SECTION 73. Section 41A.09(b), Tax Code, is amended to read as follows:

(b) An award under this section:
must include a determination of the appraised or market value, as applicable, of the property that is the subject of the appeal;

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

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

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

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

SECTION 74. Subchapter A, Chapter 42, Tax Code, is amended by adding Section 42.081 to read as follows:

Sec. 42.081. DEFERRAL OF DELINQUENT TAX SUIT DURING APPEAL. A taxing unit that imposes taxes on property that is the subject of an appeal under this chapter may not file a suit to collect a delinquent tax on the property during the pendency of the appeal unless it is determined by the court that the property owner failed to comply with Section 42.08.

SECTION 75. Section 403.302, Government Code, is amended by adding Subsections (k) and (k-1) and amending Subsection (o) to read as follows:

(k) If the comptroller determines in the final certification of the study that the school district's local value as determined by the appraisal district that appraises property for
the school district is not valid, the comptroller shall provide
notice of the comptroller's determination to the board of directors
of the appraisal district. The board of directors of the appraisal
district shall hold a public meeting to discuss the receipt of
notice under this subsection.

(k-1) If the comptroller determines in the final
certification of the study that the school district's local value
as determined by the appraisal district that appraises property for
the school district is not valid for three consecutive years, the
comptroller shall conduct an additional review of the appraisal
district under Section 5.102, Tax Code, and provide recommendations
to the appraisal district regarding appraisal standards,
procedures, and methodologies. The comptroller may contract with a
third party to assist the comptroller in conducting the additional
review and providing the recommendations required under this
subsection. If the appraisal district fails to comply with the
recommendations provided under this subsection and the comptroller
finds that the board of directors of the appraisal district failed
to take remedial action reasonably designed to ensure substantial
compliance with each recommendation before the first anniversary of
the date the recommendations were made, the comptroller shall
notify the Texas Department of Licensing and Regulation, or a
successor to the department, which shall take action necessary to
ensure that the recommendations are implemented as soon as
practicable. Before February 1 of the year following the year in
which the Texas Department of Licensing and Regulation, or a
successor to the department, takes action under this subsection,
the department, with the assistance of the comptroller, shall
determine whether the recommendations have been substantially
implemented and notify the chief appraiser and the board of
directors of the appraisal district of the determination. If the
department determines that the recommendations have not been
substantially implemented, the board of directors of the appraisal
district must, within three months of the determination, consider
whether the failure to implement the recommendations was under the
current chief appraiser's control and whether the chief appraiser
is able to adequately perform the chief appraiser's duties.

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

SECTION 76. Section 281.107(j), Health and Safety Code, is
amended to read as follows:

(j) The portion of the rate of ad valorem tax that is to be
levied and assessed each year by or for the district that is
allocated by the district to the payment of the principal of and the
interest on bonds and other obligations or the maintenance of
reserves therefor in accordance with this section shall be applied
as a payment on current debt in calculating the current debt rate
under the applicable voter-approval tax rate [rollback] provisions
of Chapter 26, Tax Code.

SECTION 77. The heading to Section 281.124, Health and
Safety Code, is amended to read as follows:

Sec. 281.124. ELECTION TO APPROVE TAX RATE IN EXCESS OF
VOTER-APPROVAL [ROLLBACK] TAX RATE.

SECTION 78. Sections 281.124(b), (c), (d), and (e), Health and Safety Code, are amended to read as follows:

(b) The board may hold an election at which the registered voters of the district may approve a tax rate for the current tax year that exceeds the district's voter-approval [rollback] tax rate for the year computed under Chapter 26, Tax Code, by a specific rate stated in dollars and cents per $100 of taxable value.

(c) An election under this section must be held at least 180 days before the date on which the district's tax rate is adopted by the board. At the election, the ballot shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of $ (insert total proposed tax rate) per $100 valuation in (insert district name) for the (insert current tax year) tax year, a rate that exceeds the district's voter-approval [rollback] tax rate. The proposed ad valorem tax rate exceeds the ad valorem tax rate most recently adopted by the district by $ (insert difference between proposed and preceding year's tax rates) per $100 valuation."

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

(e) If the proposition is not approved as provided by Subsection (d) [ce], the board may not adopt a tax rate for the district for the specified tax year that exceeds the rate that was
not approved, and Section 26.07, Tax Code, applies to the adopted rate if that rate exceeds the 
district's voter-approval [rollback] tax rate.

SECTION 79. Section 102.007(d), Local Government Code, is amended to read as follows:

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

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

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

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

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax
(2) the record vote of each member of the governing body by name voting on the adoption of the budget;

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

(A) the property tax rate;

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

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

(D) the voter-approval [rollback] tax rate; and

(E) the debt rate; and

(4) the total amount of municipal debt obligations.

SECTION 80. Section 111.008(d), Local Government Code, is amended to read as follows:

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

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

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

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

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

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

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

(A) the property tax rate;

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

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

(D) the voter-approval [rollback] tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION 81. Section 111.039(d), Local Government Code, is
amended to read as follows:

(d) An adopted budget must contain a cover page that
includes:
(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

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

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

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

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

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

(A) the property tax rate;
(B) the no-new-revenue [effective] tax rate;

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

(D) the voter-approval [rollback] tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION 82. Section 111.068(c), Local Government Code, is amended to read as follows:

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

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

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

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

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

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

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

(A) the property tax rate;

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

(C) the no-new-revenue [effective] maintenance

and operations tax rate;

(D) the voter-approval [rollback] tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION 83. Section 1101.254(f), Special District Local
Laws Code, is amended to read as follows:

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

SECTION 84. Sections 1122.2522, 3828.157, and 8876.152,
Special District Local Laws Code, are amended to read as follows:

Sec. 1122.2522. VOTER-APPROVAL [ROLLBACK] TAX RATE
PROVISIONS APPLICABLE. [(a)] If in any year the board adopts a tax rate that exceeds the voter-approval [rollback] tax rate calculated as provided by Chapter 26, Tax Code, [the qualified voters of the district by petition may require that] an election under Section 26.07 of that code must be held to determine whether or not to approve [reduce] the tax rate adopted by the board for that year [to the rollback tax rate].

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

Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE PROVISIONS. Sections 26.04, 26.05, [and] 26.07, and 26.075, Tax Code, do not apply to a tax imposed under Section 3828.153 or 3828.156.

Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS. (a) Sections 26.04, 26.05, 26.06, 26.061, [and] 26.07, and 26.075, Tax Code, do not apply to a tax imposed by the district. (b) Sections 49.236(a)(1) and (2) and (b) [Section 49.236], Water Code, apply [as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003, applies] to the district.

SECTION 85. Section 49.057, Water Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) The board shall adopt an annual budget. The board of a developed district, as defined by Section 49.23602, shall include as an appendix to the budget the district's:

(1) audited financial statements;
S.B. No. 2
(2) bond transcripts; and
(3) engineer's reports required by Section 49.106.
(b-1) All district employees are employed at the will of the
district unless the district and employee execute a written
employment contract.
SECTION 86. Section 49.107(g), Water Code, is amended to
read as follows:
(g) Sections 26.04, 26.05, 26.061, [and] 26.07, and 26.075,
Tax Code, do not apply to a tax levied and collected under this
section or an ad valorem tax levied and collected for the payment of
the interest on and principal of bonds issued by a district.
SECTION 87. Section 49.108(f), Water Code, is amended to
read as follows:
(f) Sections 26.04, 26.05, 26.061, [and] 26.07, and 26.075,
Tax Code, do not apply to a tax levied and collected for payments
made under a contract approved in accordance with this section.
SECTION 88. Section 49.236(a), Water Code, as added by
Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular
Session, 2003, is amended to read as follows:
(a) Before the board adopts an ad valorem tax rate for the
district for debt service, operation and maintenance purposes, or
contract purposes, the board shall give notice of each meeting of
the board at which the adoption of a tax rate will be considered.
The notice must:
(1) contain a statement in substantially the following
form:
"NOTICE OF PUBLIC HEARING ON TAX RATE
"The (name of the district) will hold a public hearing on a
proposed tax rate for the tax year (year of tax levy) on (date and
time) at (meeting place). Your individual taxes may increase at a
greater or lesser rate, or even decrease, depending on the tax rate
that is adopted and on the change in the taxable value of your
property in relation to the change in taxable value of all other
property [and the tax rate that is adopted]. The change in the
taxable value of your property in relation to the change in the
taxable value of all other property determines the distribution of
the tax burden among all property owners.

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

(2) Contain the following information:

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

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

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

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

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

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

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

(A) if the district is a district described by Section 49.23601:

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

"If the district adopts a combined debt service, operation and maintenance, and contract tax rate that would result in the taxes on the average residence homestead increasing [increase] by more than eight percent, [the qualified voters of the district by petition may require that] an election must be held to determine whether to approve [reduce] the operation and maintenance tax rate [to the rollback tax rate] under Section 49.23601 [49.236(d)], Water Code.";

(B) if the district is a district described by Section 49.23602:

"NOTICE OF VOTE ON TAX RATE

"If the district adopts a combined debt service, operation and maintenance, and contract tax rate that would result in the taxes on the average residence homestead increasing by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code."; or

(C) if the district is a district described by Section 49.23603:

"NOTICE OF TAXPAYERS' RIGHT TO ELECTION TO REDUCE TAX RATE

"If the district adopts a combined debt service, operation and maintenance, and contract tax rate that would result in the taxes on the average residence homestead increasing by more than
eight percent, the qualified voters of the district by petition may
require that an election be held to determine whether to reduce the
operation and maintenance tax rate to the voter-approval tax rate
under Section 49.23603, Water Code."; and
(4) include the following statement: "The 86th Texas
Legislature modified the manner in which the voter-approval tax
rate is calculated to limit the rate of growth of property taxes in
the state."

SECTION 89. Subchapter H, Chapter 49, Water Code, is
amended by adding Sections 49.23601, 49.23602, and 49.23603 to read
as follows:

Sec. 49.23601. AUTOMATIC ELECTION TO APPROVE TAX RATE FOR
LOW TAX RATE DISTRICTS. (a) In this section, "voter-approval tax
rate" means the rate equal to the sum of the following tax rates for
the district:

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

(b) This section applies only to a district the board of
which has adopted an operation and maintenance tax rate for the
current tax year that is 2.5 cents or less per $100 of taxable
If the board of a district adopts a combined debt service, contract, and operation and maintenance tax rate that would impose more than 1.08 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, an election must be held in accordance with the procedures provided by Sections 26.07(c)-(g), Tax Code, to determine whether to approve the adopted tax rate. If the adopted tax rate is not approved at the election, the district's tax rate is the voter-approval tax rate.

Sec. 49.23602. AUTOMATIC ELECTION TO APPROVE TAX RATE FOR CERTAIN DEVELOPED DISTRICTS. (a) In this section:

1. "Developed district" means a district that has financed, completed, and issued bonds to pay for all land, works, improvements, facilities, plants, equipment, and appliances necessary to serve at least 95 percent of the projected build-out of the district in accordance with the purposes for its creation or the purposes authorized by the constitution, this code, or any other law.

2. "Mandatory tax election rate" means the rate equal to the sum of the following tax rates for the district:

   (A) the rate that would impose 1.035 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a
residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older; and 

(B) the unused increment rate. 

(3) "Unused increment rate" has the meaning assigned by Section 26.013, Tax Code. 

(4) "Voter-approval tax rate" means the rate equal to the sum of the following tax rates for the district: 

(A) the current year's debt service tax rate; 

(B) the current year's contract tax rate; 

(C) the operation and maintenance tax rate that would impose 1.035 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older; and 

(D) the unused increment rate. 

(b) This section applies only to a developed district that is not a district described by Section 49.23601. 

(c) If the board of a district adopts a combined debt service, contract, and operation and maintenance tax rate that exceeds the district's mandatory tax election rate, an election must be held in accordance with the procedures provided by Sections 26.07(c)-(g), Tax Code, to determine whether to approve the adopted tax rate. If the adopted tax rate is not approved at the election, the district's tax rate is the voter-approval tax rate.
(d) Notwithstanding any other provision of this section, the board of a district may give notice under Section 49.236(a)(3)(A), determine whether an election is required to approve the adopted tax rate of the district in the manner provided for a district under Section 49.23601(c), and calculate the voter-approval tax rate of the district in the manner provided for a district under Section 49.23601(a) if any part of the district is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The board may continue doing so until the earlier of:

1. the second tax year in which the total taxable value of property taxable by the district as shown on the appraisal roll for the district submitted by the assessor for the district to the board exceeds the total taxable value of property taxable by the district on January 1 of the tax year in which the disaster occurred; or

2. the third tax year after the tax year in which the disaster occurred.

Sec. 49.23603. PETITION ELECTION TO REDUCE TAX RATE FOR CERTAIN DISTRICTS. (a) In this section, "voter-approval tax rate" means the rate equal to the sum of the following tax rates for the district:

1. the current year's debt service tax rate;

2. the current year's contract tax rate; and

3. the operation and maintenance tax rate that would impose 1.08 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence.
homestead appraised at the average appraised value of a residence
homestead in the district in that year, disregarding any homestead
exemption available only to disabled persons or persons 65 years of
age or older.

(b) This section applies only to a district that is not
described by Section 49.23601 or 49.23602.

(c) If the board of a district adopts a combined debt
service, contract, and operation and maintenance tax rate that
would impose more than 1.08 times the amount of tax imposed by the
district in the preceding year on a residence homestead appraised
at the average appraised value of a residence homestead in the
district in that year, disregarding any homestead exemption
available only to disabled persons or persons 65 years of age or
older, the qualified voters of the district by petition may require
that an election be held to determine whether to reduce the tax rate
adopted for the current year to the voter-approval tax rate in
accordance with the procedures provided by Sections 26.075 and
26.081, Tax Code.

SECTION 90. Section 6B(f), Chapter 1472, Acts of the 77th
Legislature, Regular Session, 2001, is amended to read as follows:

(f) The district may provide that payments required by any
of the district's contracts, agreements, or leases may be payable
from the sale of notes, taxes, or bonds, or any combination of
notes, taxes, or bonds, or may be secured by a lien on or a pledge of
any available funds, including proceeds of the district's
maintenance tax, and may be payable subject to annual appropriation
by the district. The district may pledge to impose and may impose a
maintenance tax in an amount sufficient to comply with the
district's obligations under the district's contracts, leases, and
agreements at a maximum aggregate rate not to exceed 10 cents for
each $100 valuation of taxable property in the district. Sections
26.012, 26.04, 26.05, 26.07, and 26.075 [26.012], Tax Code, do not
apply to maintenance taxes levied and collected for payments under
a contract, agreement, lease, time warrant, or maintenance note
issued or executed under this section.

SECTION 91. The following provisions are repealed:

(1) Sections 403.302(m-1) and (n), Government Code;
(2) Section 140.010, Local Government Code;
(3) Section 1063.255, Special District Local Laws
Code;
(4) Sections 5.103(e) and (f), 6.412(e), 22.23(c),
25.19(b-2), and 41A.06(c), Tax Code;
(5) Section 49.236, Water Code, as added by Chapter
248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,
2003;
(6) Section 49.236(d), Water Code, as added by Chapter
335 (S.B. 392), Acts of the 78th Legislature, Regular Session,
2003; and
(7) Section 49.2361, Water Code.

SECTION 92. (a) Section 9, Chapter 481 (S.B. 1760), Acts
of the 84th Legislature, Regular Session, 2015, which added Section
42.23(i), Tax Code, effective January 1, 2020, is repealed.
(b) This section takes effect September 1, 2019.

SECTION 93. Section 5.041, Tax Code, as amended by this Act,
applies only to an appraisal review board member appointed to serve a term of office that begins on or after January 1, 2020.

SECTION 94. The comptroller of public accounts shall implement Section 5.043, Tax Code, as added by this Act, as soon as practicable after January 1, 2020.

SECTION 95. Sections 5.05, 5.102, 5.13, and 23.01, Tax Code, as amended by this Act, apply only to the appraisal of property for ad valorem tax purposes for a tax year beginning on or after January 1, 2020.

SECTION 96. (a) The comptroller of public accounts shall comply with Sections 5.07(f), (g), (h), and (i), Tax Code, as added by this Act, as soon as practicable after January 1, 2020.

(b) The comptroller of public accounts shall comply with Section 5.091, Tax Code, as amended by this Act, not later than:

(1) January 1, 2022, with regard to tax rate information related to a taxing unit located wholly or partly in a county with a population of 120,000 or more; and

(2) January 1, 2023, with regard to tax rate information related to a taxing unit located wholly in a county with a population of less than 120,000.

SECTION 97. Section 5.09, Tax Code, as amended by this Act, applies only to information submitted to the comptroller of public accounts that relates to a tax year beginning on or after January 1, 2020.

SECTION 98. The comptroller of public accounts shall prepare and make available the survey and instructions for completing and submitting the survey required by Section 5.104, Tax
Code, as added by this Act, as soon as practicable after January 1, 2020. An appraisal district is not required to provide the survey or instructions under a requirement of that section until the survey and instructions are prepared and made available by the comptroller of public accounts.

SECTION 99. Section 6.41(d-9), Tax Code, as amended by this Act, applies only to the appointment of appraisal review board members to terms beginning on or after January 1, 2021.

SECTION 100. Section 6.412, Tax Code, as amended by this Act, does not affect the eligibility of a person serving on an appraisal review board immediately before January 1, 2020, to continue to serve on the board for the term to which the member was appointed.

SECTION 101. Section 6.42(d), Tax Code, as added by this Act, applies only to a recommendation, determination, decision, or other action by an appraisal review board or a panel of such a board on or after January 1, 2020. A recommendation, determination, decision, or other action by an appraisal review board or a panel of such a board before January 1, 2020, is governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.

SECTION 102. Section 11.24, Tax Code, as amended by this Act, applies only to an exemption authorized by that section that is repealed or reduced on or after January 1, 2020.

SECTION 103. Sections 11.4391(a) and 22.23(d), Tax Code, as amended by this Act, apply only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2020.
SECTION 104. Sections 25.192 and 25.193, Tax Code, as added by this Act, apply only to a notice for a tax year beginning on or after January 1, 2020.

SECTION 105. (a) An appraisal district established in a county with a population of 200,000 or more and each taxing unit located wholly or primarily in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2020 tax year.

(b) An appraisal district established in a county with a population of less than 200,000 and each taxing unit located wholly or primarily in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2021 tax year.

SECTION 106. (a) Not later than the 30th day after the date this section takes effect:

(1) the designated officer or employee of each taxing unit shall submit to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located the worksheets used by the designated officer or employee to calculate the effective and rollback tax rates of the taxing unit for the 2015-2019 tax years; and

(2) the county assessor-collector for each county shall post the worksheets submitted to the county assessor-collector under Subdivision (1) of this subsection on the Internet website of the county.

(b) This section takes effect immediately if this Act
receives a vote of two-thirds of all the members elected to each
house, as provided by Section 39, Article III, Texas Constitution.
If this Act does not receive the vote necessary for immediate
effect, this section takes effect on the 91st day after the last day
of the legislative session.

SECTION 107. A taxing unit that does not own, operate, or
control an Internet website is not required to comply with Sections
26.05(b)(2) and 26.065(b), Tax Code, as amended by this Act, until
the first tax year in which the taxing unit is required by law to
maintain or have access to an Internet website.

SECTION 108. Section 33.08(b), Tax Code, as amended by this
Act, applies only to taxes that become delinquent on or after
January 1, 2020. Taxes that become delinquent before that date are
governed by the law as it existed immediately before that date, and
that law is continued in effect for that purpose.

SECTION 109. Section 41.03(a), Tax Code, as amended by this
Act, applies only to a challenge under Chapter 41, Tax Code, for
which a challenge petition is filed on or after January 1, 2020. A
challenge under Chapter 41, Tax Code, for which a challenge
petition was filed before January 1, 2020, is governed by the law in
effect on the date the challenge petition was filed, and the former
law is continued in effect for that purpose.

SECTION 110. Sections 41.45 and 41.66(k), Tax Code, as
amended by this Act, and Section 41.66(k-1), Tax Code, as added by
this Act, apply only to a protest filed under Chapter 41, Tax Code,
on or after January 1, 2021. A protest filed under that chapter
before January 1, 2021, is governed by the law in effect on the date
the protest was filed, and the former law is continued in effect for that purpose.

SECTION 111. Sections 41.46, 41.461, 41.47, 41.66(h), (i), and (j), and 41.67, Tax Code, as amended by this Act, and Sections 41.66(j-1), (j-2), and (p), Tax Code, as added by this Act, apply only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board established for an appraisal district on or after January 1, 2020.

SECTION 112. Section 41.71, Tax Code, as amended by this Act, applies only to a hearing on a protest under Chapter 41, Tax Code, that is scheduled on or after January 1, 2020. A hearing on a protest under Chapter 41, Tax Code, that is scheduled before January 1, 2020, is governed by the law in effect on the date the hearing was scheduled, and that law is continued in effect for that purpose.

SECTION 113. Sections 41A.03 and 41A.07, Tax Code, as amended by this Act, apply only to a request for binding arbitration received by the comptroller of public accounts from an appraisal district on or after January 1, 2020.

SECTION 114. (a) A person who immediately before January 1, 2020, serves as an arbitrator in binding arbitrations of appeals of appraisal review board orders must meet the requirements of Section 41A.06(b)(3), Tax Code, as added by this Act, not later than the 120th day after the date the comptroller of public accounts begins to provide the training required under Section 5.043, Tax Code, as added by this Act.
(b) This Act does not prohibit a person who is serving as an arbitrator on January 1, 2020, from renewing the person's agreement with the comptroller of public accounts to serve as an arbitrator if the person has the qualifications required for an arbitrator under the Tax Code as amended by this Act.

SECTION 115. Section 42.081, Tax Code, as added by this Act, applies only to an appeal under Chapter 42, Tax Code, that is filed on or after January 1, 2020.

SECTION 116. The first tax year that may be considered for purposes of the condition to the applicability of Section 403.302(k-1), Government Code, as added by this Act, that the comptroller of public accounts has determined in a study under Section 403.302 of that code that a school district's local value as determined by the appraisal district that appraises property for the school district is not valid for three consecutive years is the 2020 tax year.

SECTION 117. Section 49.057, Water Code, as amended by this Act, applies only to a budget adopted on or after January 1, 2020.

SECTION 118. (a) Not later than the 30th day after the date this section takes effect, the comptroller of public accounts shall provide a written notice to each appraisal district of:

(1) the deadline for complying with each new requirement, duty, or function imposed by this Act on an appraisal district or taxing unit; and

(2) any change made by this Act to the deadline for complying with an existing requirement, duty, or function of an appraisal district or taxing unit.
(b) As soon as practicable after receipt of the notice provided by the comptroller of public accounts under Subsection (a) of this section, the chief appraiser of an appraisal district shall forward the notice to each assessor for a taxing unit located in the appraisal district.

(c) This section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this section takes effect on the 91st day after the last day of the legislative session.

SECTION 119. (a) In this section:

(1) "Compensation" includes a salary, wage, insurance benefit, retirement benefit, or similar benefit an employee receives as a condition of employment.

(2) "First responder" has the meaning assigned by Section 504.019, Labor Code.

(3) "Taxing unit" has the meaning assigned by Section 1.04, Tax Code.

(b) This section applies only to the fiscal year of a taxing unit that begins in 2020.

(c) The governing body of a taxing unit may not adopt a budget for a fiscal year or take any other action that has the effect of decreasing the total compensation to which a first responder employed by the taxing unit was entitled in the preceding fiscal year of the taxing unit.

SECTION 120. This Act takes effect only if H.B. 3, 86th
Legislature, Regular Session, 2019, becomes law. If H.B. 3, 86th Legislature, Regular Session, 2019, does not become law, this Act has no effect.

SECTION 121. (a) Except as otherwise provided by this Act, this Act takes effect January 1, 2020.

(b) The following provisions take effect September 1, 2020:

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

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

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

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

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

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

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

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

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

(c) The following provisions take effect January 1, 2021:

(1) Sections 25.19(b-3) and (b-4), Tax Code, as added by this Act;

(2) Sections 26.04(d-1), (d-2), (d-3), and (e-5), Tax Code, as amended by this Act;
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1 Code, as added by this Act;
2   (3) Sections 26.04(e-1) and (g), Tax Code, as amended
3 by this Act; and
4   (4) Section 26.05(e), Tax Code, as amended by this
5 Act.
6   (d) Sections 25.19(b) and (i), Tax Code, as amended by this
7 Act, take effect January 1, 2022.
S.B. No. 2

President of the Senate

I hereby certify that S.B. No. 2 passed the Senate on April 15, 2019, by the following vote: Yeas 18, Nays 12, one present not voting; May 7, 2019, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 10, 2019, House granted request of the Senate; May 25, 2019, Senate adopted Conference Committee Report by the following vote: Yeas 21, Nays 9.

Secretary of the Senate

I hereby certify that S.B. No. 2 passed the House, with amendments, on May 1, 2019, by the following vote: Yeas 109, Nays 36, two present not voting; May 10, 2019, House granted request of the Senate for appointment of Conference Committee; May 25, 2019, House adopted Conference Committee Report by the following vote: Yeas 88, Nays 50.

Chief Clerk of the House

Approved:

Date

Governor