

By: Buckingham

S.B. No. 600

A BILL TO BE ENTITLED

AN ACT

1
2 relating to voter approval of a proposed ad valorem tax rate that
3 exceeds the rollback tax rate, including the date for holding the
4 election to approve the tax rate; making conforming changes.

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

6 SECTION 1. Section 11.4391(a), Tax Code, is amended to read
7 as follows:

8 (a) The chief appraiser shall accept and approve or deny an
9 application for an exemption for freeport goods under Section
10 11.251 after the deadline for filing it has passed if it is filed
11 not later than June 1 [~~15~~].

12 SECTION 2. Sections 22.23(a) and (b), Tax Code, are amended
13 to read as follows:

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

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

22 SECTION 3. Sections 25.19(a) and (g), Tax Code, are amended
23 to read as follows:

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

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

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

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

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

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

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

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

3 (2) the appraised value of the property for the
4 current year and the kind of each partial exemption, if any,
5 approved for the current year;

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

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

10 SECTION 4. Section 25.22(a), Tax Code, is amended to read as
11 follows:

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

21 SECTION 5. Sections 26.01(a) and (e), Tax Code, are amended
22 to read as follows:

23 (a) By July 10 [~~25~~], the chief appraiser shall prepare and
24 certify to the assessor for each taxing unit participating in the
25 district that part of the appraisal roll for the district that lists
26 the property taxable by the unit. The part certified to the
27 assessor is the appraisal roll for the unit. The chief appraiser

1 shall consult with the assessor for each taxing unit and notify each
2 unit in writing by April 1 of the form in which the roll will be
3 provided to each unit.

4 (e) Except as provided by Subsection (f), not later than May
5 15 [~~April 30~~], the chief appraiser shall prepare and certify to the
6 assessor for each county, municipality, and school district
7 participating in the appraisal district an estimate of the taxable
8 value of property in that taxing unit. The chief appraiser shall
9 assist each county, municipality, and school district in
10 determining values of property in that taxing unit for the taxing
11 unit's budgetary purposes.

12 SECTION 6. Sections 26.04(b) and (e), Tax Code, are amended
13 to read as follows:

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

26 (e) By July 22 [~~August 7~~] or as soon thereafter as
27 practicable, the designated officer or employee shall submit the

1 rates to the governing body. By July 27, the designated officer or
2 employee [~~He~~] shall deliver by mail to each property owner in the
3 unit or publish in a newspaper in the form prescribed by the
4 comptroller:

5 (1) the effective tax rate, the rollback tax rate, and
6 an explanation of how they were calculated;

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

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

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

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

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

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

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

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

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

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

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

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

25 (A) the amount of property tax revenue spent by
26 the unit to operate the department, function, or activity for which
27 the taxing unit raised the rollback tax rate as required by

1 Subsection (j) for the 12 months preceding the month in which the
2 calculations required by this chapter are made; and

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

5 SECTION 7. Section 26.05(a), Tax Code, is amended to read as
6 follows:

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

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

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

27 SECTION 8. Section 26.06(e), Tax Code, is amended to read as

1 follows:

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

13 SECTION 9. The heading to Section 26.08, Tax Code, is
14 amended to read as follows:

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

16 SECTION 10. Section 26.08, Tax Code, is amended by amending
17 Subsections (a), (b), (d), (d-1), (d-2), (e), and (h) and adding
18 Subsection (r) to read as follows:

19 (a) If the governing body of a taxing unit [~~school district~~]
20 adopts a tax rate that exceeds the taxing unit's [~~district's~~]
21 rollback tax rate, the registered voters of the taxing unit
22 [~~district~~] at an election held for that purpose must determine
23 whether to approve the adopted tax rate. When increased
24 expenditure of money by a taxing unit [~~school district~~] is
25 necessary to respond to a disaster, including a tornado, hurricane,
26 flood, or other calamity, but not including a drought, that has
27 impacted the taxing unit [~~a school district~~] and the governor has

1 requested federal disaster assistance for the area in which the
2 taxing unit [~~school district~~] is located, an election is not
3 required under this section to approve the tax rate adopted by the
4 governing body for the year following the year in which the disaster
5 occurs.

6 (b) The governing body shall order that the election be held
7 in the taxing unit [~~school district~~] on the uniform election date
8 prescribed by [~~a date not less than 30 or more than 90 days after the~~
9 ~~day on which it adopted the tax rate.~~] Section 41.001, Election
10 Code, that occurs in November of the applicable tax year. The order
11 calling the election may not be issued later than August 15 [~~does~~
12 ~~not apply to the election unless a date specified by that section~~
13 ~~falls within the time permitted by this section~~]. At the election,
14 the ballots shall be prepared to permit voting for or against the
15 proposition: "Approving the ad valorem tax rate of \$_____ per \$100
16 valuation in (name of taxing unit [~~school district~~]) for the
17 current year, a rate that is \$_____ higher per \$100 valuation than
18 the [~~school district~~] rollback tax rate of (name of taxing unit),
19 for the purpose of (description of purpose of increase)." The
20 ballot proposition must include the adopted tax rate and the
21 difference between that rate and the rollback tax rate in the
22 appropriate places.

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

27 (d-1) If, after tax bills for the taxing unit [~~school~~

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

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

25 (e) For purposes of this section, local tax funds dedicated
26 to a junior college district under Section 45.105(e), Education
27 Code, shall be eliminated from the calculation of the tax rate

1 adopted by the governing body of a [~~the~~] school district. However,
2 the funds dedicated to the junior college district are subject to
3 Section 26.085.

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

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

16 SECTION 11. Section 26.16(d), Tax Code, is amended to read
17 as follows:

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

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

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

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

5 "The debt rate is the component of the adopted tax rate of a
6 taxing unit that will impose the amount of taxes needed to fund the
7 unit's debt service for the following year.

8 "The effective tax rate is the tax rate that would generate
9 the same amount of revenue in the current tax year as was generated
10 by a taxing unit's adopted tax rate in the preceding tax year from
11 property that is taxable in both the current tax year and the
12 preceding tax year.

13 "The effective maintenance and operations rate is the tax
14 rate that would generate the same amount of revenue for maintenance
15 and operations in the current tax year as was generated by a taxing
16 unit's maintenance and operations rate in the preceding tax year
17 from property that is taxable in both the current tax year and the
18 preceding tax year.

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

27 SECTION 12. Sections [31.12](#)(a) and (b), Tax Code, are

1 amended to read as follows:

2 (a) If a refund of a tax provided by Section 11.431(b),
3 26.08(d-2) [~~26.07(g)~~], 26.15(f), 31.11, 31.111, or 31.112 is paid
4 on or before the 60th day after the date the liability for the
5 refund arises, no interest is due on the amount refunded. If not
6 paid on or before that 60th day, the amount of the tax to be refunded
7 accrues interest at a rate of one percent for each month or part of a
8 month that the refund is unpaid, beginning with the date on which
9 the liability for the refund arises.

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

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

15 (2) if the refund is required by Section 26.08(d-2)
16 [~~26.07(g)~~], on the date the results of the election to reduce the
17 tax rate are certified;

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

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

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

26 (4) if the refund is required by Section 31.11, on the
27 date the auditor for the taxing unit determines that the payment was

1 erroneous or excessive or, if the amount of the refund exceeds the
2 applicable amount specified by Section 31.11(a), on the date the
3 governing body of the unit approves the refund;

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

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

9 SECTION 13. Section 33.08(b), Tax Code, is amended to read
10 as follows:

11 (b) The governing body of the taxing unit or appraisal
12 district, in the manner required by law for official action, may
13 provide that taxes that become delinquent on or after June 1 under
14 Section 26.08(d-1) [~~26.07(f)~~], 26.15(e), 31.03, 31.031, 31.032,
15 31.04, or 42.42 incur an additional penalty to defray costs of
16 collection. The amount of the penalty may not exceed the amount of
17 the compensation specified in the applicable contract with an
18 attorney under Section 6.30 to be paid in connection with the
19 collection of the delinquent taxes.

20 SECTION 14. Section 41.12(a), Tax Code, is amended to read
21 as follows:

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

23 (1) hear and determine all or substantially all timely
24 filed protests;

25 (2) determine all timely filed challenges;

26 (3) submit a list of its approved changes in the
27 records to the chief appraiser; and

1 (4) approve the records.

2 SECTION 15. Section [130.016](#)(b), Education Code, is amended
3 to read as follows:

4 (b) If the board of trustees of an independent school
5 district that divests itself of the management, control, and
6 operation of a junior college district under this section or under
7 Section [130.017](#) [~~of this code~~] was authorized by [~~Subsection (e)~~
8 ~~of~~] Section [45.105](#)(e) or under former Section 20.48(e) [~~20.48 of~~
9 ~~this code~~] to dedicate a portion of its tax levy to the junior
10 college district before the divestment, the junior college district
11 may levy an ad valorem tax from and after the divestment. In the
12 first two years in which the junior college district levies an ad
13 valorem tax, the tax rate adopted by the governing body may not
14 exceed the rate that, if applied to the total taxable value
15 submitted to the governing body under Section [26.04](#), Tax Code,
16 would impose an amount equal to the amount of taxes of the school
17 district dedicated to the junior college under [~~Subsection (e) of~~
18 Section [45.105](#)(e) or former Section 20.48(e) [~~20.48 of this code~~]
19 in the last dedication before the divestment. In subsequent years,
20 the tax rate of the junior college district is subject to Section
21 [26.08](#) [~~26.07~~], Tax Code.

22 SECTION 16. Sections [281.124](#)(d) and (e), Health and Safety
23 Code, are amended to read as follows:

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

1 adopt the tax rate as provided by Chapter 26, Tax Code.

2 (e) If the proposition is not approved as provided by
3 Subsection (d) [~~(c)~~], the board may not adopt a tax rate for the
4 district for the specified tax year that exceeds the rate that was
5 not approved, and Section 26.08 [~~26.07~~], Tax Code, applies to the
6 adopted rate if that rate exceeds the district's rollback tax rate.

7 SECTION 17. Section 140.010(e), Local Government Code, is
8 amended to read as follows:

9 (e) A county or municipality that proposes a property tax
10 rate that exceeds the lower of the effective tax rate or the
11 rollback tax rate shall provide the following notice:

12 "NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX
13 RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)

14 "A tax rate of \$_____ per \$100 valuation has been proposed for
15 adoption by the governing body of (insert name of county or
16 municipality). This rate exceeds the lower of the effective or
17 rollback tax rate, and state law requires that two public hearings
18 be held by the governing body before adopting the proposed tax
19 rate. The governing body of (insert name of county or
20 municipality) proposes to use revenue attributable to the tax rate
21 increase for the purpose of (description of purpose of increase).

22	PROPOSED TAX RATE	\$_____ per \$100
23	PRECEDING YEAR'S TAX RATE	\$_____ per \$100
24	EFFECTIVE TAX RATE	\$_____ per \$100
25	ROLLBACK TAX RATE	\$_____ per \$100

26 "The effective tax rate is the total tax rate needed to raise the
27 same amount of property tax revenue for (insert name of county or

1 municipality) from the same properties in both the (insert
2 preceding tax year) tax year and the (insert current tax year) tax
3 year.

4 "The rollback tax rate is the highest tax rate that (insert name of
5 county or municipality) may adopt without holding [~~before voters~~
6 ~~are entitled to petition for~~] an election to ratify [~~limit~~]
7 [~~that may be approved to the rollback rate~~].

8 "YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS

9 FOLLOWS:

10
$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) /$$

11
$$100$$

12 "For assistance or detailed information about tax calculations,
13 please contact:

14 (insert name of county or municipal tax assessor-collector)

15 (insert name of county or municipality) tax
16 assessor-collector

17 (insert address)

18 (insert telephone number)

19 (insert e-mail address)

20 (insert Internet website address, if applicable)

21 "You are urged to attend and express your views at the following
22 public hearings on the proposed tax rate:

23 First Hearing: (insert date and time) at (insert location of
24 meeting).

25 Second Hearing: (insert date and time) at (insert location
26 of meeting)."

27 SECTION 18. Section [1101.254\(f\)](#), Special District Local

1 Laws Code, is amended to read as follows:

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

9 SECTION 19. Sections 1122.2522, 3828.157, and 8876.152,
10 Special District Local Laws Code, are amended to read as follows:

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

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

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

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

27 (b) Sections 49.236(a)(1) and (2) and (b) [~~Section 49.236~~],

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

3 SECTION 20. Section 49.107(g), Water Code, is amended to
4 read as follows:

5 (g) Sections 26.04, 26.05, and 26.08 [~~26.07~~], Tax Code, do
6 not apply to a tax levied and collected under this section or an ad
7 valorem tax levied and collected for the payment of the interest on
8 and principal of bonds issued by a district.

9 SECTION 21. Section 49.108(f), Water Code, is amended to
10 read as follows:

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

14 SECTION 22. Sections 49.236(a) and (d), Water Code, as
15 added by Chapter 335 (S.B. 392), Acts of the 78th Legislature,
16 Regular Session, 2003, are amended to read as follows:

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

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

24 "NOTICE OF PUBLIC HEARING ON TAX RATE

25 "The (name of the district) will hold a public hearing on a
26 proposed tax rate for the tax year (year of tax levy) on (date and
27 time) at (meeting place). Your individual taxes may increase or

1 decrease, depending on the change in the taxable value of your
2 property in relation to the change in taxable value of all other
3 property and the tax rate that is adopted.

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

7 (2) contain the following information:

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

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

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

24 (D) the amount of tax that would have been
25 imposed by the district in the preceding year on a residence
26 homestead appraised at the average appraised value of a residence
27 homestead in that year, disregarding any homestead exemption

1 available only to disabled persons or persons 65 years of age or
2 older;

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

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

15 (G) if the proposed combined debt service,
16 operation and maintenance, and contract tax rate exceeds the
17 rollback tax rate, a description of the purpose of the proposed tax
18 increase; and

19 (3) contain a statement in substantially the following
20 form:

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

22 "If operation and maintenance taxes on the average residence
23 homestead increase by more than eight percent, [~~the qualified~~
24 ~~voters of the district by petition may require that~~] an election
25 must be held to determine whether to ratify [~~reduce~~] the operation
26 and maintenance tax rate [~~to the rollback tax rate~~] under Section
27 [49.236\(d\)](#), Water Code."

1 (d) If the governing body of a district adopts a combined
 2 debt service, operation and maintenance, and contract tax rate that
 3 exceeds the rollback tax rate, [~~would impose more than 1.08 times~~
 4 ~~the amount of tax imposed by the district in the preceding year on a~~
 5 ~~residence homestead appraised at the average appraised value of a~~
 6 ~~residence homestead in the district in that year, disregarding any~~
 7 ~~homestead exemption available only to disabled persons or persons~~
 8 ~~65 years of age or older, the qualified voters of the district by~~
 9 ~~petition may require that~~] an election must be held to determine
 10 whether [~~or not~~] to ratify [~~reduce~~] the tax rate adopted for the
 11 current year [~~to the rollback tax rate~~] in accordance with the
 12 procedures provided by Sections 26.08(b)-(d) [~~26.07(b)-(g) and~~
 13 26.081], Tax Code. For purposes of Sections 26.08(b)-(d), Tax
 14 Code, [~~26.07(b)-(g)~~] and this section [~~subsection~~], the rollback
 15 tax rate is the sum of the following tax rates:

- 16 (1) the current year's debt service tax rate;
 17 (2) the current year's [~~and~~] contract tax rate; and
 18 (3) [~~rates plus~~] the operation and maintenance tax
 19 rate that would impose 1.08 times the amount of the operation and
 20 maintenance tax imposed by the district in the preceding year on a
 21 residence homestead appraised at the average appraised value of a
 22 residence homestead in the district in that year, disregarding any
 23 homestead exemption available only to disabled persons or persons
 24 65 years of age or older.

25 SECTION 23. Section 6B(f), Chapter 1472, Acts of the 77th
 26 Legislature, Regular Session, 2001, is amended to read as follows:

27 (f) The district may provide that payments required by any

1 of the district's contracts, agreements, or leases may be payable
2 from the sale of notes, taxes, or bonds, or any combination of
3 notes, taxes, or bonds, or may be secured by a lien on or a pledge of
4 any available funds, including proceeds of the district's
5 maintenance tax, and may be payable subject to annual appropriation
6 by the district. The district may pledge to impose and may impose a
7 maintenance tax in an amount sufficient to comply with the
8 district's obligations under the district's contracts, leases, and
9 agreements at a maximum aggregate rate not to exceed 10 cents for
10 each \$100 valuation of taxable property in the district. Sections
11 26.012, 26.04, 26.05, and 26.08 [~~26.07~~, and ~~26.012~~], Tax Code, do
12 not apply to maintenance taxes levied and collected for payments
13 under a contract, agreement, lease, time warrant, or maintenance
14 note issued or executed under this section.

15 SECTION 24. The following provisions are repealed:

16 (1) Section 1063.255, Special District Local Laws
17 Code;

18 (2) Section 22.23(c), Tax Code;

19 (3) Section 26.07, Tax Code;

20 (4) Section 49.236, Water Code, as added by Chapter
21 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,
22 2003; and

23 (5) Section 49.2361, Water Code.

24 SECTION 25. The change in law made by this Act applies to
25 the ad valorem tax rate of a taxing unit beginning with the 2020 tax
26 year.

27 SECTION 26. Sections 11.4391(a) and 22.23(a) and (b), Tax

1 Code, as amended by this Act, apply only to ad valorem taxes imposed
2 for a tax year beginning on or after January 1, 2020.

3 SECTION 27. Section 33.08(b), Tax Code, as amended by this
4 Act, applies only to taxes that become delinquent on or after
5 January 1, 2020. Taxes that become delinquent before that date are
6 governed by the law as it existed immediately before that date, and
7 that law is continued in effect for that purpose.

8 SECTION 28. This Act takes effect January 1, 2020.