

1-1 By: Meyer, Shine (Senate Sponsor - Bettencourt) H.B. No. 2429  
 1-2 (In the Senate - Received from the House April 12, 2021;  
 1-3 April 13, 2021, read first time and referred to Committee on Local  
 1-4 Government; April 21, 2021, reported favorably by the following  
 1-5 vote: Yeas 9, Nays 0; April 21, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Menéndez	X			
1-9 Eckhardt	X			
1-10 Gutierrez	X			
1-11 Hall	X			
1-12 Nichols	X			
1-13 Paxton	X			
1-14 Springer	X			
1-15 Zaffirini	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the alternate provisions for ad valorem tax rate  
 1-20 notices when the de minimis rate of a taxing unit exceeds the  
 1-21 voter-approval tax rate.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 26.063, Tax Code, is amended by adding  
 1-24 Subsection (d) to read as follows:

1-25 (d) This subsection applies only to a taxing unit that is  
 1-26 not required to hold an election under Section 26.07 and for which  
 1-27 the qualified voters of the taxing unit may not petition to hold an  
 1-28 election under Section 26.075. In the notice required to be  
 1-29 provided by the taxing unit under Section 26.06(b-1) or (b-3), as  
 1-30 applicable, the taxing unit shall:

1-31 (1) add the following to the end of the list of rates  
 1-32 included in the notice:

1-33 "DE MINIMIS RATE \$\_\_\_\_\_ per \$100";

1-34 (2) substitute the following for the definition of  
 1-35 "voter-approval tax rate": "The voter-approval tax rate is the  
 1-36 highest tax rate that (name of taxing unit) may adopt without  
 1-37 holding an election to seek voter approval of the rate, unless the  
 1-38 de minimis rate for (name of taxing unit) exceeds the  
 1-39 voter-approval tax rate for (name of taxing unit).";

1-40 (3) add the following definition of "de minimis rate":  
 1-41 "The de minimis rate is the rate equal to the sum of the  
 1-42 no-new-revenue maintenance and operations rate for (name of taxing  
 1-43 unit), the rate that will raise \$500,000, and the current debt rate  
 1-44 for (name of taxing unit)."; and

1-45 (4) substitute the following for the provision that  
 1-46 provides notice that an election is required: "The proposed tax  
 1-47 rate is greater than the voter-approval tax rate but not greater  
 1-48 than the de minimis rate and does not exceed the rate that allows  
 1-49 voters to petition for an election under Section 26.075, Tax Code.  
 1-50 If (name of taxing unit) adopts the proposed tax rate, (name of  
 1-51 taxing unit) is not required to hold an election so that the voters  
 1-52 may accept or reject the proposed tax rate and the qualified voters  
 1-53 of the (name of taxing unit) may not petition the (name of taxing  
 1-54 unit) to require an election to be held to determine whether to  
 1-55 reduce the proposed tax rate.".

1-56 SECTION 2. The change in law made by this Act applies only  
 1-57 to a tax rate notice that is provided by a taxing unit on or after  
 1-58 the effective date of this Act. A tax rate notice that is provided  
 1-59 by a taxing unit before the effective date of this Act is governed  
 1-60 by the law in effect on the date the notice is provided, and the  
 1-61 former law is continued in effect for that purpose.

2-1 SECTION 3. This Act takes effect immediately if it receives  
2-2 a vote of two-thirds of all the members elected to each house, as  
2-3 provided by Section 39, Article III, Texas Constitution. If this  
2-4 Act does not receive the vote necessary for immediate effect, this  
2-5 Act takes effect September 1, 2021.

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