

By: Tinderholt

H.B. No. 2966

A BILL TO BE ENTITLED

AN ACT

relating to the repeal of provisions providing for the calculation and effect of a de minimis ad valorem tax rate.

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

SECTION 1. Section 3828.157, Special District Local Laws Code, is amended to read as follows:

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.

SECTION 2. Section 8876.152(a), Special District Local Laws Code, is amended to read as follows:

(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.

SECTION 3. Section 26.07(b), Tax Code, is amended to read as follows:

(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 tax rate, [~~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 voters of the taxing unit at an

1 election held for that purpose must determine whether to approve
2 the adopted tax rate. When increased expenditure of money by a
3 taxing unit is necessary to respond to a disaster, including a
4 tornado, hurricane, flood, wildfire, or other calamity, but not
5 including a drought, that has impacted the taxing unit and the
6 governor has declared any part of the area in which the taxing unit
7 is located as a disaster area, an election is not required under
8 this section to approve the tax rate adopted by the governing body
9 for the year following the year in which the disaster occurs.

10 SECTION 4. Sections 31.12(a) and (b), Tax Code, are amended
11 to read as follows:

12 (a) If a refund of a tax provided by Section 11.431(b),
13 26.07(g), [~~26.075(k)~~], 26.15(f), 31.11, 31.111, or 31.112 is paid
14 on or before the 60th day after the date the liability for the
15 refund arises, no interest is due on the amount refunded. If not
16 paid on or before that 60th day, the amount of the tax to be refunded
17 accrues interest at a rate of one percent for each month or part of a
18 month that the refund is unpaid, beginning with the date on which
19 the liability for the refund arises.

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

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

25 (2) if the refund is required by Section 26.07(g) [~~or~~
26 ~~26.075(k)~~], on the date the results of the election to approve [~~or~~
27 ~~reduce~~] the tax rate [~~as applicable~~] are certified;

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

2 (A) for a correction to the tax roll made under
3 Section 26.15(b), on the date the change in the tax roll is
4 certified to the assessor for the taxing unit under Section 25.25;
5 or

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

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

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

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

19 SECTION 5. Section 33.08(b), Tax Code, is amended to read as
20 follows:

21 (b) The governing body of the taxing unit or appraisal
22 district, in the manner required by law for official action, may
23 provide that taxes that become delinquent on or after June 1 under
24 Section [~~26.075(j)~~] 26.15(e), 31.03, 31.031, 31.032, 31.04, or
25 42.42 incur an additional penalty to defray costs of collection.
26 The amount of the penalty may not exceed the amount of the
27 compensation specified in the applicable contract with an attorney

1 under Section 6.30 to be paid in connection with the collection of
2 the delinquent taxes.

3 SECTION 6. Section 49.107(g), Water Code, is amended to
4 read as follows:

5 (g) Sections 26.04, 26.05, 26.061, and 26.07, [~~and 26.075~~],
6 Tax Code, do not apply to a tax levied and collected under this
7 section or an ad valorem tax levied and collected for the payment of
8 the interest on and principal of bonds issued by a district.

9 SECTION 7. Section 49.108(f), Water Code, is amended to
10 read as follows:

11 (f) Sections 26.04, 26.05, 26.061, and 26.07, [~~and 26.075~~],
12 Tax Code, do not apply to a tax levied and collected for payments
13 made under a contract approved in accordance with this section.

14 SECTION 8. Section 49.23603, Water Code, is amended by
15 amending Subsection (c) and adding Subsections (d), (e), (f), (g),
16 (h), (i), (j), and (k) to read as follows:

17 (c) If the board of a district adopts a combined debt
18 service, contract, and operation and maintenance tax rate that
19 would impose more than 1.08 times the amount of tax imposed by the
20 district in the preceding year on a residence homestead appraised
21 at the average appraised value of a residence homestead in the
22 district in that year, disregarding any homestead exemption
23 available only to disabled persons or persons 65 years of age or
24 older, the qualified voters of the district by petition may require
25 that an election be held to determine whether to reduce the tax rate
26 adopted for the current year to the voter-approval tax rate in
27 accordance with the procedures provided by this section and Section

1 ~~[Sections 26.075 and]~~ 26.081, Tax Code.

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

3 (1) states that it is intended to require an election
4 in the district on the question of reducing the district's adopted
5 tax rate for the current tax year;

6 (2) is signed by a number of registered voters of the
7 district equal to at least three percent of the registered voters of
8 the district determined according to the most recent list of those
9 voters; and

10 (3) is submitted to the district's board not later than
11 the 90th day after the date on which the board adopts the tax rate
12 for the current tax year.

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

19 (f) If the board determines that the petition is valid or
20 fails to make the determination in the time and manner required by
21 Subsection (e), the board shall order that an election be held in
22 the district on the next uniform election date that allows
23 sufficient time to comply with the requirements of other law.

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

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

4 (i) If the proposition is not approved as provided by
5 Subsection (h), the tax rate for the district for the current tax
6 year is the tax rate adopted by the district's board for the current
7 tax year.

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

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

1 SECTION 9. The following provisions of the Tax Code are
2 repealed:

3 (1) Section 26.012(8-a);

4 (2) Section 26.063; and

5 (3) Section 26.075.

6 SECTION 10. This Act applies only to ad valorem taxes
7 imposed for an ad valorem tax year that begins on or after the
8 effective date of this Act.

9 SECTION 11. This Act takes effect January 1, 2022.