

By: Bettencourt

S.B. No. 1429

A BILL TO BE ENTITLED

AN ACT

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

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

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

(d) This subsection applies only to a taxing unit that is not required to hold an election under Section 26.07 and for which the qualified voters of the taxing unit may not 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

1 no-new-revenue maintenance and operations rate for (name of taxing
2 unit), the rate that will raise \$500,000, and the current debt rate
3 for (name of taxing unit)."; and

4 (4) substitute the following for the provision that
5 provides notice that an election is required: "The proposed tax
6 rate is greater than the voter-approval tax rate but not greater
7 than the de minimis rate and does not exceed the rate that allows
8 voters to petition for an election under Section 26.075, Tax Code.
9 If (name of taxing unit) adopts the proposed tax rate, (name of
10 taxing unit) is not required to hold an election so that the voters
11 may accept or reject the proposed tax rate and the qualified voters
12 of the (name of taxing unit) may not petition the (name of taxing
13 unit) to require an election to be held to determine whether to
14 reduce the proposed tax rate.".

15 SECTION 2. The change in law made by this Act applies only
16 to a tax rate notice that is provided by a taxing unit on or after
17 the effective date of this Act. A tax rate notice that is provided
18 by a taxing unit before the effective date of this Act is governed
19 by the law in effect on the date the notice is provided, and the
20 former law is continued in effect for that purpose.

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