88R13537 CJC-F

By:  Harrison H.B. No. 4852

A BILL TO BE ENTITLED

AN ACT

relating to the form of a notice of public hearing on a proposed ad valorem tax rate.

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

SECTION 1.  Sections 26.06(b-1), (b-2), and (b-3), Tax Code, are amended to read as follows:

(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

"LAST YEAR'S TAX RATE        $\_\_\_\_\_\_\_\_\_\_ per $100

"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.)

"Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

"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

"LAST YEAR'S TAX RATE        $\_\_\_\_\_\_\_\_\_\_ per $100

"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.  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.)

"Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

"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

"LAST YEAR'S TAX RATE        $\_\_\_\_\_\_\_\_\_\_ per $100

"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:

"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 rate or, if one or more were absent, indicating the absences.)

"Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

"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 2.  Section 26.061(b), Tax Code, is amended to read as follows:

(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

"LAST YEAR'S TAX RATE        $\_\_\_\_\_\_\_\_\_\_ per $100

"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.)

"Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

"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 3.  Section 26.062, Tax Code, is amended by adding Subsections (i), (j), (k), and (l) to read as follows:

(i)  In addition to any other information required by law, a notice required by Section 26.06(b-1), (b-2), or (b-3) or 26.061 must include, in a prominent location on the notice:

(1)  a statement in the following form, followed by the table described by Subsection (j):

"The following table compares the revenue generated by the maintenance and operations rate and debt rate adopted by (name of taxing unit) for the preceding tax year and the revenue that would be generated by the maintenance and operations rate and debt rate proposed to be adopted by (name of taxing unit) for the current tax year.";

(2)  a statement in the following form, followed by the table described by Subsection (k):

"The following table compares the total taxable value of property in the (name of taxing unit) in the preceding tax year and the total taxable value of property in the (name of taxing unit) in the current tax year."; and

(3)  a statement in the following form, followed by the table described by Subsection (l):

"Last year, (name of taxing unit) adopted a property tax rate of (insert tax rate adopted by the taxing unit for the preceding tax year), which generated (insert the amount computed by multiplying the total taxable value of property in the taxing unit in the preceding tax year by the tax rate adopted by the taxing unit for the preceding tax year and dividing the product by 100) in tax revenue for (name of taxing unit). The following table shows the amounts of revenue that would be generated if (name of taxing unit) adopted for the current tax year the no-new-revenue tax rate, the voter-approval tax rate, and the proposed tax rate, respectively, as calculated for that tax year."

(j)  The table following the statement required by Subsection (i)(1) must include three rows and four columns. The first column of the first row must be left blank, the second column of the first row must state the year corresponding to the preceding tax year, the third column of the first row must state the year corresponding to the current tax year, and the fourth column of the first row must be entitled "Change". The first column of the second row must be entitled "Maintenance and operations revenue", the second column of the second row must state the amount of maintenance and operations revenue attributable to ad valorem taxes imposed by the taxing unit in the preceding tax year, the third column of the second row must state the amount of the estimated maintenance and operations revenue attributable to ad valorem taxes imposed by the taxing unit in the current tax year, and the fourth column of the second row must state the nominal difference between the amount of maintenance and operations revenue attributable to ad valorem taxes imposed by the taxing unit in the preceding tax year and the amount of the estimated maintenance and operations revenue attributable to ad valorem taxes imposed by the taxing unit in the current tax year. The first column of the third row must be entitled "Debt collections", the second column of the third row must state the amount of revenue for debt service attributable to ad valorem taxes imposed by the taxing unit in the preceding tax year, the third column of the third row must state the estimated amount of revenue for debt service attributable to ad valorem taxes imposed by the taxing unit in the current tax year, and the fourth column of the second row must state the nominal difference between the amount of revenue for debt service attributable to ad valorem taxes imposed by the taxing unit in the preceding tax year and the estimated amount of revenue for debt service attributable to ad valorem taxes imposed by the taxing unit in the current tax year.

(k)  The table following the statement required by Subsection (i)(2) must include two rows and four columns. The first column of the first row must be left blank, the second column of the first row must state the year corresponding to the preceding tax year, the third column of the first row must state the year corresponding to the current tax year, and the fourth column of the first row must be entitled "Change". The first column of the second row must be entitled "Total taxable value of property", the second column of the second row must state the total taxable value of property in the taxing unit in the preceding tax year, the third column of the second row must state the total taxable value of property in the taxing unit in the current tax year, and the fourth column of the second row must state the nominal difference between the total taxable value of property in the taxing unit in the preceding tax year and the total taxable value of property in the taxing unit in the current tax year.

(l)  The table following the statement required by Subsection (i)(3) must include two rows and four columns. The first column of the first row must be left blank, the second column of the first row must be entitled "No-new-revenue tax rate", the third column of the first row must be entitled "Voter-approval tax rate", and the fourth column of the first row must be entitled "Proposed tax rate". The first column of the second row must be entitled "Property tax revenue in current year", the second column of the second row must state the amount computed by multiplying the total taxable value of property in the taxing unit in the current tax year by the no-new-revenue tax rate of the taxing unit for the current tax year and dividing the product by 100, the third column of the second row must state the amount computed by multiplying the total taxable value of property in the taxing unit in the current tax year by the voter-approval tax rate of the taxing unit for the current tax year and dividing the product by 100, and the fourth column of the second row must state the amount computed by multiplying the total taxable value of property in the taxing unit in the current tax year by the proposed tax rate of the taxing unit for the current tax year and dividing the product by 100.

SECTION 4.  The change in law made by this Act applies only to a tax rate notice that is provided by a taxing unit on or after the effective date of this Act.  A tax rate notice that is provided by a taxing unit before the effective date of this Act is governed by the law in effect on the date the notice is provided, and the former law is continued in effect for that purpose.

SECTION 5.  This Act takes effect January 1, 2024.