

AN ACT

relating to the calculation of certain ad valorem tax rates of a school district.

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

SECTION 1. Section 5.07(f), Tax Code, is amended to read as follows:

(f) The comptroller shall prescribe tax rate calculation forms to be used by the designated officer or employee of each

~~[(1)]~~ taxing unit ~~[other than a school district]~~ to calculate and submit the no-new-revenue tax rate and the voter-approval tax rate for the taxing unit as required by Chapter 26~~, and~~

~~[(2)] school district to:~~

~~[(A)] calculate and submit the no-new-revenue tax rate and the voter-approval tax rate for the district as required by Chapter 26, and~~

~~[(B)] submit the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year as required by Chapter 26].~~

SECTION 2. Section 26.012(18), Tax Code, is amended to read as follows:

(18) "No-new-revenue maintenance and operations rate" means a rate expressed in dollars per \$100 of taxable value

1 calculated as follows:

2 (A) for a taxing unit other than a school  
3 district, the rate ~~[and]~~ calculated according to the following  
4 formula:

5 NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE = (LAST  
6 YEAR'S LEVY - LAST YEAR'S DEBT LEVY - LAST YEAR'S JUNIOR COLLEGE  
7 LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

8 ; or

9 (B) for a school district, the rate calculated as  
10 provided by Section 44.004(c)(5)(A)(ii)(a), Education Code.

11 SECTION 3. Section 26.05(b), Tax Code, is amended to read as  
12 follows:

13 (b) A taxing unit may not impose property taxes in any year  
14 until the governing body has adopted a tax rate for that year, and  
15 the annual tax rate must be set by ordinance, resolution, or order,  
16 depending on the method prescribed by law for adoption of a law by  
17 the governing body. The vote on the ordinance, resolution, or order  
18 setting the tax rate must be separate from the vote adopting the  
19 budget. For a taxing unit other than a school district, the vote on  
20 the ordinance, resolution, or order setting a tax rate that exceeds  
21 the no-new-revenue tax rate must be a record vote, and at least 60  
22 percent of the members of the governing body must vote in favor of  
23 the ordinance, resolution, or order. For a school district, the  
24 vote on the ordinance, resolution, or order setting a tax rate that  
25 exceeds the rate calculated as provided by Section  
26 44.004(c)(5)(A)(ii), Education Code, ~~[sum of the no-new-revenue~~  
27 ~~maintenance and operations tax rate of the district as determined~~

1 ~~under Section 26.08(i) and the district's current debt rate]~~ must  
2 be a record vote, and at least 60 percent of the members of the  
3 governing body must vote in favor of the ordinance, resolution, or  
4 order. A motion to adopt an ordinance, resolution, or order setting  
5 a tax rate that exceeds the no-new-revenue tax rate must be made in  
6 the following form: "I move that the property tax rate be increased  
7 by the adoption of a tax rate of (specify tax rate), which is  
8 effectively a (insert percentage by which the proposed tax rate  
9 exceeds the no-new-revenue tax rate) percent increase in the tax  
10 rate." If the ordinance, resolution, or order sets a tax rate that,  
11 if applied to the total taxable value, will impose an amount of  
12 taxes to fund maintenance and operation expenditures of the taxing  
13 unit that exceeds the amount of taxes imposed for that purpose in  
14 the preceding year, the taxing unit must:

15           (1) include in the ordinance, resolution, or order in  
16 type larger than the type used in any other portion of the document:

17                   (A) the following statement: "THIS TAX RATE WILL  
18 RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S  
19 TAX RATE."; and

20                   (B) if the tax rate exceeds the no-new-revenue  
21 maintenance and operations rate, the following statement: "THE TAX  
22 RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE  
23 TAX RATE EXCEEDS THE NO-NEW-REVENUE MAINTENANCE AND OPERATIONS  
24 RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS  
25 ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."; and

26           (2) include on the home page of the Internet website of  
27 the taxing unit:

(A) the following statement: "(Insert name of taxing unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and

(B) if the tax rate exceeds the no-new-revenue maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

SECTION 4. Section 26.17(b), Tax Code, is amended to read as follows:

(b) The database must include, with respect to each property listed on the appraisal roll for the appraisal district:

(1) the property's identification number;

(2) the property's market value;

(3) the property's taxable value;

(4) the name of each taxing unit in which the property is located;

(5) for each taxing unit other than a school district in which the property is located:

(A) the no-new-revenue tax rate; and

(B) the voter-approval tax rate;

(6) for each school district in which the property is located:

(A) the tax rate that would maintain the same amount of state and local revenue per ~~weighted~~ student that the district received in the school year beginning in the preceding tax

1 year; and

2 (B) the voter-approval tax rate;

3 (7) the tax rate proposed by the governing body of each  
4 taxing unit in which the property is located;

5 (8) for each taxing unit other than a school district  
6 in which the property is located, the taxes that would be imposed on  
7 the property if the taxing unit adopted a tax rate equal to:

8 (A) the no-new-revenue tax rate; and

9 (B) the proposed tax rate;

10 (9) for each school district in which the property is  
11 located, the taxes that would be imposed on the property if the  
12 district adopted a tax rate equal to:

13 (A) the tax rate that would maintain the same  
14 amount of state and local revenue per ~~[weighted]~~ student that the  
15 district received in the school year beginning in the preceding tax  
16 year; and

17 (B) the proposed tax rate;

18 (10) for each taxing unit other than a school district  
19 in which the property is located, the difference between the amount  
20 calculated under Subdivision (8)(A) and the amount calculated under  
21 Subdivision (8)(B);

22 (11) for each school district in which the property is  
23 located, the difference between the amount calculated under  
24 Subdivision (9)(A) and the amount calculated under Subdivision  
25 (9)(B);

26 (12) the date, time, and location of the public  
27 hearing, if applicable, on the proposed tax rate to be held by the

governing body of each taxing unit in which the property is located;

(13) the date, time, and location of the public meeting, if applicable, at which the tax rate will be adopted to be held by the governing body of each taxing unit in which the property is located; and

(14) for each taxing unit in which the property is located, an e-mail address at which the taxing unit is capable of receiving written comments regarding the proposed tax rate of the taxing unit.

SECTION 5. The change in law made by this Act applies to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 6. This Act takes effect January 1, 2024.

H.B. No. 4456

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President of the Senate

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Speaker of the House

I certify that H.B. No. 4456 was passed by the House on May 9, 2023, by the following vote: Yeas 116, Nays 26, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 4456 was passed by the Senate on May 24, 2023, by the following vote: Yeas 29, Nays 2.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor