By: Bettencourt, Middleton   S.B. No. 978

A BILL TO BE ENTITLED

1   AN ACT

2 relating to the repeal of provisions providing for the calculation

3 and effect of a de minimis ad valorem tax rate.

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

5   SECTION 1. Section 3828.157, Special District Local Laws

6 Code, is amended to read as follows:

7   Sec. 3828.157. INAPPLICABILITY   OF   CERTAIN   TAX   CODE

8 PROVISIONS. Sections 26.04, 26.042, 26.05, and 26.07, [and

9 26.075,] Tax Code, do not apply to a tax imposed under Section

10 3828.153 or 3828.156.

11   SECTION 2. Section 8876.152(a), Special District Local Laws

12 Code, is amended to read as follows:

13   (a) Sections 26.04, 26.042, 26.05, 26.06, 26.061, and

14 26.07, [and 26.075,] Tax Code, do not apply to a tax imposed by the

15 district.

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

17 follows:

18   (b) If the governing body of a [special] taxing unit [or a

19 municipality with a population of 30,000 or more] adopts a tax rate

20 that exceeds the taxing unit's voter-approval tax rate, [or the

21 governing body of a taxing unit other than a special taxing unit or

22 a municipality with a population of less than 30,000 regardless of

23 whether it is a special taxing unit adopts a tax rate that exceeds

24 the greater of the taxing unit's voter-approval tax rate or de

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1   minimis rate,] the registered voters of the taxing unit at an

2   election held for that purpose must determine whether to approve

3   the adopted tax rate.

4   SECTION 4.   Sections 31.12(a) and (b), Tax Code, are amended

5   to read as follows:

6   (a)   If a refund of a tax provided by Section 11.431(b),

7   26.07(g), [26.075(k),] 26.15(f), 31.11, 31.111, or 31.112 is paid

8   on or before the 60th day after the date the liability for the

9   refund arises, no interest is due on the amount refunded. If not

10 paid on or before that 60th day, the amount of the tax to be refunded

11 accrues interest at a rate of one percent for each month or part of a

12 month that the refund is unpaid, beginning with the date on which

13 the liability for the refund arises.

14   (b)   For purposes of this section, liability for a refund

15 arises:

16   (1)   if the refund is required by Section 11.431(b), on

17 the date the chief appraiser notifies the collector for the taxing

18 unit of the approval of the late homestead exemption;

19   (2)   if the refund is required by Section 26.07(g) [or

20 26.075(k)], on the date the results of the election to approve [or

21 reduce] the tax rate[, as applicable,] are certified;

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

23   (A)   for a correction to the tax roll made under

24 Section 26.15(b), on the date the change in the tax roll is

25 certified to the assessor for the taxing unit under Section 25.25;

26 or

27   (B)   for a correction to the tax roll made under

1   Section 26.15(c), on the date the change in the tax roll is ordered

2   by the governing body of the taxing unit;

3   (4)   if the refund is required by Section 31.11, on the

4   date the auditor for the taxing unit determines that the payment was

5   erroneous or excessive or, if the amount of the refund exceeds the

6   applicable amount specified by Section 31.11(a), on the date the

7   governing body of the taxing unit approves the refund;

8   (5)   if the refund is required by Section 31.111, on the

9   date the collector for the taxing unit determines that the payment

10 was erroneous; or

11   (6)   if the refund is required by Section 31.112, on the

12 date required by Section 31.112(d) or (e), as applicable.

13   SECTION 5.   Section 33.08(b), Tax Code, is amended to read as

14 follows:

15   (b)   The governing body of the taxing unit or appraisal

16 district, in the manner required by law for official action, may

17 provide that taxes that become delinquent on or after June 1 under

18 Section [26.075(j),] 26.15(e), 31.03, 31.031, 31.032, 31.033,

19 31.04, or 42.42 incur an additional penalty to defray costs of

20 collection.   The amount of the penalty may not exceed the amount of

21 the compensation specified in the applicable contract with an

22 attorney under Section 6.30 to be paid in connection with the

23 collection of the delinquent taxes.

24   SECTION 6.   Section 49.107(g), Water Code, is amended to

25 read as follows:

26   (g)   Sections 26.04, 26.042, 26.05, 26.061, and 26.07, [and

27 26.075,] Tax Code, do not apply to a tax levied and collected under

1 this section or an ad valorem tax levied and collected for the
2 payment of the interest on and principal of bonds issued by a
3 district.

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

6   (f) Sections 26.04, 26.042, 26.05, 26.061, and 26.07, [and
7 26.075,] Tax Code, do not apply to a tax levied and collected for
8 payments made under a contract approved in accordance with this
9 section.

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

13   (c) If the board of a district adopts a combined debt
14 service, contract, and operation and maintenance tax rate that
15 would impose more than 1.08 times the amount of tax imposed by the
16 district in the preceding year on a residence homestead appraised
17 at the average appraised value of a residence homestead in the
18 district in that year, disregarding any homestead exemption
19 available only to disabled persons or persons 65 years of age or
20 older, the qualified voters of the district by petition may require
21 that an election be held to determine whether to reduce the tax rate
22 adopted for the current year to the voter-approval tax rate in
23 accordance with the procedures provided by this section and Section
24 [Sections 26.075 and] 26.081, Tax Code.

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

26   (1) states that it is intended to require an election
27 in the district on the question of reducing the district's adopted

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1 tax rate for the current tax year;

2   (2) is signed by a number of registered voters of the

3 district equal to at least three percent of the registered voters of

4 the district determined according to the most recent list of those

5 voters; and

6   (3) is submitted to the district's board not later than

7 the 90th day after the date on which the board adopts the tax rate

8 for the current tax year.

9   (e) Not later than the 20th day after the date on which a

10 petition is submitted, the board shall determine whether the

11 petition is valid and must by resolution state the board's

12 determination. If the board fails to make the determination in the

13 time and manner required by this subsection, the petition is

14 considered to be valid for the purposes of this section.

15   (f) If the board determines that the petition is valid or

16 fails to make the determination in the time and manner required by

17 Subsection (e), the board shall order that an election be held in

18 the district on the next uniform election date that allows

19 sufficient time to comply with the requirements of other law.

20   (g) At the election, the ballots shall be prepared to permit

21 voting for or against the proposition: "Reducing the tax rate in

22 (name of district) for the current year from (insert tax rate

23 adopted for current year) to (insert voter-approval tax rate)."

24   (h) If a majority of the votes cast in the election favor the

25 proposition, the tax rate for the current tax year is the

26 voter-approval tax rate.

27   (i) If the proposition is not approved as provided by

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1 Subsection (h), the tax rate for the district for the current tax

2 year is the tax rate adopted by the district's board for the current

3 tax year.

4 (j) If the tax rate is reduced by an election held under this

5 section after tax bills for the district have been mailed, the

6 assessor for the district shall prepare and mail corrected tax

7 bills. The assessor shall include with the bill a brief explanation

8 of the reason for and effect of the corrected bill. The date on

9 which the taxes become delinquent for the tax year is extended by a

10 number of days equal to the number of days between the date the

11 first tax bills were sent and the date the corrected tax bills were

12 sent.

13 (k) If a property owner pays taxes calculated using the

14 higher tax rate when the tax rate is reduced by an election held

15 under this section, the district shall refund the difference

16 between the amount of taxes paid and the amount due under the

17 reduced tax rate if the difference between the amount of taxes paid

18 and the amount due under the reduced tax rate is $1 or more. If the

19 difference between the amount of taxes paid and the amount due under

20 the reduced rate is less than $1, the district shall refund the

21 difference on request of the taxpayer. An application for a refund

22 of less than $1 must be made within 90 days after the date the refund

23 becomes due or the taxpayer forfeits the right to the refund.

24 SECTION 9. The following provisions of the Tax Code are

25 repealed:

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

27 (2) Section 26.063; and

1   (3) Section 26.075.

2   SECTION 10. This Act applies only to ad valorem taxes

3 imposed for an ad valorem tax year that begins on or after the

4 effective date of this Act.

5   SECTION 11. This Act takes effect January 1, 2024.