

By: Meyer

H.B. No. 17

A BILL TO BE ENTITLED

AN ACT

relating to the requirements regarding notice of certain property tax-related information to be provided by taxing units and appraisal districts.

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

SECTION 1. Section 44.004, Education Code, is amended by amending Subsections (b), (e), (g-1), (i), and (j) and adding Subsection (c-3) to read as follows:

(b) The president shall mail ~~[provide for the publication of]~~ notice of the budget and proposed tax rate meeting to each property owner in the district and may also publish the notice in a daily, weekly, or biweekly newspaper published in the district. If no daily, weekly, or biweekly newspaper is published in the district, the president may publish the ~~[shall provide for the publication of]~~ notice in a ~~[at least one]~~ newspaper of general circulation in the county in which the district's central administrative office is located. Notice under this subsection shall be provided ~~[published]~~ not earlier than the 30th day or later than the 10th day before the date of the hearing.

(c-3) In this subsection, "adjusted tax collections," "inflation rate," and "population growth rate" have the meanings assigned by Section 26.0621, Tax Code. In addition to the information required by Subsection (c) of this section, the notice required by that subsection must include the following statement:

1 "In the (preceding tax year) tax year, the population of
2 (name of school district) changed by (population growth rate for
3 school district expressed as a percentage) percent. Inflation in
4 the state was (inflation rate expressed as a percentage) percent.
5 If (name of school district) adjusted the amount of property tax
6 revenue it collected in the (preceding tax year) tax year only to
7 account for population change adjusted by inflation, (name of
8 school district) would collect (adjusted tax collections for school
9 district) in the (current tax year) tax year. If (name of school
10 district) adopts the proposed tax rate, (name of school district)
11 will collect (estimated dollar amount of property tax revenue to be
12 collected in the current tax year)."

13 (e) A person who owns taxable property in a school district
14 is entitled to an injunction restraining the collection of taxes by
15 the district if the district has not complied with the requirements
16 of Subsections (b), (c), (c-1), (c-2), (c-3), and (d), and, if
17 applicable, Subsection (i), and the failure to comply was not in
18 good faith. An action to enjoin the collection of taxes must be
19 filed before the date the district delivers substantially all of
20 its tax bills.

21 (g-1) If the rate calculated under Subsection
22 (c)(5)(A)(ii)(b) decreases after the publication of the notice
23 required by this section, the president is not required to provide
24 ~~[publish]~~ another notice or call another meeting to discuss and
25 adopt the budget and the proposed lower tax rate.

26 (i) A school district that uses a certified estimate, as
27 authorized by Subsection (h), may adopt a budget at the public

1 meeting designated in the notice prepared using the estimate, but
2 the district may not adopt a tax rate before the district receives
3 the certified appraisal roll for the district required by Section
4 26.01(a), Tax Code. After receipt of the certified appraisal roll,
5 the district must provide ~~[publish]~~ a revised notice and hold
6 another public meeting before the district may adopt a tax rate that
7 exceeds:

8 (1) the rate proposed in the notice prepared using the
9 estimate; or

10 (2) the district's voter-approval rate determined
11 under Section 26.08, Tax Code, using the certified appraisal roll.

12 (j) Notwithstanding Subsections (g), (h), and (i), a school
13 district may adopt a budget after the district adopts a tax rate for
14 the tax year in which the fiscal year covered by the budget begins
15 if the district elects to adopt a tax rate before receiving the
16 certified appraisal roll for the district as provided by Section
17 26.05(g), Tax Code. If a school district elects to adopt a tax rate
18 before adopting a budget, the district must provide ~~[publish]~~
19 notice and hold a meeting for the purpose of discussing the proposed
20 tax rate as provided by this section. Following adoption of the tax
21 rate, the district must provide ~~[publish]~~ notice and hold another
22 public meeting before the district may adopt a budget. The
23 comptroller shall prescribe the language and format to be used in
24 the notices. The school district may use the certified estimate of
25 taxable value in preparing a notice under this subsection.

26 SECTION 2. Section 44.004(c), Education Code, as amended by
27 S.B. 1453, Acts of the 89th Legislature, Regular Session, 2025, and

effective January 1, 2026, is amended to read as follows:

(c) The notice of public meeting to discuss and adopt the budget and the proposed tax rate may not be smaller than one-quarter page of a standard-size or a tabloid-size newspaper, and the headline on the notice must be in 18-point or larger type. Subject to Subsection (d), the notice must:

(1) contain a statement in the following form:

"NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

"The (name of school district) will hold a public meeting at (time, date, year) in (name of room, building, physical location, city, state). The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited." The statement of the purpose of the meeting must be in bold type. In reduced type, the notice must state: "The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district provides ~~[publishes]~~ a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice." In addition, in reduced type, the notice must state: "Visit [Texas.gov/PropertyTaxes](https://www.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.";

(2) contain a section entitled "Comparison of Proposed Budget with Last Year's Budget," which must show the difference,

expressed as a percent increase or decrease, as applicable, in the amounts budgeted for the preceding fiscal year and the amount budgeted for the fiscal year that begins in the current tax year for each of the following:

(A) maintenance and operations;

(B) debt service; and

(C) total expenditures;

(3) contain a section entitled "Total Appraised Value and Total Taxable Value," which must show the total appraised value and the total taxable value of all property and the total appraised value and the total taxable value of new property taxable by the district in the preceding tax year and the current tax year as calculated under Section 26.04, Tax Code;

(4) contain a statement of the total amount of the outstanding and unpaid bonded indebtedness of the school district;

(5) contain a section entitled "Comparison of Proposed Rates with Last Year's Rates," which must:

(A) show in rows the tax rates described by Subparagraphs (i)-(iii), expressed as amounts per \$100 valuation of property, for columns entitled "Maintenance & Operations," "Interest & Sinking Fund," and "Total," which is the sum of "Maintenance & Operations" and "Interest & Sinking Fund":

(i) the school district's "Last Year's Rate";

(ii) the "Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service," which:

(a) in the case of "Maintenance &

1 Operations," is the tax rate that, when applied to the current
2 taxable value for the district, as certified by the chief appraiser
3 under Section 26.01, Tax Code, and as adjusted to reflect changes
4 made by the chief appraiser as of the time the notice is prepared,
5 would impose taxes in an amount that, when added to state funds to
6 be distributed to the district under Chapter 48, would provide the
7 same amount of maintenance and operations taxes and state funds
8 distributed under Chapter 48 per student in average daily
9 attendance for the applicable school year that was available to the
10 district in the preceding school year; and

11 (b) in the case of "Interest & Sinking
12 Fund," is the tax rate that, when applied to the current taxable
13 value for the district, as certified by the chief appraiser under
14 Section 26.01, Tax Code, and as adjusted to reflect changes made by
15 the chief appraiser as of the time the notice is prepared, and when
16 multiplied by the district's anticipated collection rate, would
17 impose taxes in an amount that, when added to state funds to be
18 distributed to the district under Chapter 46 and any excess taxes
19 collected to service the district's debt during the preceding tax
20 year but not used for that purpose during that year, would provide
21 the minimum dollar amount required to be paid to service the
22 district's debt; and

23 (iii) the "Proposed Rate";

24 (B) contain fourth and fifth columns aligned with
25 the columns required by Paragraph (A) that show, for each row
26 required by Paragraph (A):

27 (i) the "Local Revenue per Student," which

1 is computed by multiplying the district's total taxable value of
2 property, as certified by the chief appraiser for the applicable
3 school year under Section 26.01, Tax Code, and as adjusted to
4 reflect changes made by the chief appraiser as of the time the
5 notice is prepared, by the total tax rate, and dividing the product
6 by the number of students in average daily attendance in the
7 district for the applicable school year; and

8 (ii) the "State Revenue per Student," which
9 is computed by determining the amount of state aid received or to be
10 received by the district under Chapters 43, 46, and 48 and dividing
11 that amount by the number of students in average daily attendance in
12 the district for the applicable school year; and

13 (C) contain an asterisk after each calculation
14 for "Interest & Sinking Fund" and a footnote to the section that, in
15 reduced type, states "The Interest & Sinking Fund tax revenue is
16 used to pay for bonded indebtedness on construction, equipment, or
17 both. The bonds, and the tax rate necessary to pay those bonds, were
18 approved by the voters of this district.";

19 (6) contain a section entitled "Comparison of Proposed
20 Levy with Last Year's Levy on Average Residence," which must:

21 (A) show in rows the information described by
22 Subparagraphs (i)-(iv), rounded to the nearest dollar, for columns
23 entitled "Last Year" and "This Year":

24 (i) "Average Market Value of Residences,"
25 determined using the same group of residences for each year;

26 (ii) "Average Taxable Value of Residences,"
27 determined after taking into account the limitation on the

1 appraised value of residences under Section 23.23, Tax Code, and
2 after subtracting all homestead exemptions applicable in each year,
3 other than exemptions available only to disabled persons or persons
4 65 years of age or older or their surviving spouses, and using the
5 same group of residences for each year;

6 (iii) "Last Year's Rate Versus Proposed
7 Rate per \$100 Value"; and

8 (iv) "Taxes Due on Average Residence,"
9 determined using the same group of residences for each year; and

10 (B) contain the following information: "Increase
11 (Decrease) in Taxes" expressed in dollars and cents, which is
12 computed by subtracting the "Taxes Due on Average Residence" for
13 the preceding tax year from the "Taxes Due on Average Residence" for
14 the current tax year;

15 (7) contain the following statement in bold print:
16 "Under state law, the dollar amount of school taxes imposed on the
17 residence of a person 65 years of age or older or of the surviving
18 spouse of such a person, if the surviving spouse was 55 years of age
19 or older when the person died, may not be increased above the amount
20 paid in the first year after the person turned 65, regardless of
21 changes in tax rate or property value.";

22 (8) contain the following statement in bold print:
23 "Notice of Voter-Approval Rate: The highest tax rate the district
24 can adopt before requiring voter approval at an election is (the
25 school district voter-approval rate determined under Section
26 26.08, Tax Code). This election will be automatically held if the
27 district adopts a rate in excess of the voter-approval rate of (the

1 school district voter-approval rate)."; and

2 (9) contain a section entitled "Fund Balances," which
3 must include the estimated amount of interest and sinking fund
4 balances and the estimated amount of maintenance and operation or
5 general fund balances remaining at the end of the current fiscal
6 year that are not encumbered with or by corresponding debt
7 obligation, less estimated funds necessary for the operation of the
8 district before the receipt of the first payment under Chapter 48 in
9 the succeeding school year.

10 SECTION 3. Section 44.0041(a), Education Code, is amended
11 to read as follows:

12 (a) Concurrently with the provision ~~[publication]~~ of notice
13 of the budget under Section 44.004, a school district shall post a
14 summary of the proposed budget:

- 15 (1) on the school district's Internet website; or
16 (2) if the district has no Internet website, in the
17 district's central administrative office.

18 SECTION 4. Sections 26.06(b-4) and (c), Tax Code, are
19 amended to read as follows:

20 (b-4) In addition to including the information described by
21 Subsection (b-1), (b-2), or (b-3), as applicable, the notice must
22 include the information described by Sections ~~[Section]~~ 26.062 and
23 26.0621.

24 (c) A taxing unit shall mail the ~~[The]~~ notice of a public
25 hearing required under this section ~~[may be delivered by mail]~~ to
26 each property owner in the taxing unit, and ~~[or]~~ may also publish
27 the notice ~~[be published]~~ in a newspaper. If the notice is

published in a newspaper, it may not be in the part of the paper in which legal notices and classified advertisements appear. The ~~[If the taxing unit publishes the notice in a newspaper, the]~~ taxing unit must also post the notice prominently on the home page of the Internet website of the taxing unit from the date the notice is first provided ~~[published]~~ until the public hearing is concluded.

SECTION 5. Section 26.061(c), Tax Code, is amended to read as follows:

(c) In addition to including the information described by Subsection (b), the notice must include the information described by Sections ~~[Section]~~ 26.062 and 26.0621.

SECTION 6. The heading to Section 26.062, Tax Code, is amended to read as follows:

Sec. 26.062. ADDITIONAL INFORMATION REGARDING TAXES IMPOSED ON PROPERTIES TO BE INCLUDED IN TAX RATE NOTICE.

SECTION 7. Chapter 26, Tax Code, is amended by adding Section 26.0621 to read as follows:

Sec. 26.0621. ADDITIONAL INFORMATION REGARDING TAX COLLECTIONS TO BE INCLUDED IN TAX RATE NOTICE. (a) In this section:

(1) "Adjusted collection rate" for a taxing unit means the rate computed by subtracting one from the product of:

(A) the sum of one and the population growth rate; and

(B) the sum of one and the inflation rate.

(2) "Adjusted tax collections" for a taxing unit means an amount equal to the product of:

1 (A) the amount of property tax revenue collected
2 by the taxing unit in the preceding tax year; and

3 (B) the sum of one and the adjusted collection
4 rate for the taxing unit.

5 (3) "Consumer price index" means the average over a
6 calendar year of the index that the comptroller considers to most
7 accurately report changes in the purchasing power of the dollar for
8 consumers in this state.

9 (4) "Inflation rate" means the amount, expressed in
10 decimal form rounded to the nearest thousandth, computed by
11 determining the percentage change in the consumer price index for
12 the preceding calendar year as compared to the consumer price index
13 for the calendar year preceding that calendar year.

14 (5) "Population growth rate" means the rate of growth
15 of a taxing unit's population during the preceding tax year,
16 expressed in decimal form rounded to the nearest thousandth,
17 determined by the taxing unit using the most recent population
18 estimates available from the United States Census Bureau or, if the
19 United States Census Bureau does not publish population estimates
20 for the taxing unit, other reliable data sources or estimation
21 methods determined by the taxing unit.

22 (b) The comptroller shall determine the inflation rate that
23 must be used by a taxing unit to make the computation required by
24 this section and publish the rate in the Texas Register each year on
25 July 1 or as soon thereafter as practicable.

26 (c) In addition to the information described by Section
27 26.06(b-1), (b-2), or (b-3) or 26.061, as applicable, a taxing unit

1 must include in the notice required by that provision one of the
2 following statements that accurately describes the effect of the
3 proposed tax rate:

4 (1) "If (name of taxing unit) adopts the proposed tax
5 rate, (name of taxing unit) will collect (estimated dollar amount
6 of property tax revenue to be collected in the current tax year) in
7 the (current tax year) tax year as compared to (dollar amount of
8 property tax revenue collected in the preceding tax year) in the
9 (preceding tax year) tax year. The amount of property tax revenue
10 collected by (name of taxing unit) will increase by (estimated
11 dollar amount of increase) in the (current tax year) tax year, which
12 is a (insert percentage increase) percent increase from the amount
13 collected in the (preceding tax year) tax year. In the (preceding
14 tax year) tax year, the population of (name of taxing unit) changed
15 by (population growth rate for taxing unit expressed as a
16 percentage) percent. Inflation in the state was (inflation rate
17 expressed as a percentage) percent. If (name of taxing unit)
18 adjusted the amount of property tax revenue it collected in the
19 (preceding tax year) tax year only to account for population change
20 adjusted by inflation, (name of taxing unit) would collect
21 (adjusted tax collections for taxing unit) in the (current tax
22 year) tax year.";

23 (2) "If (name of taxing unit) adopts the proposed tax
24 rate, (name of taxing unit) will collect (estimated dollar amount
25 of property tax revenue to be collected in the current tax year) in
26 the (current tax year) tax year as compared to (dollar amount of
27 property tax revenue collected in the preceding tax year) in the

1 (preceding tax year) tax year. The amount of property tax revenue
2 collected by (name of taxing unit) will decrease by (estimated
3 dollar amount of decrease) in the (current tax year) tax year, which
4 is a (insert percentage decrease) percent decrease from the amount
5 collected in the (preceding tax year) tax year. In the (preceding
6 tax year) tax year, the population of (name of taxing unit) changed
7 by (population growth rate for taxing unit expressed as a
8 percentage) percent. Inflation in the state was (inflation rate
9 expressed as a percentage) percent. If (name of taxing unit)
10 adjusted the amount of property tax revenue it collected in the
11 (preceding tax year) tax year only to account for population change
12 adjusted by inflation, (name of taxing unit) would collect
13 (adjusted tax collections for taxing unit) in the (current tax
14 year) tax year."; or

15 (3) "If (name of taxing unit) adopts the proposed tax
16 rate, (name of taxing unit) will collect (estimated dollar amount
17 of property tax revenue to be collected in the current tax year) in
18 the (current tax year) tax year, which is the same amount of
19 property tax revenue collected by (name of taxing unit) in the
20 (preceding tax year) tax year. In the (preceding tax year) tax
21 year, the population of (name of taxing unit) changed by
22 (population growth rate for taxing unit expressed as a percentage)
23 percent. Inflation in the state was (inflation rate expressed as a
24 percentage) percent. If (name of taxing unit) adjusted the amount
25 of property tax revenue it collected in the (preceding tax year) tax
26 year only to account for population change adjusted by inflation,
27 (name of taxing unit) would collect (adjusted tax collections for

1 taxing unit) in the (current tax year) tax year."

2 SECTION 8. Section 26.17, Tax Code, is amended by adding
3 Subsection (b-1) to read as follows:

4 (b-1) In this subsection, "adjusted tax collections,"
5 "inflation rate," and "population growth rate" have the meanings
6 assigned by Section 26.0621. In addition to the information
7 required by Subsection (b) of this section, the database must
8 include, with respect to each property that is listed on the
9 appraisal roll for the appraisal district, the following statement
10 for each taxing unit in which the property is located:

11 "In the (preceding tax year) tax year, the population of
12 (name of taxing unit) changed by (population growth rate for taxing
13 unit expressed as a percentage) percent. Inflation in the state was
14 (inflation rate expressed as a percentage) percent. If (name of
15 taxing unit) adjusted the amount of property tax revenue it
16 collected in the (preceding tax year) tax year only to account for
17 population change adjusted by inflation, (name of taxing unit)
18 would collect (adjusted tax collections for taxing unit) in the
19 (current tax year) tax year. If (name of taxing unit) adopts the
20 proposed tax rate, (name of taxing unit) will collect (estimated
21 dollar amount of property tax revenue to be collected in the current
22 tax year)."

23 SECTION 9. Section 49.236, Water Code, is amended by adding
24 Subsection (a-1) and amending Subsection (b) to read as follows:

25 (a-1) In this subsection, "adjusted tax collections,"
26 "inflation rate," and "population growth rate" have the meanings
27 assigned by Section 26.0621, Tax Code. In addition to the

1 information required by Subsection (a) of this section, the notice
2 required by that subsection must include the following statement:

3 "In the (preceding tax year) tax year, the population of
4 (name of district) changed by (population growth rate for district
5 expressed as a percentage) percent. Inflation in the state was
6 (inflation rate expressed as a percentage) percent. If (name of
7 district) adjusted the amount of property tax revenue it collected
8 in the (preceding tax year) tax year only to account for population
9 change adjusted by inflation, (name of district) would collect
10 (adjusted tax collections for district) in the (current tax year)
11 tax year. If (name of district) adopts the proposed tax rate, (name
12 of district) will collect (estimated dollar amount of property tax
13 revenue to be collected in the current tax year)."

14 (b) Notice of the hearing [~~shall be~~]:

15 (1) may be published at least once in a newspaper
16 having general circulation in the district at least seven days
17 before the date of the hearing; and [~~or~~]

18 (2) shall be mailed to each owner of taxable property
19 in the district, at the address for notice shown on the most
20 recently certified tax roll of the district, at least 10 days before
21 the date of the hearing.

22 SECTION 10. The changes in law made by this Act apply only
23 to an ad valorem tax year that begins on or after the effective date
24 of this Act.

25 SECTION 11. This Act takes effect January 1, 2026.