A BILL TO BE ENTITLED

1   AN ACT   <EOH>

2 relating to the requirements regarding an election to authorize

3 the issuance of general obligation bonds or to approve an increase

4 in an ad valorem tax rate.

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

6   SECTION 1. Subchapter A, Chapter 41, Election Code, is

7 amended by adding Section 41.0051 to read as follows:

8   Sec. 41.0051. ELECTION TO ISSUE BONDS OR INCREASE AD VALOREM

9 TAX RATE. (a) An election to authorize the issuance of general

10 obligation bonds or to approve an increase in an ad valorem tax

11 rate shall be held on the November uniform election date.

12   (b) Notwithstanding Section 41.0011, an election described

13 by Subsection (a) may not be held as an emergency election under

14 that section.

15   (c) If a law outside this code requires an election described

16 by Subsection (a) to be held on a date other than the November

17 uniform election date, the authority administering the election

18 shall set the election date to comply with this section.

19   SECTION 2. Chapter 1253, Government Code, is amended by

20 adding Section 1253.004 to read as follows:

21   Sec. 1253.004. SUPERMAJORITY VOTE OF VOTERS REQUIRED TO

22 APPROVE GENERAL OBLIGATION BONDS. Notwithstanding any other law,

23 a political subdivision may not issue general obligation bonds

24 unless at least two-thirds of the voters voting at the election

1 called to authorize the issuance vote in favor of the issuance.

2 SECTION 3. Sections 281.124(d) and (f), Health and Safety

3 Code, are amended to read as follows:

4 (d) If at least two-thirds [a majority] of the votes cast in

5 the election favor the proposition, the tax rate for the specified

6 tax year is the rate approved by the voters, and that rate is not

7 subject to Section 26.07, Tax Code. The board shall adopt the tax

8 rate as provided by Chapter 26, Tax Code.

9 (f) Notwithstanding any other law, if at least two-thirds [a

10 majority] of the votes cast in the election favor the proposition,

11 a governing body with approval authority over the district's budget

12 or tax rate may not disapprove the tax rate approved by the voters

13 or disapprove the budget based solely on the tax rate approved by

14 the voters.

15 SECTION 4. Section 1101.254(f), Special District Local Laws

16 Code, is amended to read as follows:

17 (f) This section does not affect the applicability of

18 Section 26.07, Tax Code, to the district's tax rate, except that

19 if at least two-thirds of the district voters approve a tax rate

20 increase under this section, Section 26.07, Tax Code, does not

21 apply to the tax rate for that year.

22 SECTION 5. Sections 26.06(b-1) and (b-3), Tax Code, are

23 amended to read as follows:

24 (b-1) If the proposed tax rate exceeds the no-new-revenue

25 tax rate and the voter-approval tax rate of the taxing unit, the

26 notice must contain a statement in the following form:

27 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

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 1       "PROPOSED TAX RATE              $_____  per $100

 2       "NO-NEW-REVENUE TAX RATE        $_____  per $100

 3       "VOTER-APPROVAL TAX RATE        $_____  per $100
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4   "The no-new-revenue tax rate is the tax rate for the (current

5   tax year) tax year that will raise the same amount of property tax

6   revenue for (name of taxing unit) from the same properties in both

7   the (preceding tax year) tax year and the (current tax year) tax

8   year.

9   "The voter-approval tax rate is the highest tax rate that

10 (name of taxing unit) may adopt without holding an election to

11 seek voter approval of the rate.

12   "The proposed tax rate is greater than the no-new-revenue tax

13 rate. This means that (name of taxing unit) is proposing to

14 increase property taxes for the (current tax year) tax year.

15   "A public hearing on the proposed tax rate will be held on

16 (date and time) at (meeting place).

17   "The proposed tax rate is also greater than the voter-approval

18 tax rate. If (name of taxing unit) adopts the proposed tax rate,

19 (name of taxing unit) is required to hold an election so that the

20 voters may accept or reject the proposed tax rate. Unless at least

21 two-thirds [If a majority] of the voters accept [reject] the

22 proposed tax rate, the tax rate of the (name of taxing unit) will

23 be the voter-approval tax rate. The election will be held on (date

24 of election). You may contact the (name of office responsible for

25 administering the election) for information about voting

26 locations. The hours of voting on election day are (voting hours).

27   "Your taxes owed under any of the tax rates mentioned above

1 can be calculated as follows:

2   "Property tax amount = tax rate x taxable value of your

3 property / 100

4   "(Names of all members of the governing body, showing how

5 each voted on the proposal to consider the tax increase or, if one

6 or more were absent, indicating the absences.)

7   "Visit Texas.gov/PropertyTaxes to find a link to your local

8 property tax database on which you can easily access information

9 regarding your property taxes, including information about

10 proposed tax rates and scheduled public hearings of each entity

11 that taxes your property.

12   "The 86th Texas Legislature modified the manner in which the

13 voter-approval tax rate is calculated to limit the rate of growth

14 of property taxes in the state."

15   (b-3) If the proposed tax rate does not exceed the no-new-

16 revenue tax rate but exceeds the voter-approval tax rate of the

17 taxing unit, the notice must contain a statement in the following

18 form:

19   "NOTICE OF PUBLIC HEARING ON TAX RATE

20   "PROPOSED TAX RATE $_____ per $100

21   "NO-NEW-REVENUE TAX RATE $_____ per $100

22   "VOTER-APPROVAL TAX RATE $_____ per $100

23   "The no-new-revenue tax rate is the tax rate for the (current

24 tax year) tax year that will raise the same amount of property tax

25 revenue for (name of taxing unit) from the same properties in both

26 the (preceding tax year) tax year and the (current tax year) tax

27 year.

1   "The voter-approval tax rate is the highest tax rate that

2   (name of taxing unit) may adopt without holding an election to

3   seek voter approval of the rate.

4   "The proposed tax rate is not greater than the no-new-revenue

5   tax rate. This means that (name of taxing unit) is not proposing

6   to increase property taxes for the (current tax year) tax year.

7   "A public hearing on the proposed tax rate will be held on

8   (date and time) at (meeting place).

9   "The proposed tax rate is greater than the voter-approval tax

10 rate. If (name of taxing unit) adopts the proposed tax rate, (name

11 of taxing unit) is required to hold an election so that the voters

12 may accept or reject the proposed tax rate. Unless at least two-

13 thirds [~~If a majority~~] of the voters accept [~~reject~~] the proposed

14 tax rate, the tax rate of the (name of taxing unit) will be the

15 voter-approval tax rate. The election will be held on (date of

16 election). You may contact the (name of office responsible for

17 administering   the   election)   for   information   about   voting

18 locations. The hours of voting on election day are (voting hours).

19   "Your taxes owed under any of the tax rates mentioned above

20 can be calculated as follows:

21   "Property tax amount = tax rate x taxable value of your

22 property / 100

23   "(Names of all members of the governing body, showing how

24 each voted on the proposal to consider the tax rate or, if one or

25 more were absent, indicating the absences.)

26   "Visit Texas.gov/PropertyTaxes to find a link to your local

27 property tax database on which you can easily access information

1 regarding your property taxes, including information about

2 proposed tax rates and scheduled public hearings of each entity

3 that taxes your property.

4   "The 86th Texas Legislature modified the manner in which the

5 voter-approval tax rate is calculated to limit the rate of growth

6 of property taxes in the state."

7   SECTION 6. Section 26.063(b), Tax Code, is amended to read

8 as follows:

9   (b) This subsection applies only to a taxing unit that is

10 required to hold an election under Section 26.07. In the notice

11 required to be provided by the taxing unit under Section 26.06(b-

12 1) or (b-3), as applicable, the taxing unit shall:

13   (1) add the following to the end of the list of rates

14 included in the notice:

15   "DE MINIMIS RATE $_____ per $100";

16   (2) substitute the following for the definition of

17 "voter-approval tax rate": "The voter-approval tax rate is the

18 highest tax rate that (name of taxing unit) may adopt without

19 holding an election to seek voter approval of the rate, unless the

20 de minimis rate for (name of taxing unit) exceeds the voter-

21 approval tax rate for (name of taxing unit).";

22   (3) add the following definition of "de minimis rate":

23 "The de minimis rate is the rate equal to the sum of the no-new-

24 revenue maintenance and operations rate for (name of taxing unit),

25 the rate that will raise $500,000, and the current debt rate for

26 (name of taxing unit)."; and

27   (4) substitute the following for the provision that

provides notice that an election is required: "The proposed tax

rate is greater than the voter-approval tax rate and the de minimis

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. Unless at least two-

thirds [If a majority] of the voters accept [reject] the proposed

tax rate, the tax rate of the (name of taxing unit) will be the

voter-approval tax rate of the (name of taxing unit). 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).".

SECTION 7. Section 26.07(d), Tax Code, is amended to read as

follows:

(d) If at least two-thirds [a majority] of the votes cast in

the election favor the proposition, the tax rate for the current

year is the rate that was adopted by the governing body.

SECTION 8. Section 26.08(c), Tax Code, is amended to read as

follows:

(c) If at least two-thirds [a majority] of the votes cast in

the election favor the proposition, the tax rate for the current

year is the rate that was adopted by the governing body.

SECTION 9. The changes in law made by this Act apply only to

an election ordered on or after the effective date of this Act.

An election ordered before the effective date of this Act is

governed by the law in effect on the date the election was ordered,

and that law is continued in effect for that purpose.

1   SECTION 10. (a) Except as provided by Subsection (b) of this

2   section, this Act takes effect January 1, 2026.

3   (b) Section 2 of this Act takes effect This Act takes effect

4   on the 91st day after the last day of the legislative session, but

5   only if the constitutional amendment proposed by the 89th

6   Legislature, Regular Session, 2025, to require a supermajority

7   vote to authorize a political subdivision to issue general

8   obligation bonds is approved by the voters. If that amendment is

9   not approved by the voters, Section 2 of this Act has no effect.