

By: Swanson

H.B. No. 107

A BILL TO BE ENTITLED

AN ACT

relating to the vote required in an election to approve an ad valorem tax rate that exceeds a taxing unit 's voter-approval tax rate; making conforming changes.

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

SECTION 1. Sections 281.124(d) and (f), Health and Safety Code, are 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 specified tax year is the rate approved by the voters, and that rate is not subject to Section 26.07, Tax Code. The board shall adopt the tax rate as provided by Chapter 26, Tax Code.

(f) Notwithstanding any other law, if at least two-thirds ~~[a majority]~~ of the votes cast in the election favor the proposition, a governing body with approval authority over the district 's budget or tax rate may not disapprove the tax rate approved by the voters or disapprove the budget based solely on the tax rate approved by the voters.

SECTION 2. Section 1101.254(f), Special District Local Laws Code, is amended to read as follows:

(f) This section does not affect the applicability of Section 26.07, Tax Code, to the district 's tax rate, except that if ~~at least two-thirds of the~~ district voters approve a tax rate increase under this section, Section 26.07, Tax Code, does not

1 apply to the tax rate for that year.

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

4 (b-1) If the proposed tax rate exceeds the no-new-revenue  
5 tax rate and the voter-approval tax rate of the taxing unit, the  
6 notice must contain a statement in the following form:

7 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

8 "PROPOSED TAX RATE \$\_\_\_\_\_ per \$100

9 "NO-NEW-REVENUE TAX RATE \$\_\_\_\_\_ per \$100

10 "VOTER-APPROVAL TAX RATE \$\_\_\_\_\_ per \$100

11 "The no-new-revenue tax rate is the tax rate for the (current  
12 tax year) tax year that will raise the same amount of property tax  
13 revenue for (name of taxing unit) from the same properties in both  
14 the (preceding tax year) tax year and the (current tax year) tax  
15 year.

16 "The voter-approval tax rate is the highest tax rate that  
17 (name of taxing unit) may adopt without holding an election to seek  
18 voter approval of the rate.

19 "The proposed tax rate is greater than the no-new-revenue tax  
20 rate. This means that (name of taxing unit) is proposing to  
21 increase property taxes for the (current tax year) tax year.

22 "A public hearing on the proposed tax rate will be held on  
23 (date and time) at (meeting place).

24 "The proposed tax rate is also greater than the  
25 voter-approval tax rate. If (name of taxing unit) adopts the  
26 proposed tax rate, (name of taxing unit) is required to hold an  
27 election so that the voters may accept or reject the proposed tax

1 rate. Unless at least two-thirds [~~If a majority~~] of the voters  
2 accept [~~reject~~] the proposed tax rate, the tax rate of the (name of  
3 taxing unit) will be the voter-approval tax rate. The election will  
4 be held on (date of election). You may contact the (name of office  
5 responsible for administering the election) for information about  
6 voting locations. The hours of voting on election day are (voting  
7 hours).

8 "Your taxes owed under any of the tax rates mentioned above  
9 can be calculated as follows:

10 "Property tax amount = tax rate x taxable value of your  
11 property / 100

12 "(Names of all members of the governing body, showing how  
13 each voted on the proposal to consider the tax increase or, if one  
14 or more were absent, indicating the absences.)

15 "Visit [Texas.gov/PropertyTaxes](http://Texas.gov/PropertyTaxes) to find a link to your local  
16 property tax database on which you can easily access information  
17 regarding your property taxes, including information about  
18 proposed tax rates and scheduled public hearings of each entity  
19 that taxes your property.

20 "The 86th Texas Legislature modified the manner in which the  
21 voter-approval tax rate is calculated to limit the rate of growth of  
22 property taxes in the state."

23 (b-3) If the proposed tax rate does not exceed the  
24 no-new-revenue tax rate but exceeds the voter-approval tax rate of  
25 the taxing unit, the notice must contain a statement in the  
26 following form:

27 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

"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. 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. 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

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 rate or, if one or  
6 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 of  
14 property taxes in the state."

15 SECTION 4. Section 26.063(b), Tax Code, is amended to read  
16 as follows:

17 (b) This subsection applies only to a taxing unit that is  
18 required to hold an election under Section 26.07. In the notice  
19 required to be provided by the taxing unit under Section 26.06(b-1)  
20 or (b-3), as applicable, the taxing unit shall:

21 (1) add the following to the end of the list of rates  
22 included in the notice:

23 "DE MINIMIS RATE \$\_\_\_\_\_ per \$100";

24 (2) substitute the following for the definition of  
25 "voter-approval tax rate": "The voter-approval tax rate is the  
26 highest tax rate that (name of taxing unit) may adopt without  
27 holding an election to seek voter approval of the rate, unless the

1 de minimis rate for (name of taxing unit) exceeds the  
2 voter-approval tax rate for (name of taxing unit).";

3 (3) add the following definition of "de minimis rate":  
4 "The de minimis rate is the rate equal to the sum of the  
5 no-new-revenue maintenance and operations rate for (name of taxing  
6 unit), the rate that will raise \$500,000, and the current debt rate  
7 for (name of taxing unit)."; and

8 (4) substitute the following for the provision that  
9 provides notice that an election is required: "The proposed tax  
10 rate is greater than the voter-approval tax rate and the de minimis  
11 rate. If (name of taxing unit) adopts the proposed tax rate, (name  
12 of taxing unit) is required to hold an election so that the voters  
13 may accept or reject the proposed tax rate. Unless at least  
14 two-thirds [~~If a majority~~] of the voters accept [~~reject~~] the  
15 proposed tax rate, the tax rate of the (name of taxing unit) will be  
16 the voter-approval tax rate of the (name of taxing unit). The  
17 election will be held on (date of election). You may contact the  
18 (name of office responsible for administering the election) for  
19 information about voting locations. The hours of voting on election  
20 day are (voting hours).".

21 SECTION 5. Section 26.07(d), Tax Code, is amended to read as  
22 follows:

23 (d) If at least two-thirds [~~a majority~~] of the votes cast in  
24 the election favor the proposition, the tax rate for the current  
25 year is the rate that was adopted by the governing body.

26 SECTION 6. Section 26.08(c), Tax Code, is amended to read as  
27 follows:

1           (c) If at least two-thirds [~~a majority~~] of the votes cast in  
2 the election favor the proposition, the tax rate for the current  
3 year is the rate that was adopted by the governing body.

4           SECTION 7. The changes in law made by this Act apply only to  
5 an election held on or after the effective date of this Act. An  
6 election held before the effective date of this Act is governed by  
7 the law in effect on the date the election was held, and that law is  
8 continued in effect for that purpose.

9           SECTION 8. This Act takes effect immediately if it receives  
10 a vote of two-thirds of all the members elected to each house, as  
11 provided by Section 39, Article III, Texas Constitution. If this  
12 Act does not receive the vote necessary for immediate effect, this  
13 Act takes effect on the 91st day after the last day of the  
14 legislative session.