By: Meyer, et al. 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 Subsections (c-3) and (c-4) 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 addition to the information required by Subsection (c), the notice required by that subsection must include the following statement:

"In the (preceding tax year) tax year, the enrollment of (name of school district) changed by (enrollment growth rate for school district expressed as a percentage) percent. Inflation in the state was (inflation rate expressed as a percentage) percent. If (name of school district) adjusted the amount of property tax revenue it collected in the (preceding tax year) tax year only to account for enrollment change adjusted by inflation, (name of school district) would collect (adjusted tax collections for school district) in the (current tax year) tax year. If (name of school district) adopts the proposed tax rate, (name of school district) will collect (estimated dollar amount of property tax revenue to be collected in the current tax year)."

(c-4) For purposes of Subsection (c-3):

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

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

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

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

(A) the preceding year's estimated levy; and

(B) the sum of one and the adjusted collection rate for the district.

(3) "Enrollment growth rate" means the rate of growth of a school district's enrollment during the preceding school year, expressed in decimal form rounded to the nearest thousandth, determined by the district using information provided by the agency.

(4) "Inflation rate" and "preceding year's estimated

levy" have the meanings assigned by Section 26.0621, Tax Code.

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

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

(i) A school district that uses a certified estimate, as authorized by Subsection (h), may adopt a budget at the public meeting designated in the notice prepared using the estimate, but the district may not adopt a tax rate before the district receives the certified appraisal roll for the district required by Section 26.01(a), Tax Code. After receipt of the certified appraisal roll, the district must provide [~~publish~~] a revised notice and hold another public meeting before the district may adopt a tax rate that exceeds:

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

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

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

SECTION 2. Section 44.004(c), Education Code, as amended by 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 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 & Operations," is the tax rate that, when applied to the current taxable value for the district, as certified by the chief appraiser under Section 26.01, Tax Code, and as adjusted to reflect changes made by the chief appraiser as of the time the notice is prepared, would impose taxes in an amount that, when added to state funds to be distributed to the district under Chapter 48, would provide the same amount of maintenance and operations taxes and state funds distributed under Chapter 48 per student in average daily attendance for the applicable school year that was available to the district in the preceding school year; and

(b) in the case of "Interest & Sinking

Fund," is the tax rate that, when applied to the current taxable value for the district, as certified by the chief appraiser under Section 26.01, Tax Code, and as adjusted to reflect changes made by the chief appraiser as of the time the notice is prepared, and when multiplied by the district's anticipated collection rate, would impose taxes in an amount that, when added to state funds to be distributed to the district under Chapter 46 and any excess taxes collected to service the district's debt during the preceding tax year but not used for that purpose during that year, would provide the minimum dollar amount required to be paid to service the district's debt; and

(iii) the "Proposed Rate";

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

(i) the "Local Revenue per Student," which is computed by multiplying the district's total taxable value of property, as certified by the chief appraiser for the applicable school year under Section 26.01, Tax Code, and as adjusted to reflect changes made by the chief appraiser as of the time the notice is prepared, by the total tax rate, and dividing the product by the number of students in average daily attendance in the district for the applicable school year; and

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

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

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

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

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

(ii) "Average Taxable Value of Residences," determined after taking into account the limitation on the appraised value of residences under Section 23.23, Tax Code, and after subtracting all homestead exemptions applicable in each year, other than exemptions available only to disabled persons or persons 65 years of age or older or their surviving spouses, and using the same group of residences for each year;

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

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

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

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

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

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

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

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

(1) on the school district's Internet website; or

(2) if the district has no Internet website, in the district's central administrative office.

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

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

(c) A taxing unit shall mail the [~~The~~] notice of a public hearing required under this section [~~may be delivered by mail~~] to each property owner in the taxing unit, and [~~or~~] may also publish 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:

(A) the preceding year's estimated levy; and

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

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

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

for the calendar year preceding that calendar year.

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

(6) "Preceding year's estimated levy" for a taxing unit means the amount of property tax revenue the taxing unit estimated it would collect in the preceding tax year on the date the taxing unit proposed a tax rate for that tax year.

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

(c) In addition to the information described by Section 26.06(b-1), (b-2), or (b-3) or 26.061, as applicable, a taxing unit must include in the notice required by that provision one of the following statements that accurately describes the effect of the proposed tax rate:

(1) "If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) will collect (estimated dollar amount of property tax revenue to be collected in the current tax year) in the (current tax year) tax year as compared to (preceding year's estimated levy) in the (preceding tax year) tax year. The amount of

property tax revenue collected by (name of taxing unit) will increase by (estimated dollar amount of increase) in the (current tax year) tax year, which is a (insert percentage increase) percent increase from the amount collected in the (preceding tax year) tax year. In the (preceding tax year) tax year, the population of (name of taxing unit) changed by (population growth rate for taxing unit expressed as a percentage) percent. Inflation in the state was (inflation rate expressed as a percentage) percent. If (name of taxing unit) adjusted the amount of property tax revenue it collected in the (preceding tax year) tax year only to account for population change adjusted by inflation, (name of taxing unit) would collect (adjusted tax collections for taxing unit) in the (current tax year) tax year.";

(2) "If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) will collect (estimated dollar amount of property tax revenue to be collected in the current tax year) in the (current tax year) tax year as compared to (preceding year's estimated levy) in the (preceding tax year) tax year. The amount of property tax revenue collected by (name of taxing unit) will decrease by (estimated dollar amount of decrease) in the (current tax year) tax year, which is a (insert percentage decrease) percent decrease from the amount collected in the (preceding tax year) tax year. In the (preceding tax year) tax year, the population of (name of taxing unit) changed by (population growth rate for taxing unit expressed as a percentage) percent. Inflation in the state was (inflation rate expressed as a percentage) percent. If (name of taxing unit) adjusted the amount of property tax revenue it

collected in the (preceding tax year) tax year only to account for population change adjusted by inflation, (name of taxing unit) would collect (adjusted tax collections for taxing unit) in the (current tax year) tax year."; or

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

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

(b-1) In this subsection, "adjusted tax collections," "enrollment growth rate," "inflation rate," and "population growth rate" have the meanings assigned by Section 26.0621 of this code or Section 44.004, Education Code, as applicable. In addition to the information required by Subsection (b) of this section, the database must include, with respect to each property that is listed on the appraisal roll for the appraisal district:

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

"In the (preceding tax year) tax year, the population of (name of taxing unit) changed by (population growth rate for taxing unit expressed as a percentage) percent. Inflation in the state was (inflation rate expressed as a percentage) percent. If (name of taxing unit) adjusted the amount of property tax revenue it collected in the (preceding tax year) tax year only to account for population change adjusted by inflation, (name of taxing unit) would collect (adjusted tax collections for taxing unit) in the (current tax year) tax year. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) will collect (estimated dollar amount of property tax revenue to be collected in the current tax year)."; and

(2) the following statement for each school district in which the property is located:

"In the (preceding tax year) tax year, the enrollment of (name of school district) changed by (enrollment growth rate for school district expressed as a percentage) percent. Inflation in the state was (inflation rate expressed as a percentage) percent. If (name of school district) adjusted the amount of property tax revenue it collected in the (preceding tax year) tax year only to account for enrollment change adjusted by inflation, (name of school district) would collect (adjusted tax collections for school district) in the (current tax year) tax year. If (name of school district) adopts the proposed tax rate, (name of school district) will collect (estimated dollar amount of property tax revenue to be collected in the current tax year)."

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

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

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

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

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

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

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

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