1   AN ACT

2 relating to the transparent and equitable application of ad valorem

3 tax procedures.

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

5   SECTION 1. Section 1.111, Tax Code, is amended by adding

6 Subsection (a-1) to read as follows:

7   (a-1) A lessee designated by a property owner as the owner's

8 agent under Subsection (a) may, subject to the property owner's

9 approval, designate a person to act as the lessee's agent for any

10 purpose under this title for which the lessee is authorized to act

11 on behalf of the owner in connection with the owner or the owner's

12 property. An agent designated by a lessee under this subsection has

13 the same authority and is subject to the same limitations as an

14 agent designated by a property owner under Subsection (a).

15   SECTION 2. Section 5.07, Tax Code, is amended by adding

16 Subsections (d) and (e) to read as follows:

17   (d) A property tax form that requires a signature may be

18 signed by means of an electronically captured handwritten

19 signature.

20   (e) A property tax form is not invalid or unenforceable

21 solely because the form is a photocopy, facsimile, or electronic

22 copy of the original.

23   SECTION 3. Chapter 5, Tax Code, is amended by adding Section

24 5.091 to read as follows:

1   Sec. 5.091. STATEWIDE LIST OF TAX RATES. (a) Each year the
2   comptroller shall prepare a list that includes the total tax rate
3   imposed by each taxing unit in this state, other than a school
4   district, if the tax rate is reported to the comptroller, for the
5   year preceding the year in which the list is prepared. The
6   comptroller shall list the tax rates in descending order.
7   (b) Not later than December 31 of each year, the comptroller
8   shall publish on the comptroller's Internet website the list
9   required by Subsection (a).
10   SECTION 4. Section 11.431(b), Tax Code, is amended to read
11   as follows:
12   (b) If a late application is approved after approval of the
13   appraisal records by the appraisal review board, the chief
14   appraiser shall notify the collector for each unit in which the
15   residence is located. The collector shall deduct from the person's
16   tax bill the amount of tax imposed on the exempted amount if the tax
17   has not been paid. If the tax has been paid, the collector shall
18   refund the amount of tax imposed on the exempted amount. A person
19   is not required to apply for a refund under this subsection to
20   receive the refund.
21   SECTION 5. Section 26.05(b), Tax Code, is amended to read as
22   follows:
23   (b) A taxing unit may not impose property taxes in any year
24   until the governing body has adopted a tax rate for that year, and
25   the annual tax rate must be set by ordinance, resolution, or order,
26   depending on the method prescribed by law for adoption of a law by
27   the governing body. The vote on the ordinance, resolution, or order

1 setting the tax rate must be separate from the vote adopting the
2 budget. For a taxing unit other than a school district, the [The]
3 vote on the ordinance, resolution, or order setting a tax rate that
4 exceeds the effective tax rate must be a record vote, and at least
5 60 percent of the members of the governing body must vote in favor
6 of the ordinance, resolution, or order. For a school district, the
7 vote on the ordinance, resolution, or order setting a tax rate that
8 exceeds the sum of the effective maintenance and operations tax
9 rate of the district as determined under Section 26.08(i) and the
10 district's current debt rate must be a record vote, and at least 60
11 percent of the members of the governing body must vote in favor of
12 the ordinance, resolution, or order. A motion to adopt an
13 ordinance, resolution, or order setting a tax rate that exceeds the
14 effective tax rate must be made in the following form: "I move that
15 the property tax rate be increased by the adoption of a tax rate of
16 (specify tax rate), which is effectively a (insert percentage by
17 which the proposed tax rate exceeds the effective tax rate) percent
18 increase in the tax rate." If the ordinance, resolution, or order
19 sets a tax rate that, if applied to the total taxable value, will
20 impose an amount of taxes to fund maintenance and operation
21 expenditures of the taxing unit that exceeds the amount of taxes
22 imposed for that purpose in the preceding year, the taxing unit
23 must:
24   (1) include in the ordinance, resolution, or order in
25 type larger than the type used in any other portion of the document:
26   (A) the following statement: "THIS TAX RATE WILL
27 RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S

1 TAX RATE."; and

2   (B) if the tax rate exceeds the effective

3 maintenance and operations rate, the following statement: "THE TAX

4 RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE

5 TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE)

6 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A

7 $100,000 HOME BY APPROXIMATELY $(Insert amount)."; and

8   (2) include on the home page of any Internet website

9 operated by the unit:

10   (A) the following statement: "(Insert name of

11 unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE

12 AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and

13   (B) if the tax rate exceeds the effective

14 maintenance and operations rate, the following statement: "THE TAX

15 RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE

16 TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE)

17 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A

18 $100,000 HOME BY APPROXIMATELY $(Insert amount)."

19   SECTION 6. Section 26.06(d), Tax Code, is amended to read as

20 follows:

21   (d) At the public hearings the governing body shall announce

22 the date, time, and place of the meeting at which it will vote on the

23 proposed tax rate. After each hearing the governing body shall

24 give notice of the meeting at which it will vote on the proposed tax

25 rate and the notice shall be in the same form as prescribed by

26 Subsections (b) and (c), except that it must state the following:

1   "NOTICE OF TAX REVENUE INCREASE

2   "The (name of the taxing unit) conducted public hearings on

3 (date of first hearing) and (date of second hearing) on a proposal

4 to increase the total tax revenues of the (name of the taxing unit)

5 from properties on the tax roll in the preceding year by (percentage

6 by which proposed tax rate exceeds lower of rollback tax rate or

7 effective tax rate calculated under this chapter) percent.

8   "The total tax revenue proposed to be raised last year at last

9 year's tax rate of (insert tax rate for the preceding year) for each

10 $100 of taxable value was (insert total amount of taxes imposed in

11 the preceding year).

12   "The total tax revenue proposed to be raised this year at the

13 proposed tax rate of (insert proposed tax rate) for each $100 of

14 taxable value, excluding tax revenue to be raised from new property

15 added to the tax roll this year, is (insert amount computed by

16 multiplying proposed tax rate by the difference between current

17 total value and new property value).

18   "The total tax revenue proposed to be raised this year at the

19 proposed tax rate of (insert proposed tax rate) for each $100 of

20 taxable value, including tax revenue to be raised from new property

21 added to the tax roll this year, is (insert amount computed by

22 multiplying proposed tax rate by current total value).

23   "The (governing body of the taxing unit) is scheduled to vote

24 on the tax rate that will result in that tax increase at a public

25 meeting to be held on (date of meeting) at (location of meeting,

26 including mailing address) at (time of meeting).

27   "The (governing body of the taxing unit) proposes to use the

1 increase in total tax revenue for the purpose of (description of

2 purpose of increase)."

3 　　　　　SECTION 7.　Section 26.15(f), Tax Code, is amended to read as

4 follows:

5 　　　　　(f)　If a correction that decreases the tax liability of a

6 property owner is made after the owner has paid the tax, the taxing

7 unit shall refund to the property owner the difference between the

8 tax paid and the tax legally due, except as provided by Section

9 25.25(n).　A property owner is not required to apply for a refund

10 under this subsection to receive the refund.

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

12 follows:

13 　　　　　(b)　The governing body shall order that the election be held

14 in the school district on a date not less than 30 or more than 90

15 days after the day on which it adopted the tax rate.　Section

16 41.001, Election Code, does not apply to the election unless a date

17 specified by that section falls within the time permitted by this

18 section.　At the election, the ballots shall be prepared to permit

19 voting for or against the proposition:　"Approving the ad valorem

20 tax rate of $_____ per $100 valuation in (name of school district)

21 for the current year, a rate that is $_____ higher per $100

22 valuation than the school district rollback tax rate, for the

23 purpose of (description of purpose of increase)."　The ballot

24 proposition must include the adopted tax rate and the difference

25 between that rate and the rollback tax rate in the appropriate

26 places.

27 　　　　　SECTION 9.　Section 42.23, Tax Code, is amended by adding

1   Subsection (i) to read as follows:

2   (i) If an appraisal district employee testifies as to the

3   value of real property in an appeal under Section 42.25 or 42.26,

4   the court may give preference to an employee who is a person

5   authorized to perform an appraisal of real estate under Section

6   1103.201, Occupations Code.

7   SECTION 10. Section 42.43(b), Tax Code, is amended to read

8   as follows:

9   (b) For a refund made under this section, the taxing unit

10 shall include with the refund interest on the amount refunded

11 calculated at an annual rate of 9.5 [that is equal to the sum of two

12 percent and the most recent prime rate quoted and published by the

13 Federal Reserve Board as of the first day of the month in which the

14 refund is made, but not more than a total of eight] percent,

15 calculated from the delinquency date for the taxes until the date

16 the refund is made.

17   SECTION 11. Sections 140.010(e) and (f), Local Government

18 Code, are amended to read as follows:

19   (e) A county or municipality that proposes a property tax

20 rate that exceeds the lower of the effective tax rate or the

21 rollback tax rate shall provide the following notice:

22 "NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX

23   RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)

24 "A tax rate of $_____ per $100 valuation has been proposed for

25 adoption by the governing body of (insert name of county or

26 municipality). This rate exceeds the lower of the effective or

27 rollback tax rate, and state law requires that two public hearings

1   be held by the governing body before adopting the proposed tax rate.

2   <u>The governing body of (insert name of county or municipality)</u>

3   <u>proposes to use revenue attributable to the tax rate increase for</u>

4   <u>the purpose of (description of purpose of increase).</u>

5   PROPOSED TAX RATE $_____ per $100

6   PRECEDING YEAR'S TAX RATE $_____ per $100

7   EFFECTIVE TAX RATE $_____ per $100

8   ROLLBACK TAX RATE $_____ per $100

9   "The effective tax rate is the total tax rate needed to raise the

10 same amount of property tax revenue for (insert name of county or

11 municipality) from the same properties in both the (insert

12 preceding tax year) tax year and the (insert current tax year) tax

13 year.

14 "The rollback tax rate is the highest tax rate that (insert name of

15 county or municipality) may adopt before voters are entitled to

16 petition for an election to limit the rate that may be approved to

17 the rollback rate.

18   "YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS

19   FOLLOWS:

20   property tax amount = (rate) x (taxable value of your property) /

21   100

22 "For assistance or detailed information about tax calculations,

23 please contact:

24   (insert name of county or municipal tax assessor-collector)

25   (insert name of county or municipality) tax

26 assessor-collector

27   (insert address)

1   (insert telephone number)

2   (insert e-mail address)

3   (insert Internet website address, if applicable)

4 "You are urged to attend and express your views at the following

5 public hearings on the proposed tax rate:

6   First Hearing: (insert date and time) at (insert location of

7 meeting).

8   Second Hearing: (insert date and time) at (insert location

9 of meeting)."

10   (f) A county or municipality shall:

11   (1) provide the notice required by Subsection (d) or

12 (e), as applicable, not later than the later of September 1 or the

13 30th day after the first date that the taxing unit has received each

14 applicable certified appraisal roll by:

15   (A) publishing the notice in a newspaper having

16 general circulation in:

17   (i) the county, in the case of notice

18 published by a county; or

19   (ii) the county in which the municipality

20 is located or primarily located, in the case of notice published by

21 a municipality; or

22   (B) mailing the notice to each property owner in:

23   (i) the county, in the case of notice

24 provided by a county; or

25   (ii) the municipality, in the case of

26 notice provided by a municipality; and

27   (2) post the notice on the Internet website of the

1 county or municipality, if applicable, beginning not later than the

2 later of September 1 or the 30th day after the first date that the

3 taxing unit has received each applicable certified appraisal roll

4 and continuing until the county or municipality adopts a tax rate.

5   SECTION 12. Subchapter H, Chapter 49, Water Code, is

6 amended by adding Section 49.2361 to read as follows:

7   Sec. 49.2361. ADDITIONAL NOTICE FOR CERTAIN TAX INCREASES.

8 If a district proposes to adopt a combined tax rate that would

9 authorize the qualified voters of the district by petition to

10 require a rollback election to be held in the district, the notice

11 required by Section 49.236 must include a description of the

12 purpose of the proposed tax increase.

13   SECTION 13. The changes in law made by this Act apply only

14 to an ad valorem tax year that begins on or after the effective date

15 of this Act.

16   SECTION 14. (a) Except as provided by Subsection (b) of this

17 section, this Act takes effect January 1, 2016.

18   (b) Section 42.23(i), Tax Code, as added by this Act, takes

19 effect January 1, 2020.

_____   _____
    President of the Senate   Speaker of the House

I hereby certify that S.B. No. 1760 passed the Senate on April 30, 2015, by the following vote: Yeas 24, Nays 7; and that the Senate concurred in House amendments on May 27, 2015, by the following vote: Yeas 31, Nays 0.

                    _____
                      Secretary of the Senate

I hereby certify that S.B. No. 1760 passed the House, with amendments, on May 22, 2015, by the following vote: Yeas 138, Nays 1, three present not voting.

                    _____
                      Chief Clerk of the House

Approved:

_____
        Date

_____
        Governor