

# SENATE JOURNAL

EIGHTY-SIXTH LEGISLATURE — REGULAR SESSION

---

---

AUSTIN, TEXAS

---

---

PROCEEDINGS

---

**FORTY-NINTH DAY**

(Tuesday, May 7, 2019)

The Senate met at 7:11 p.m. pursuant to adjournment and was called to order by the President.

The roll was called and the following Senators were present: Alvarado, Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Hinojosa, Huffman, Hughes, Johnson, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Paxton, Perry, Powell, Rodríguez, Schwertner, Seliger, Taylor, Watson, West, Whitmire, Zaffirini.

The President announced that a quorum of the Senate was present.

Senator Lucio offered the invocation as follows:

Lord Jesus, please be with our Senate family tonight. Grant us Your peace and harmony, an end to conflict and division. Give us the gift of compassion to better understand each other, the wisdom and love to assist each other, and the trust and patience to live peacefully together. Grant that through the intercession of Your mother, Mary, and Saint Joseph, our Texas Senate family may become a holy family accepting each other, working together in unity, selflessly dedicated to one other and to You. And lastly, Father, we pray for the beautiful soul of Daniel B. Markson, a very close friend of Senator Menéndez and a member of our Texas family. In Your blessed name I pray, Jesus Christ. Amen.

Senator Whitmire moved that the reading of the Journal of the proceedings of the previous day be dispensed with and the Journal be approved as printed.

The motion prevailed without objection.

## **INTRODUCTION OF BILLS AND RESOLUTIONS POSTPONED**

The President announced that the introduction of bills and resolutions on first reading would be postponed until the end of today's session.

There was no objection.

## **CONCLUSION OF MORNING CALL**

The President at 7:15 p.m. announced the conclusion of morning call.

**SENATE BILL 1033 ON THIRD READING**

Senator Hancock moved to suspend the regular order of business to take up for consideration **SB 1033** at this time on its third reading and final passage:

**SB 1033**, Relating to information regarding perinatal palliative care and prohibiting discriminatory abortions; creating an administrative penalty, a civil remedy, and a criminal offense.

The motion prevailed by the following vote: Yeas 20, Nays 11.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Nays: Alvarado, Hinojosa, Johnson, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 20, Nays 11. (Same as previous roll call)

**REASON FOR VOTE**

Senator Rodríguez submitted the following reason for vote on **SB 1033**:

S.B. 1033 purports to ban abortions that are performed on the basis of a fetus' race, ethnicity, sex or the presence or probability of having a disability. This bill may appear to protect the rights of the disabled, but it is more accurately described as a threat to women's and families' health.

I do not have an issue with the perinatal palliative care information provisions in this bill. And actually, I think the more information, the better, especially when someone is making personal health care decisions. However, I do have concerns with other sections of the bill.

S.B. 1033, in whole, is inhumane. It removes current law that considers whether not having an abortion would cause serious impairment of a woman's mental health, and removes current law allowing abortions when the fetus has a "severe and irreversible" anomaly, or where "the fetus is not a viable fetus." If passed, I believe this bill would force women to carry a nonviable pregnancy to term.

"Fetal anomaly" has a specific medical meaning; it is a fatal or terminal condition like anencephaly, when the fetus does not have a brain above the base of the skull. To be clear, a fetal anomaly is not Down Syndrome, autism, cerebral palsy, cystic fibrosis, muscular dystrophy, or physical deformities like a cleft palate, clubfoot, or congenital dislocated hip. I believe it is cruel to force a woman to carry that fetus that has no chance at life; regardless of my beliefs, or anyone else's. As afforded by the Constitution, this should be the woman's decision, in consultation with her doctor, and should not be the state's decision.

In testimony, one witness shared a story about a pregnant woman. She and her family were incredibly happy. Everything looked good until seven months, when she learned that her fetus had holes in its brain; there was no chance of walking, talking, swallowing, living. My beliefs are that it is sheer cruelty to deny this woman her

constitutional choice. I understand the author has different beliefs. Why are his beliefs – religious beliefs, regardless of how strongly one feels about them – more important than mine, or hers?

Since the majority of perinatal hospice and palliative care programs in the state are located in urban areas, S.B. 1033 would force women from rural areas to travel hundreds of miles in some cases, only to deliver a baby into hospice care. S.B. 1033 compels high-risk women to risk their lives and their families' futures to ultimately see a nonviable pregnancy to term and through delivery.

Lastly, S.B. 1033 punishes physicians for providing complete health care to women, creating penalties for physicians who knowingly participate in abortion that women and families seek for diagnoses of congenital anomalies, structural malformations, genetic disorders or any other disability by revoking or suspending their license to practice.

In Section 7, which prohibits "discriminatory abortions," how would anyone other than the woman choosing the abortion know why she is having an abortion?

By imposing criminal penalties on providers and forcing them to scrutinize the motives of their patients, this bill undermines the trust between patients and doctors that is needed for proper medical care.

The bill is opposed by the National Asian Pacific American Women's Forum, American Civil Liberties Union, and the Texas District of the American College of Obstetricians and Gynecologists. And while the Texas Alliance for Life does not oppose it, it also does not support, because the group knows it is an unreasonable burden that sets back their cause; they note it is not likely to survive a court challenge, making it an expensive and needlessly time-consuming burden to the state as well as being an unreasonable burden on women.

It is for the above reasons that I voted against S.B. 1033.

RODRÍGUEZ

### REASON FOR VOTE

Senator Zaffirini submitted the following reason for vote on **SB 1033**:

As a lifelong Catholic who believes in the sanctity of all life, I believe deeply that we must protect the rights of unborn children. Being pro-life, however, does not preclude my support for access to health care, including safe and legal abortions.

I support strongly the provisions in SB 1033 that would disseminate information about "perinatal palliative care" and prevent discriminatory abortions of unborn children who may have disabilities, such as Down Syndrome. Those lives are no more or less valuable than those born without a disability, and discriminatory intent should be discouraged in all possible ways.

Excluding "severe fetal abnormalities" from the medical emergency exception for late-term abortions, however, would place an undue burden on a woman already facing the most terrible circumstance. Cases of misdiagnosis are extremely rare, and forcing a mother to carry her child to term, knowing he or she would be incapable of surviving outside the womb, seems cruel. What's more, a mother always may choose to do so, if she decides it is best for her and her family.

Without this provision, I would have voted "yes" on this otherwise important piece of legislation. Unfortunately, because this bill would impose unreasonable restrictions on women already faced with a truly tragic event, I am voting "no" on SB 1033.

ZAFFIRINI

**COMMITTEE SUBSTITUTE  
SENATE BILL 970 ON THIRD READING**

Senator Creighton moved to suspend the regular order of business to take up for consideration **CSSB 970** at this time on its third reading and final passage:

**CSSB 970**, Relating to the review and approval of contingent fee contracts for certain public agencies.

The motion prevailed by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Nays: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 19, Nays 12. (Same as previous roll call)

**COMMITTEE SUBSTITUTE  
SENATE BILL 1884 ON SECOND READING**

On motion of Senator Kolkhorst and by unanimous consent, the regular order of business was suspended to take up for consideration **CSSB 1884** at this time on its second reading:

**CSSB 1884**, Relating to the protection of animal and crop facilities; creating a criminal offense.

The bill was read second time.

Senator Schwertner offered the following amendment to the bill:

**Floor Amendment No. 1**

Amend **CSSB 1884** (senate committee report) in SECTION 1 of the bill as follows:

(1) In added Section 252.002(a), Agriculture Code (page 1, line 38), strike "A person" and substitute "Except as provided by Subsection (a-1), a person".

(2) Between added Sections 252.002(a) and (b), Agriculture Code (page 1, between lines 55 and 56), insert the following:

(a-1) An actor's conduct described by Subsection (a) does not constitute an offense under this section if the actor causes a loss to the animal or crop facility in an amount less than \$500.

(3) In added Section 252.002(b)(1), Agriculture Code (page 1, line 58), strike "\$2,500 or less" and substitute "at least \$500 but not more than \$2,500".

The amendment to **CSSB 1884** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

**CSSB 1884** as amended was passed to engrossment by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to engrossment.

**COMMITTEE SUBSTITUTE  
SENATE BILL 1884 ON THIRD READING**

Senator Kolkhorst moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 1884** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**(President Pro Tempore Watson in Chair)**

**COMMITTEE SUBSTITUTE  
SENATE BILL 1732 ON SECOND READING**

On motion of Senator Paxton and by unanimous consent, the regular order of business was suspended to take up for consideration **CSSB 1732** at this time on its second reading:

**CSSB 1732**, Relating to a requirement that certain water districts make audio and video recordings of open meetings available on the Internet.

The bill was read second time and was passed to engrossment by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to engrossment.

**COMMITTEE SUBSTITUTE  
SENATE BILL 1732 ON THIRD READING**

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 1732** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**SENATE BILL 2136 ON SECOND READING**

On motion of Senator Powell and by unanimous consent, the regular order of business was suspended to take up for consideration **SB 2136** at this time on its second reading:

**SB 2136**, Relating to the admissibility of evidence in the prosecution of an offense committed against a member of the defendant's family or household or person in a dating relationship with the defendant.

The bill was read second time and was passed to engrossment by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to engrossment.

### SENATE BILL 2136 ON THIRD READING

Senator Powell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **SB 2136** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

### BILLS SIGNED

The President Pro Tempore announced the signing of the following enrolled bills in the presence of the Senate after the captions had been read:

**SB 72, SB 225, SB 240, SB 254, SB 320, SB 385, SB 416, SB 497, SB 590, SB 642, SB 669, SB 925, SB 971, SB 1012, SB 1066, SB 1134, SB 1213, SB 1358, SB 1378, SB 1443, SB 1574, SB 1597, SB 1598, SB 1764, SB 2024, SB 2132, SB 2390.**

### MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Tuesday, May 7, 2019 - 2

The Honorable President of the Senate  
Senate Chamber  
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

**HB 12** Davis, Sarah  
Relating to early childhood intervention and rehabilitative and habilitative services.

**HB 442** Meyer  
Relating to the statute of limitations for the offense of abandoning or endangering a child.

**HB 803** Patterson  
Relating to financial reporting requirements of a toll project entity.

**HB 827** Rose  
Relating to the exemption from ad valorem taxation of an improvement that is necessary to support the continued use or existence of a historic site.

**HB 974** Metcalf  
Relating to public school safety measures and procedures.

**HB 1365**

Lucio III

Relating to authorizing the possession, use, cultivation, processing, distribution, transportation, research, testing, and delivery of low-THC cannabis for medical use by patients with certain debilitating medical conditions and the licensing of cannabis dispensing organizations, cannabis research organizations, and cannabis testing facilities; establishing the cannabis therapeutic research review board; authorizing fees.

**HB 1563**

Nevárez

Relating to the licensing and regulation of animal export-import processing facilities; providing penalties; requiring an occupational license; authorizing fees.

**HB 1584**

Thompson, Senfronia

Relating to health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer.

**HB 1590**

Howard

Relating to statewide policies and practices, personnel training, evidence collection and preservation, and data collection and analysis regarding the prevention, investigation, and prosecution of sexual assault and other sex offenses.

**HB 1832**

Johnson, Julie

Relating to prohibited practices relating to health benefit plan coverage for emergency care.

**HB 1968**

Anderson, Charles "Doc"

Relating to coverage for treatment of craniofacial abnormalities under certain health benefit plans.

**HB 2068**

Nevárez

Relating to exemption from jury service of tribal council members of and legislative employees for certain tribal governments.

**HB 2099**

Lambert

Relating to modification of certain prescription drug benefits and coverage offered by certain health benefit plans.

**HB 2178**

Noble

Relating to terminating participation in the Texas Emergency Services Retirement System.

**HB 2524**

Anderson, Charles "Doc"

Relating to the prosecution of the criminal offense of theft of service.

**HB 2576**

Johnson, Jarvis

Relating to prescribing and dispensing certain controlled substances to patients diagnosed with sickle cell disease.

**HB 2578**

Thompson, Ed

Relating to toll collection and enforcement by private participants in certain comprehensive development agreements with the Texas Department of Transportation.

- HB 2586** Leach  
Relating to political contributions and political expenditures made to or by political committees or other persons.
- HB 2726** Kuempel  
Relating to the commencement of construction of a project following the issuance of a draft permit for a permit amendment to an air quality permit.
- HB 3557** Paddie  
Relating to civil and criminal liability for engaging in certain conduct involving a critical infrastructure facility; creating criminal offenses.
- HB 3603** Martinez Fischer  
Relating to derivative proceedings on behalf of for-profit corporations, limited liability companies, and limited partnerships.
- HB 3609** Martinez Fischer  
Relating to the filing of an assumed name certificate by certain business entities.
- HB 3652** Turner, Chris  
Relating to the creation of a state repository for open educational resources by the Texas Higher Education Coordinating Board.
- HB 3771** Oliverson  
Relating to the approval of insurance companies to provide certain structured settlement annuity contracts.
- HB 3782** Harless  
Relating to the right to remove property encroaching on areas owned or controlled by the Harris County Flood Control District.
- HB 3910** Sherman, Sr.  
Relating to the establishment of one or more supplemental county civil service commissions in certain counties.
- HB 3950** Frank  
Relating to the establishment of the child welfare task force and provision of services in the child welfare system.
- HB 4070** Oliverson  
Relating to the prosecution of the criminal offense of passing a school bus; increasing a criminal penalty.
- HB 4246** Nevárez  
Relating to nonsubmetered billing for water or wastewater service.
- HB 4347** Anchia  
Relating to the authority of certain municipalities to use certain tax revenue for hotel and convention center projects and other qualified projects.
- HB 4388** Murphy  
Relating to the management of the permanent school fund by the School Land Board and the State Board of Education.
- HB 4548** Wray  
Relating to the creation and operations of health care provider participation programs in certain counties.



**HB 4695**

Deshotel

Relating to the administration of the Port of Port Arthur Navigation District of Jefferson County, including the authority to impose taxes.

**HB 4733**

González, Jessica

Relating to the creation of the Oak Farms Municipal Management District; providing authority to issue bonds; providing authority to impose assessments and fees.

**SB 1055**

Zaffirini

Sponsor: Frullo

Relating to the administration by the Texas Workforce Commission of a workforce diploma pilot program.

(Amended)

Respectfully,

/s/Robert Haney, Chief Clerk  
House of Representatives

(President in Chair)

**COMMITTEE SUBSTITUTE  
SENATE BILL 1663 ON THIRD READING**

Senator Creighton moved to suspend the regular order of business to take up for consideration **CSSB 1663** at this time on its third reading and final passage:

**CSSB 1663**, Relating to the removal, relocation, alteration, or construction of certain monuments, memorials, or designations located on public property; authorizing a civil penalty.

The motion prevailed by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Fallon, Flores, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Paxton, Perry, Schwertner, Seliger, Taylor.

Nays: Alvarado, Hinojosa, Johnson, Lucio, Menéndez, Miles, Powell, Rodríguez, Watson, West, Whitmire, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 19, Nays 12. (Same as previous roll call)

**REASON FOR VOTE**

Senator Rodríguez submitted the following reason for vote on **CSSB 1663**:

I have no doubt that Sen. Creighton is sincere in his beliefs regarding the need to protect Confederate monuments. I, too, am sincere in my beliefs about the nature of the Confederacy, the purpose of these monuments when they were erected, and their place in our current time.

Although I understand that Senator Creighton believes he is helping to preserve history, this bill does not reflect a thoughtful exploration of what that means. Unfortunately, Sen. West's offer to be part of an interim process to include all stakeholders in reviewing the need and approach to this explosive issue was not

accepted. However, I must acknowledge the acceptance of Sen. Miles' amendment, which creates an interim committee to study this question regarding portraits in the Senate Chamber. In my opinion, that should have preceded this bill.

The nature of the Confederacy is clear. It was based on the abhorrent philosophy of white supremacy. There was no question of that on the floor, and for that I commend my colleagues, and Sen. Creighton.

As stated in the Texas Declaration of Causes:

*We hold as undeniable truths that the governments of the various States, and of the confederacy itself, were established exclusively by the white race, for themselves and their posterity; that the African race had no agency in their establishment; that they were rightfully held and regarded as an inferior and dependent race, and in that condition only could their existence in this country be rendered beneficial or tolerable. That in this free government all white men are and of right ought to be entitled to equal civil and political rights; that the servitude of the African race, as existing in these States, is mutually beneficial to both bond and free, and is abundantly authorized and justified by the experience of mankind, and the revealed will of the Almighty Creator, as recognized by all Christian nations; while the destruction of the existing relations between the two races, as advocated by our sectional enemies, would bring inevitable calamities upon both and desolation upon the fifteen slave-holding States.*

A 2016 study conducted by the Southern Poverty Law Center showed Confederate monuments and statues were erected during times of civil rights movements to further a white supremacist ideology and evoke fear among non-white races. Texas is listed in that study as the second highest state with 178 symbols of the Confederacy in public spaces (Virginia has the highest). A quote on the study cover, from the Augusta, Ga., newspaper in 1951, states: *"The Confederate flag is coming to mean something to everybody now. It means the southern cause. It means the heart throbs of the people of the South. It is becoming to be the symbol of the white race and the cause of the white people. The Confederate flag means segregation."*

Confederate monuments, the study notes, came in two waves, both related to advancements in civil rights that threatened white supremacist ideology: *"The first began around 1900, amid the period in which states were enacting Jim Crow laws to disenfranchise the newly freed African Americans and re-segregate society. This spike lasted well into the 1920s, a period that saw a dramatic resurgence of the Ku Klux Klan, which had been born in the immediate aftermath of the Civil War. The second spike began in the early 1950s and lasted through the 1960s, as the civil rights movement led to a backlash among segregationists."*

Elsewhere in the world, monuments to discredited ideologies, especially those from recent history, have come down. Germans do not consider statues of Nazis "educational," for example.

Finally, the provisions allowing local governments to be sued, and the draconian fines of up to \$25,000 per day are designed to be punitive and chill local officials from exercising community standards around the question of these monuments.

While improvements were made to the bill - with Sen. Miles' amendment, and one offered by Sen. Seliger to change from a local election to requiring a supermajority vote by an elected body - at its core, it still seeks to set in stone the presence of

Confederate monuments, which are relics of a hateful ideology that once held sway in Texas. Unfortunately, as we heard in testimony in committee when a witness, since repudiated by the bill author, used vile language to describe minorities, this ideology has not yet been eradicated. This bill, however unintentionally, provides comfort to that ideology, and hurt to those who suffer from it. Therefore, I voted against S.B. 1663.

RODRÍGUEZ

### REMARKS ORDERED PRINTED

On motion of Senator West and by unanimous consent, the remarks by Senators Miles, Creighton, and West regarding **CSSB 1663** on suspension of the regular order of business were ordered reduced to writing and printed in the *Senate Journal*.

The remarks are printed in an addendum to this day's Journal.

### MOTION IN WRITING

Senator Bettencourt offered the following Motion In Writing:

Mr. President:

I move suspension of Senate Rule 12.01 to permit the appointment of Senator Hancock as chair of the conference committee on Senate Bill 2.

BETTENCOURT

The Motion In Writing was read and prevailed without objection.

### SENATE BILL 2 WITH HOUSE AMENDMENTS

Senator Bettencourt called **SB 2** from the President's table for consideration of the House amendments to the bill.

The President laid the bill and the House amendments before the Senate.

### Amendment

Amend **SB 2** by substituting in lieu thereof the following:

#### A BILL TO BE ENTITLED AN ACT

relating to ad valorem taxation; authorizing fees.

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

SECTION 1. This Act may be cited as the Texas Taxpayer Transparency Act of 2019.

SECTION 2. Section 1.085(a), Tax Code, is amended to read as follows:

(a) Notwithstanding any other provision in this title and except as provided by this section, any notice, rendition, application form, or completed application, or information requested under Section 41.461(a)(2), that is required or permitted by this title to be delivered between a chief appraiser, an appraisal district, an appraisal review board, or any combination of those persons and a property owner or ~~between a chief appraiser, an appraisal district, an appraisal review board, or any combination of those persons and~~ a person designated by a property owner under Section 1.111(f) may be delivered in an electronic format if the chief appraiser and the property owner or person designated by the owner agree under this section.

SECTION 3. Chapter 5, Tax Code, is amended by adding Section 5.01 to read as follows:

Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD.

(a) The comptroller shall appoint the property tax administration advisory board to advise the comptroller with respect to the division or divisions within the office of the comptroller with primary responsibility for state administration of property taxation and state oversight of appraisal districts. The advisory board may make recommendations to the comptroller regarding improving the effectiveness and efficiency of the property tax system, best practices, and complaint resolution procedures.

(b) The advisory board is composed of at least six members appointed by the comptroller. The members of the board should include:

(1) representatives of property tax payers, appraisal districts, assessors, and school districts; and

(2) a person who has knowledge or experience in conducting ratio studies.

(c) The members of the advisory board serve at the pleasure of the comptroller.

(d) Any advice to the comptroller relating to a matter described by Subsection (a) that is provided by a member of the advisory board must be provided at a meeting called by the comptroller.

(e) Chapter 2110, Government Code, does not apply to the advisory board.

SECTION 4. Sections 5.041(b), (c), (e-1), and (e-3), Tax Code, are amended to read as follows:

(b) A member of the appraisal review board established for an appraisal district must complete the course established under Subsection (a). The course must provide at least eight hours of classroom training and education. A member of the appraisal review board may not participate in a hearing conducted by the board unless the person has completed the course established under Subsection (a) and received a certificate of course completion.

(c) The comptroller may contract with service providers to assist with the duties imposed under Subsection (a), but the course required may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training course, but the fee may not exceed \$50 for each ~~per~~ person trained. If the training is provided to an individual other than a member of an appraisal review board, the comptroller may assess a fee not to exceed \$50 for each person trained.

(e-1) In addition to the course established under Subsection (a), the comptroller shall approve curricula and provide materials for use in a continuing education course for members of an appraisal review board. The course must provide at least four hours of classroom training and education. The curricula and materials must include information regarding:

(1) the cost, income, and market data comparison methods of appraising property;

(2) the appraisal of business personal property;

(3) the determination of capitalization rates for property appraisal purposes;

- (4) the duties of an appraisal review board;
- (5) the requirements regarding the independence of an appraisal review board from the board of directors and the chief appraiser and other employees of the appraisal district;
- (6) the prohibitions against ex parte communications applicable to appraisal review board members;
- (7) the Uniform Standards of Professional Appraisal Practice;
- (8) the duty of the appraisal district to substantiate the district's determination of the value of property;
- (9) the requirements regarding the equal and uniform appraisal of property;
- (10) the right of a property owner to protest the appraisal of the property as provided by Chapter 41; and
- (11) a detailed explanation of each of the actions described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413, 41.42, and 41.43 so that members are fully aware of each of the grounds on which a property appraisal can be appealed.

(e-3) The comptroller may contract with service providers to assist with the duties imposed under Subsection (e-1), but the course required by that subsection may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the continuing education course, but the fee may not exceed \$50 for each person trained. If the training is provided to an individual other than a member of an appraisal review board, the comptroller may assess a fee not to exceed \$50 for each person trained.

SECTION 5. Chapter 5, Tax Code, is amended by adding Section 5.043 to read as follows:

Sec. 5.043. TRAINING OF ARBITRATORS. (a) This section applies only to persons who have agreed to serve as arbitrators under Chapter 41A.

(b) The comptroller shall:

(1) approve curricula and provide an arbitration manual and other materials for use in training and educating arbitrators;

(2) make all materials for use in training and educating arbitrators freely available online; and

(3) establish and supervise a training program on property tax law for the training and education of arbitrators.

(c) The training program must:

(1) emphasize the requirements regarding the equal and uniform appraisal of property; and

(2) be at least four hours in length.

(d) The training program may be provided online. The comptroller by rule may prescribe the manner by which the comptroller may verify that a person taking the training program online has taken and completed the program.

(e) The comptroller may contract with service providers to assist with the duties imposed under Subsection (b), but the training program may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal

review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training program, but the fee may not exceed \$50 for each person trained. If the training is provided to a person other than a person who has agreed to serve as an arbitrator under Chapter 41A, the comptroller may assess a fee not to exceed \$50 for each person trained.

(f) The comptroller shall prepare an arbitration manual for use in the training program. The manual shall be updated regularly and may be revised on request, in writing, to the comptroller. The revised language must be approved by the unanimous agreement of a committee selected by the comptroller and representing, equally, taxpayers and chief appraisers. The person requesting the revision must pay the costs of mediation if the comptroller determines that mediation is required.

SECTION 6. Section 5.05, Tax Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) An appraisal district shall appraise property in accordance with any appraisal manuals required by law to be prepared and issued by the comptroller.

SECTION 7. Section 5.07, Tax Code, is amended by adding Subsections (f), (g), (h), (i), and (j) to read as follows:

(f) The comptroller shall prescribe tax rate calculation forms to be used by the designated officer or employee of each:

(1) taxing unit other than a school district to calculate and submit the no-new-revenue tax rate and the rollback tax rate for the taxing unit as required by Chapter 26; and

(2) school district to:

(A) calculate and submit the no-new-revenue tax rate and the rollback tax rate for the district as required by Chapter 26; and

(B) submit the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year as required by Chapter 26.

(g) The forms described by Subsection (f) must be in an electronic format and:

(1) have blanks that can be filled in electronically;

(2) be capable of being certified by the designated officer or employee after completion as accurately calculating the applicable tax rates and using values that are the same as the values shown in, as applicable:

(A) the taxing unit's certified appraisal roll; or

(B) the certified estimate of taxable value of property in the taxing unit prepared under Section 26.01(a-1); and

(3) be capable of being electronically incorporated into the property tax database maintained by each appraisal district under Section 26.17 and submitted electronically to the county assessor-collector of each county in which all or part of the territory of the taxing unit is located.

(h) For purposes of Subsections (f) and (g), the comptroller shall use the forms published on the comptroller's Internet website as of January 1, 2019, modified as necessary to comply with the requirements of this section. The comptroller shall update the forms as necessary to reflect formatting or other nonsubstantive changes.

(i) The comptroller may revise the forms to reflect substantive changes other than those described by Subsection (h) or on receipt of a request in writing. A revision under this subsection must be approved by the agreement of a majority of the members of a committee selected by the comptroller who are present at a committee meeting at which a quorum is present. The members of the committee must represent, equally, taxpayers, taxing units or persons designated by taxing units, and assessors. In the case of a revision for which the comptroller receives a request in writing, the person requesting the revision shall pay the costs of mediation if the comptroller determines that mediation is required.

(j) A meeting of the committee held under Subsection (i) is not subject to the requirements of Chapter 551, Government Code.

SECTION 8. Section 5.09, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The comptroller shall prepare a biennial report of the total appraised values and taxable values of taxable property by category and the tax rates of each county, municipality, special district, and school district in effect for the two years preceding the year in which the report is prepared.

(a-1) The comptroller shall:

(1) prescribe the format by which an appraisal district or taxing unit must submit information under this section to the comptroller;

(2) collect and review in detail the information submitted that relates to each county, municipality, and school district; and

(3) collect and review the information submitted that relates to each special district.

SECTION 9. Section 5.091, Tax Code, is amended to read as follows:

Sec. 5.091. STATEWIDE LIST OF TAX RATES. (a) Each year the comptroller shall prepare a list that includes the total tax rate imposed by each taxing unit in this state, as [other than a school district, if the tax rate is] reported to the comptroller by each appraisal district, for the year [preceding the year] in which the list is prepared. The comptroller shall:

(1) prescribe the manner in which and deadline by which appraisal districts are required to submit the tax rates to the comptroller; and

(2) list the tax rates alphabetically according to:

(A) the county or counties in which each taxing unit is located; and

(B) the name of each taxing unit [in descending order].

(b) Not later than January 1 [December 31] of the following [each] year, the comptroller shall publish on the comptroller's Internet website the list required by Subsection (a).

SECTION 10. Sections 5.102(a) and (c), Tax Code, are amended to read as follows:

(a) At least once every two years, the comptroller shall review the governance of each appraisal district, the taxpayer assistance provided by each appraisal district, and the operating and appraisal standards, procedures, and methodology used by each appraisal district, to determine compliance with generally accepted standards, procedures, and methodology, including compliance with standards, procedures, and methodology prescribed by any appraisal manuals required by law to be prepared and

issued by the comptroller. After consultation with the property tax administration advisory board [~~committee created under Section 403.302, Government Code~~], the comptroller by rule may establish procedures and standards for conducting and scoring the review.

(c) At the conclusion of the review, the comptroller shall, in writing, notify the appraisal district concerning its performance in the review. If the review results in a finding that an appraisal district is not in compliance with generally accepted standards, procedures, and methodology, including compliance with standards, procedures, and methodology prescribed by any appraisal manuals required by law to be prepared and issued by the comptroller, the comptroller shall deliver a report that details the comptroller's findings and recommendations for improvement to:

- (1) the appraisal district's chief appraiser and board of directors; and
- (2) the superintendent and board of trustees of each school district participating in the appraisal district.

SECTION 11. Chapter 5, Tax Code, is amended by adding Section 5.104 to read as follows:

Sec. 5.104. APPRAISAL REVIEW BOARD SURVEY; REPORT. (a) The comptroller shall:

(1) prepare an appraisal review board survey that allows an individual described by Subsection (b) to submit comments and suggestions to the comptroller regarding an appraisal review board;

(2) prepare instructions for completing and submitting the survey; and

(3) implement and maintain a method that allows an individual described by Subsection (b) to electronically complete and submit the survey through a uniform resource locator (URL) address.

(b) The following individuals who attend a hearing in person or by telephone conference call on a motion filed under Section 25.25 to correct the appraisal roll or a protest under Chapter 41 may complete and submit a survey under this section:

(1) a property owner whose property is the subject of the motion or protest;

(2) the designated agent of the owner; or

(3) a designated representative of the appraisal district in which the motion or protest is filed.

(c) The survey must allow an individual to submit comments and suggestions regarding:

(1) the matters listed in Section 5.103(b); and

(2) any other matter related to the fairness and efficiency of the appraisal review board.

(d) An appraisal district must provide to each property owner or designated agent of the owner who is authorized to submit a survey under this section a notice that states that the owner or agent:

(1) is entitled to complete and submit the survey;

(2) may submit the survey to the comptroller:

(A) in person;

(B) by mail;

(C) by electronic mail; or



(D) through the uniform resource locator (URL) address described by Subsection (a)(3); and

(3) may obtain a paper copy of the survey and instructions for completing the survey at the appraisal office.

(e) The notice described by Subsection (d) must include the uniform resource locator (URL) address described by Subsection (a)(3).

(f) An appraisal district must provide the notice described by Subsection (d) to a property owner or the designated agent of the owner:

(1) at or before the first hearing on the motion or protest described by Subsection (b) by the appraisal review board established for the appraisal district or by a panel of the board; and

(2) with each order under Section 25.25 or 41.47 determining a motion or protest, as applicable, delivered by the board or a panel of the board.

(g) At or before the first hearing on the motion or protest described by Subsection (b) by the appraisal review board established for the appraisal district or by a panel of the board, the board or panel must provide verbal notice to the property owner or designated agent of the owner of the owner or agent's right to complete and submit the survey.

(h) Notwithstanding Subsections (d), (f), and (g), if an appraisal district provides the notice described by Subsection (d), or an appraisal review board provides the verbal notice required by Subsection (g), to a property owner or the designated agent of the owner at or before a hearing on a motion or protest described by Subsection (b), the appraisal district or board, as applicable, is not required to provide another notice in the same manner to the owner or agent at or before another hearing on a motion or protest held on the same day.

(i) An individual who elects to submit the survey must submit the survey to the comptroller as provided by this section. An individual may submit only one survey for each hearing.

(j) The comptroller shall allow an individual to submit a survey to the comptroller in the following manner:

(1) in person;

(2) by mail;

(3) by electronic mail; or

(4) through the uniform resource locator (URL) address described by Subsection (a)(3).

(k) An appraisal district may not require a property owner or the designated agent of the owner to complete a survey at the appraisal office.

(l) The comptroller shall issue an annual report that summarizes the information included in the surveys submitted during the preceding tax year. The report may not disclose the identity of an individual who submitted a survey.

(m) The comptroller may adopt rules necessary to implement this section.

SECTION 12. Section 5.13(d), Tax Code, is amended to read as follows:

(d) In conducting a general audit, the comptroller shall consider and report on:

(1) the extent to which the district complies with applicable law or generally accepted standards of appraisal or other relevant practice, including appraisal standards and practices prescribed by any appraisal manuals required by law to be prepared and issued by the comptroller;

(2) the uniformity and level of appraisal of major kinds of property and the cause of any significant deviations from ideal uniformity and equality of appraisal of major kinds of property;

(3) duplication of effort and efficiency of operation;

(4) the general efficiency, quality of service, and qualification of appraisal district personnel; and

(5) except as otherwise provided by Subsection (b) [~~of this section~~], any other matter included in the request for the audit.

SECTION 13. Section 6.035(a-1), Tax Code, is amended to read as follows:

(a-1) An individual is ineligible to serve on an appraisal district board of directors if the individual has engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district at any time during the preceding three [five] years.

SECTION 14. Section 6.15, Tax Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) Subsections (a) and (b) do not prohibit a member of the board of directors of an appraisal district from transmitting to the chief appraiser without comment a complaint by a property owner or taxing unit about the appraisal of a specific property, provided that the transmission is in writing.

SECTION 15. Section 6.41, Tax Code, is amended by amending Subsections (b) and (d-9) and adding Subsections (b-1), (b-2), and (d-10) to read as follows:

(b) Except as provided by Subsection (b-1) or (b-2), an appraisal review [The] board consists of three members.

(b-1) An appraisal [However, the] district board of directors by resolution of a majority of the board's [its] members may increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate.

(b-2) An appraisal district board of directors for a district established in a county with a population of one million or more by resolution of a majority of the board's members shall increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate to manage the duties of the appraisal review board, including the duties of each special panel established under Section 6.425.

(d-9) In selecting individuals who are to serve as members of the appraisal review board for an appraisal district described by Subsection (b-2), the local administrative district judge shall select an adequate number of qualified individuals to permit the chairman of the appraisal review board to fill the positions on each special panel established under Section 6.425.

(d-10) Upon selection of the individuals who are to serve as members of the appraisal review board, the local administrative district judge shall enter an appropriate order designating such members and setting each member's respective term of office, as provided elsewhere in this section.

SECTION 16. Sections 6.412(a) and (d), Tax Code, are amended to read as follows:

(a) An individual is ineligible to serve on an appraisal review board if the individual:

(1) is related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to an individual who is engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district for which the appraisal review board is established;

(2) owns property on which delinquent taxes have been owed to a taxing unit for more than 60 days after the date the individual knew or should have known of the delinquency unless:

(A) the delinquent taxes and any penalties and interest are being paid under an installment payment agreement under Section 33.02; or

(B) a suit to collect the delinquent taxes is deferred or abated under Section 33.06 or 33.065; or

(3) is related within the third degree by consanguinity or within the second degree by affinity, as determined under Chapter 573, Government Code, to a member of:

(A) the appraisal district's board of directors; or

(B) the appraisal review board.

(d) A person is ineligible to serve on the appraisal review board of an appraisal district established for a county described by Section 6.41(d-1) ~~[having a population of more than 100,000]~~ if the person:

(1) is a former member of the board of directors, former officer, or former employee of the appraisal district;

(2) served as a member of the governing body or officer of a taxing unit for which the appraisal district appraises property, until the fourth anniversary of the date the person ceased to be a member or officer; ~~[or]~~

(3) appeared before the appraisal review board for compensation during the two-year period preceding the date the person is appointed; or

(4) served for all or part of three previous terms as a board member or auxiliary board member on the appraisal review board.

SECTION 17. Section 6.414(d), Tax Code, is amended to read as follows:

(d) An auxiliary board member may hear taxpayer protests before the appraisal review board. An auxiliary board member may not hear taxpayer protests before a special panel established under Section 6.425 unless the member is eligible to be appointed to the special panel. If one or more auxiliary board members sit on a panel established under Section 6.425 or 41.45 to conduct a protest hearing, the number of regular appraisal review board members required by that section to constitute the panel is reduced by the number of auxiliary board members sitting. An auxiliary board member sitting on a panel is considered a regular board member for all purposes related to the conduct of the hearing.

SECTION 18. Section 6.42, Tax Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) A majority of the appraisal review board constitutes a quorum. The local administrative district judge under Subchapter D, Chapter 74, Government Code, in the county in which [board of directors of] the appraisal district is established [by resolution] shall select a chairman and a secretary from among the members of the appraisal review board. The judge [board of directors of the appraisal district] is encouraged to select as chairman [of the appraisal review board] a member of the appraisal review board, if any, who has a background in law and property appraisal.

(d) The concurrence of a majority of the members of the appraisal review board present at a meeting of the board is sufficient for a recommendation, determination, decision, or other action by the board. The concurrence of a majority of the members of a panel of the board present at a meeting of the panel is sufficient for a recommendation by the panel. The concurrence of more than a majority of the members of the board or panel may not be required.

SECTION 19. Subchapter C, Chapter 6, Tax Code, is amended by adding Section 6.425 to read as follows:

Sec. 6.425. SPECIAL APPRAISAL REVIEW BOARD PANELS IN CERTAIN DISTRICTS. (a) This section applies only to the appraisal review board for an appraisal district described by Section 6.41(b-2).

(b) The appraisal review board shall establish special panels to conduct protest hearings under Chapter 41 relating to property that:

(1) has an appraised value of \$50 million or more as determined by the appraisal district; and

(2) is included in one of the following classifications:

(A) commercial real and personal property;

(B) real and personal property of utilities;

(C) industrial and manufacturing real and personal property; and

(D) multifamily residential real property.

(c) Each special panel described by this section consists of three members of the appraisal review board appointed by the chairman of the board.

(d) To be eligible to be appointed to a special panel described by this section, a member of the appraisal review board must:

(1) hold a juris doctor or equivalent degree;

(2) hold a master of business administration degree;

(3) be licensed as a certified public accountant under Chapter 901,

Occupations Code;

(4) be accredited by the American Society of Appraisers as an accredited senior appraiser;

(5) possess an MAI professional designation from the Appraisal Institute;

(6) possess a Certified Assessment Evaluator (CAE) professional designation from the International Association of Assessing Officers;

(7) have at least 10 years of experience in property tax appraisal or consulting; or

(8) be licensed as a real estate broker or sales agent under Chapter 1101, Occupations Code.

(e) Notwithstanding Subsection (d), the chairman of the appraisal review board may appoint to a special panel described by this section a member of the appraisal review board who does not meet the qualifications prescribed by that subsection if:

(1) the number of persons appointed to the board by the local administrative district judge who meet those qualifications is not sufficient to fill the positions on each special panel; and

(2) the board member being appointed to the panel holds a bachelor's degree in any field.

(f) In addition to conducting protest hearings relating to property described by Subsection (b) of this section, a special panel may conduct protest hearings under Chapter 41 relating to property not described by Subsection (b) of this section as assigned by the chairman of the appraisal review board.

SECTION 20. Section 22.23(d), Tax Code, is amended to read as follows:

(d) Notwithstanding any other provision of this section, rendition statements and property reports required to be filed by a property owner ~~[for property]~~ regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission must be delivered to the chief appraiser not later than April 30, except as provided by Section 22.02. The chief appraiser shall ~~[may]~~ extend the filing deadline in the manner prescribed by Subsection (b) ~~[15 days for good cause shown in writing by the property owner].~~

SECTION 21. Section 23.01, Tax Code, is amended by amending Subsection (b) and adding Subsection (h) to read as follows:

(b) The market value of property shall be determined by the application of generally accepted appraisal methods and techniques, including appraisal methods and techniques prescribed by any appraisal manuals required by law to be prepared and issued by the comptroller. If the appraisal district determines the appraised value of a property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice. The same or similar appraisal methods and techniques shall be used in appraising the same or similar kinds of property. However, each property shall be appraised based upon the individual characteristics that affect the property's market value, and all available evidence that is specific to the value of the property shall be taken into account in determining the property's market value.

(h) Appraisal methods and techniques included in the most recent versions of the following are considered generally accepted appraisal methods and techniques for the purposes of this title:

(1) the Appraisal of Real Estate published by the Appraisal Institute;

(2) the Dictionary of Real Estate Appraisal published by the Appraisal Institute;

(3) the Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation;

(4) a publication of the International Association of Assessing Officers that includes information related to mass appraisal; and

(5) any other verifiable authority if none of the publications described by Subdivisions (1)-(4) includes a generally accepted appraisal methodology or technique applicable to the appraisal of one or more classes of property.

SECTION 22. Section 25.19, Tax Code, is amended by amending Subsections (b) and (i) and adding Subsections (b-3) and (b-4) to read as follows:

(b) The chief appraiser shall separate real from personal property and include in the notice for each:

(1) a list of the taxing units in which the property is taxable;  
 (2) the appraised value of the property in the preceding year;  
 (3) the taxable value of the property in the preceding year for each taxing unit taxing the property;

(4) the appraised value of the property for the current year, the kind and amount of each exemption and partial exemption, if any, approved for the property for the current year and for the preceding year, and, if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year, the amount of the exemption or partial exemption canceled or reduced;

~~(5) [if the appraised value is greater than it was in the preceding year, the amount of tax that would be imposed on the property on the basis of the tax rate for the preceding year;~~

~~(6)~~ in italic typeface, the following statement: "The Texas Legislature does not set the amount of your local taxes. Your property tax burden is decided by your locally elected officials, and all inquiries concerning your taxes should be directed to those officials";

~~(6)~~ ~~(7)~~ a detailed explanation of the time and procedure for protesting the value;

~~(7)~~ ~~(8)~~ the date and place the appraisal review board will begin hearing protests; and

~~(8)~~ ~~(9)~~ a brief explanation that the governing body of each taxing unit decides whether or not taxes on the property will increase and the appraisal district only determines the value of the property.

(b-3) This subsection applies only to an appraisal district described by Section 6.41(b-2). In addition to the information required by Subsection (b), the chief appraiser shall state in a notice of appraised value of property described by Section 6.425(b) that the property owner has the right to have a protest relating to the property heard by a special panel of the appraisal review board.

(b-4) Subsection (b)(5) applies only to a notice of appraised value required to be delivered by the chief appraiser of an appraisal district established in a county with a population of less than 120,000. This subsection expires January 1, 2022.

(i) Delivery with a notice required by Subsection (a) or (g) of a copy of the pamphlet published by the comptroller under Section 5.06 or a copy of the notice published by the chief appraiser under Section 41.70 is sufficient to comply with the requirement that the notice include the information specified by Subsection (b)(6) ~~(b)(7)~~ or (g)(3), as applicable.

SECTION 23. Section 26.01, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) If by July 20 the appraisal review board for an appraisal district has not approved the appraisal records for the district as required under Section 41.12, the chief appraiser shall not later than July 25 prepare and certify to the assessor for each taxing unit participating in the district an estimate of the taxable value of property in that taxing unit.

SECTION 24. Section 26.012, Tax Code, is amended by adding Subdivisions (8-a), (8-b), (10-a), and (19) and amending Subdivision (10) to read as follows:

(8-a) "De minimis amount" means the amount for the current tax year published by the comptroller under Section 26.04(b-1).

(8-b) "De minimis rate" means the rate equal to the sum of:

(A) a taxing unit's no-new-revenue maintenance and operations rate;

(B) the rate that, when applied to a taxing unit's current total value, will impose an amount of taxes equal to the de minimis amount; and

(C) a taxing unit's current debt rate.

(10) "Excess collections" means the amount, if any, by which debt taxes collected in the preceding year exceeded the amount anticipated in the preceding year's calculation of the rollback tax rate, as certified by the collector under Section 26.04(b) ~~[of this code]~~.

(10-a) "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.

(19) "Special taxing unit" means:

(A) a taxing unit, other than a school district, for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value;

(B) a junior college district; or

(C) a hospital district.

SECTION 25. Section 26.012(9), Tax Code, is redesignated as Section 26.012(18), Tax Code, and amended to read as follows:

(18) "No-new-revenue [~~(9) "Effective]~~ maintenance and operations rate" means a rate expressed in dollars per \$100 of taxable value and calculated according to the following formula:

NO-NEW-REVENUE [~~EFFECTIVE]~~ MAINTENANCE AND OPERATIONS RATE = (LAST YEAR'S LEVY - LAST YEAR'S DEBT LEVY - LAST YEAR'S JUNIOR COLLEGE LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

SECTION 26. Chapter 26, Tax Code, is amended by adding Section 26.013 to read as follows:

Sec. 26.013. UNUSED INCREMENT RATE. (a) In this section:

(1) "Actual tax rate" means a taxing unit's actual tax rate used to levy taxes in the applicable preceding tax year.

(2) "Rollback tax rate" means a taxing unit's rollback tax rate in the applicable preceding tax year less the unused increment rate for that preceding tax year.

(3) "Year 1" means the fifth tax year preceding the current tax year.

- (4) "Year 2" means the fourth tax year preceding the current tax year.  
 (5) "Year 3" means the third tax year preceding the current tax year.  
 (6) "Year 4" means the second tax year preceding the current tax year.  
 (7) "Year 5" means the tax year preceding the current tax year.

(b) In this chapter, "unused increment rate" means the greater of:

(1) zero; or

(2) the rate expressed in dollars per \$100 of taxable value calculated

according to the following formula:

$$\text{UNUSED INCREMENT RATE} = \frac{\text{YEAR 1 ROLLBACK TAX RATE} - \text{YEAR 1 ACTUAL TAX RATE}}{\text{YEAR 1 ACTUAL TAX RATE}} + \frac{\text{YEAR 2 ROLLBACK TAX RATE} - \text{YEAR 2 ACTUAL TAX RATE}}{\text{YEAR 2 ACTUAL TAX RATE}} + \frac{\text{YEAR 3 ROLLBACK TAX RATE} - \text{YEAR 3 ACTUAL TAX RATE}}{\text{YEAR 3 ACTUAL TAX RATE}} + \frac{\text{YEAR 4 ROLLBACK TAX RATE} - \text{YEAR 4 ACTUAL TAX RATE}}{\text{YEAR 4 ACTUAL TAX RATE}} + \frac{\text{YEAR 5 ROLLBACK TAX RATE} - \text{YEAR 5 ACTUAL TAX RATE}}{\text{YEAR 5 ACTUAL TAX RATE}}$$

(c) Notwithstanding Subsection (b)(2), for each tax year before the 2020 tax year, the difference between the taxing unit's rollback tax rate and actual tax rate is considered to be zero. This subsection expires December 31, 2024.

SECTION 27. The heading to Section 26.04, Tax Code, is amended to read as follows:

Sec. 26.04. SUBMISSION OF ROLL TO GOVERNING BODY; NO-NEW-REVENUE [EFFECTIVE] AND ROLLBACK TAX RATES.

SECTION 28. Section 26.04, Tax Code, is amended by amending Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and adding Subsections (b-1), (c-1), (c-2), (d-1), (d-2), (d-3), (e-2), (e-3), (e-4), (e-5), (h-1), and (h-2) to read as follows:

(b) The assessor shall submit the appraisal roll for the taxing unit showing the total appraised, assessed, and taxable values of all property and the total taxable value of new property to the governing body of the taxing unit by August 1 or as soon thereafter as practicable. By August 1 or as soon thereafter as practicable, the taxing unit's collector shall certify ~~[an estimate of]~~ the anticipated collection rate as calculated under Subsections (h), (h-1), and (h-2) for the current year to the governing body. If the collector certified an anticipated collection rate in the preceding year and the actual collection rate in that year exceeded the anticipated rate, the collector shall also certify the amount of debt taxes collected in excess of the anticipated amount in the preceding year.

(b-1) By August 1 or as soon thereafter as practicable, the comptroller shall determine the de minimis amount for the current tax year and publish that amount in the Texas Register. The de minimis amount for the 2020 tax year is \$500,000. For each succeeding tax year, the de minimis amount is equal to the de minimis amount for the preceding tax year as adjusted by the comptroller to reflect the inflation rate.

(c) After the assessor for the taxing unit submits the appraisal roll for the taxing unit to the governing body of the taxing unit as required by Subsection (b) and the comptroller publishes the de minimis amount for the current tax year as required by Subsection (b-1), an [An] officer or employee designated by the governing body shall calculate the no-new-revenue [effective] tax rate and the rollback tax rate for the taxing unit, where:



(1) "No-new-revenue [~~Effective~~] tax rate" means a rate expressed in dollars per \$100 of taxable value calculated according to the following formula:

$$\frac{\text{NO-NEW-REVENUE } [\text{EFFECTIVE}] \text{ TAX RATE} = (\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})$$

; and

(2) "Rollback tax rate" means a rate expressed in dollars per \$100 of taxable value calculated according to the following applicable formula:

(A) for a special taxing unit:

$$\text{ROLLBACK TAX RATE} = (\text{NO-NEW-REVENUE } [\text{EFFECTIVE}] \text{ MAINTENANCE AND OPERATIONS RATE} \times 1.08) + \text{CURRENT DEBT RATE}$$

; or

(B) for a taxing unit other than a special taxing unit:

$$\text{ROLLBACK TAX RATE} = (\text{NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE} \times 1.035) + (\text{CURRENT DEBT RATE} + \text{UNUSED INCREMENT RATE})$$

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a special taxing unit may direct the designated officer or employee to calculate the rollback tax rate of the taxing unit in the manner provided for a special taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the rollback tax rate in the manner provided by this subsection until the earlier of:

(1) the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or

(2) the fifth tax year after the tax year in which the disaster occurred.

(c-2) Notwithstanding any other provision of this section, if the assessor for a taxing unit receives a certified estimate of the taxable value of property in the taxing unit under Section 26.01(a-1), the officer or employee designated by the governing body of the taxing unit shall calculate the no-new-revenue tax rate and rollback tax rate using the certified estimate of taxable value.

(d) The no-new-revenue [~~effective~~] tax rate for a county is the sum of the no-new-revenue [~~effective~~] tax rates calculated for each type of tax the county levies and the rollback tax rate for a county is the sum of the rollback tax rates calculated for each type of tax the county levies.

(d-1) The designated officer or employee shall use the tax rate calculation forms prescribed by the comptroller under Section 5.07 in calculating the no-new-revenue tax rate and the rollback tax rate.

(d-2) The designated officer or employee may not submit the no-new-revenue tax rate and the rollback tax rate to the governing body of the taxing unit and the taxing unit may not adopt a tax rate until the designated officer or employee certifies

on the tax rate calculation forms that the designated officer or employee has accurately calculated the tax rates and has used values that are the same as the values shown in the taxing unit's certified appraisal roll in performing the calculations.

(d-3) As soon as practicable after the designated officer or employee calculates the no-new-revenue tax rate and the rollback tax rate of the taxing unit, the designated officer or employee shall submit the tax rate calculation forms used in calculating the rates to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located.

(e) By August 7 or as soon thereafter as practicable, the designated officer or employee shall:

(1) submit the rates to the governing body;

(2) [~~He shall deliver by mail to each property owner in the unit or~~] publish the rates in a newspaper having general circulation in the county in which the taxing unit is located or primarily located;

(3) post the rates in a prominent location on the taxing unit's Internet website; and

(4) prepare and submit to the governing body [~~in the form prescribed by the comptroller;~~

[(1) the effective tax rate, the rollback tax rate, and an explanation of how they were calculated;

[(2) 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 existing debt obligation;

[(3)] a schedule of the taxing unit's debt obligations showing:

(A) the amount of principal and interest that will be paid to service the taxing unit's debts in the next year from property tax revenue, including payments of lawfully incurred contractual obligations providing security for the payment of the principal of and interest on bonds and other evidences of indebtedness issued on behalf of the taxing unit by another political subdivision and, if the taxing unit is created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, payments on debts that the taxing unit anticipates to incur in the next calendar year;

(B) the amount by which taxes imposed for debt are to be increased because of the taxing unit's anticipated collection rate; and

(C) the total of the amounts listed in Paragraphs (A)-(B), less any amount collected in excess of the previous year's anticipated collections certified as provided in Subsection (b)[;]

[(4) the amount of additional sales and use tax revenue anticipated in calculations under Section 26.041;

[(5) a statement that the adoption of a tax rate equal to the effective tax rate would result in an increase or decrease, as applicable, in the amount of taxes imposed by the unit as compared to last year's levy, and the amount of the increase or decrease;

[(6) in the year that a taxing unit calculates an adjustment under Subsection (i) or (j), a schedule that includes the following elements:

[(A) the name of the unit discontinuing the department, function, or activity;

~~[(B) the amount of property tax revenue spent by the unit listed under Paragraph (A) to operate the discontinued department, function, or activity in the 12 months preceding the month in which the calculations required by this chapter are made; and~~

~~[(C) the name of the unit that operates a distinct department, function, or activity in all or a majority of the territory of a taxing unit that has discontinued operating the distinct department, function, or activity; and~~

~~[(7) in the year following the year in which a taxing unit raised its rollback rate as required by Subsection (j), a schedule that includes the following elements:~~

~~[(A) the amount of property tax revenue spent by the unit to operate the department, function, or activity for which the taxing unit raised the rollback rate as required by Subsection (j) for the 12 months preceding the month in which the calculations required by this chapter are made; and~~

~~[(B) the amount published by the unit in the preceding tax year under Subdivision (6)(B)].~~

(e-1) The tax rate certification requirements imposed by Subsection (d-2) and the notice requirements imposed by Subsections (e)(2)-(4) [(e)(1)-(6)] do not apply to a school district.

(e-2) By August 7 or as soon thereafter as practicable, the chief appraiser of each appraisal district shall deliver by regular mail or e-mail to each owner of property located in the appraisal district a notice that the estimated amount of taxes to be imposed on the owner's property by each taxing unit in which the property is located may be found in the property tax database maintained by the appraisal district under Section 26.17. The notice must include:

(1) a statement directing the property owner to an Internet website from which the owner may access information related to the actions taken or proposed to be taken by each taxing unit in which the property is located that may affect the taxes imposed on the owner's property;

(2) a statement that the property owner may request from the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Section 6.24(b), contact information for the assessor for each taxing unit in which the property is located, who must provide the information described by this subsection to the owner on request; and

(3) the name, address, and telephone number of the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Section 6.24(b).

(e-3) The statement described by Subsection (e-2)(1) must include a heading that is in bold, capital letters in type larger than that used in the other provisions of the notice.

(e-4) The comptroller:

(1) with the advice of the property tax administration advisory board, shall adopt rules prescribing the form of the notice required by Subsection (e-2); and

(2) may adopt rules regarding the format and delivery of the notice.

(e-5) The governing body of a taxing unit shall include as an appendix to the taxing unit's budget for a fiscal year the tax rate calculation forms used by the designated officer or employee of the taxing unit to calculate the no-new-revenue tax rate and the rollback tax rate of the taxing unit for the tax year in which the fiscal year begins.

(f) If as a result of consolidation of taxing units a taxing unit includes territory that was in two or more taxing units in the preceding year, the amount of taxes imposed in each in the preceding year is combined for purposes of calculating the no-new-revenue ~~[effective]~~ and rollback tax rates under this section.

(g) A person who owns taxable property is entitled to an injunction prohibiting the taxing unit in which the property is taxable from adopting a tax rate if the assessor or designated officer or employee of the taxing unit, the chief appraiser of the applicable appraisal district, or the taxing unit, as applicable, has not complied with the computation, ~~[or]~~ publication, or posting requirements of this section or Section 26.16, 26.17, or 26.18 ~~[and the failure to comply was not in good faith]~~. It is a defense in an action for an injunction under this subsection that the failure to comply was in good faith.

(h-1) Notwithstanding Subsection (h), if the anticipated collection rate of a taxing unit as calculated under that subsection is lower than the lowest actual collection rate of the taxing unit for any of the preceding three years, the anticipated collection rate of the taxing unit for purposes of this section is equal to the lowest actual collection rate of the taxing unit for any of the preceding three years.

(h-2) The anticipated collection rate of a taxing unit for purposes of this section is the rate calculated under Subsection (h) as modified by Subsection (h-1), if applicable, regardless of whether that rate exceeds 100 percent.

(i) This subsection applies to a taxing unit that has agreed by written contract to transfer a distinct department, function, or activity to another taxing unit and discontinues operating that distinct department, function, or activity if the operation of that department, function, or activity in all or a majority of the territory of the taxing unit is continued by another existing taxing unit or by a new taxing unit. The rollback tax rate of a taxing unit to which this subsection applies in the first tax year in which a budget is adopted that does not allocate revenue to the discontinued department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the no-new-revenue ~~[effective]~~ maintenance and operations rate of the taxing unit is reduced by the amount of maintenance and operations tax revenue spent by the taxing unit to operate the department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the taxing unit operated the discontinued department, function, or activity. If the taxing unit did not operate that department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the taxing unit shall reduce last year's levy used for calculating the no-new-revenue ~~[effective]~~ maintenance and operations rate of the taxing unit by the amount of the revenue spent in the last full fiscal year in which the taxing unit operated the discontinued department, function, or activity.

(j) This subsection applies to a taxing unit that had agreed by written contract to accept the transfer of a distinct department, function, or activity from another taxing unit and operates a distinct department, function, or activity if the operation of a substantially similar department, function, or activity in all or a majority of the territory of the taxing unit has been discontinued by another taxing unit, including a dissolved taxing unit. The rollback tax rate of a taxing unit to which this subsection applies in the first tax year after the other taxing unit discontinued the substantially similar department, function, or activity in which a budget is adopted that allocates revenue to the department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the no-new-revenue ~~[effective]~~ maintenance and operations rate of the taxing unit is increased by the amount of maintenance and operations tax revenue spent by the taxing unit that discontinued operating the substantially similar department, function, or activity to operate that department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the taxing unit operated the discontinued department, function, or activity. If the taxing unit did not operate the discontinued department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the taxing unit may increase last year's levy used to calculate the no-new-revenue ~~[effective]~~ maintenance and operations rate by an amount not to exceed the amount of property tax revenue spent by the discontinuing taxing unit to operate the discontinued department, function, or activity in the last full fiscal year in which the discontinuing taxing unit operated the department, function, or activity.

SECTION 29. Section 26.041, Tax Code, is amended by amending Subsections (a), (b), (c), (e), (g), and (h) and adding Subsection (c-1) to read as follows:

(a) In the first year in which an additional sales and use tax is required to be collected, the no-new-revenue ~~[effective]~~ tax rate and rollback tax rate for the taxing unit are calculated according to the following formulas:

$$\text{NO-NEW-REVENUE } \underline{\text{[EFFECTIVE]}} \text{ TAX RATE} = \frac{[(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] - \text{SALES TAX GAIN RATE}}$$

and

$$\text{ROLLBACK TAX RATE FOR SPECIAL TAXING UNIT} = \frac{(\text{NO-NEW-REVENUE } \underline{\text{[EFFECTIVE]}} \text{ MAINTENANCE AND OPERATIONS RATE} \times 1.08) + (\text{CURRENT DEBT RATE} - \text{SALES TAX GAIN RATE})}$$

or

$$\text{ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT} = \frac{(\text{NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE} \times 1.035) + (\text{CURRENT DEBT RATE} + \text{UNUSED INCREMENT RATE} - \text{SALES TAX GAIN RATE})}$$

where "sales tax gain rate" means a number expressed in dollars per \$100 of taxable value, calculated by dividing the revenue that will be generated by the additional sales and use tax in the following year as calculated under Subsection (d) ~~[of this section]~~ by the current total value.

(b) Except as provided by Subsections (a) and (c) [~~of this section~~], in a year in which a taxing unit imposes an additional sales and use tax, the rollback tax rate for the taxing unit is calculated according to the following formula, regardless of whether the taxing unit levied a property tax in the preceding year:

$$\text{ROLLBACK TAX RATE FOR SPECIAL TAXING UNIT} = \frac{[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.08) / ((\text{TOTAL}) \text{ CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + (\text{CURRENT DEBT RATE} - \text{SALES TAX REVENUE RATE})}{\text{CURRENT DEBT RATE}}$$

or

$$\text{ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT} = \frac{[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.035) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + (\text{CURRENT DEBT RATE} + \text{UNUSED INCREMENT RATE} - \text{SALES TAX REVENUE RATE})}{\text{CURRENT DEBT RATE}}$$

where "last year's maintenance and operations expense" means the amount spent for maintenance and operations from property tax and additional sales and use tax revenues in the preceding year, and "sales tax revenue rate" means a number expressed in dollars per \$100 of taxable value, calculated by dividing the revenue that will be generated by the additional sales and use tax in the current year as calculated under Subsection (d) [~~of this section~~] by the current total value.

(c) In a year in which a taxing unit that has been imposing an additional sales and use tax ceases to impose an additional sales and use tax, the no-new-revenue [~~effective~~] tax rate and rollback tax rate for the taxing unit are calculated according to the following formulas:

$$\text{NO-NEW-REVENUE} [\text{EFFECTIVE}] \text{ TAX RATE} = \frac{[(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + \text{SALES TAX LOSS RATE}}{\text{CURRENT DEBT RATE}}$$

and

$$\text{ROLLBACK TAX RATE FOR SPECIAL TAXING UNIT} = \frac{[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.08) / ((\text{TOTAL}) \text{ CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + \text{CURRENT DEBT RATE}}{\text{CURRENT DEBT RATE}}$$

or

$$\text{ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT} = \frac{[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.035) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + (\text{CURRENT DEBT RATE} + \text{UNUSED INCREMENT RATE})}{\text{CURRENT DEBT RATE}}$$

where "sales tax loss rate" means a number expressed in dollars per \$100 of taxable value, calculated by dividing the amount of sales and use tax revenue generated in the last four quarters for which the information is available by the current total value and "last year's maintenance and operations expense" means the amount spent for maintenance and operations from property tax and additional sales and use tax revenues in the preceding year.

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a special taxing unit may direct the designated officer or employee to calculate the rollback tax rate of the taxing unit in the manner provided for a special taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the rollback tax rate in the manner provided by this subsection until the earlier of:

(1) the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or

(2) the fifth tax year after the tax year in which the disaster occurred.

(e) If a city that imposes an additional sales and use tax receives payments under the terms of a contract executed before January 1, 1986, in which the city agrees not to annex certain property or a certain area and the owners or lessees of the property or of property in the area agree to pay at least annually to the city an amount determined by reference to all or a percentage of the property tax rate of the city and all or a part of the value of the property subject to the agreement or included in the area subject to the agreement, the governing body, by order adopted by a majority vote of the governing body, may direct the designated officer or employee to add to the no-new-revenue [effective] and rollback tax rates the amount that, when applied to the total taxable value submitted to the governing body, would produce an amount of taxes equal to the difference between the total amount of payments for the tax year under contracts described by this subsection under the rollback tax rate calculated under this section and the total amount of payments for the tax year that would have been obligated to the city if the city had not adopted an additional sales and use tax.

(g) If the rate of the additional sales and use tax is increased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) [~~of this section~~], of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the increase and the second projection must not take into account the increase. The designated officer or employee shall then subtract the amount of the result of the second projection from the amount of the result of the first projection to determine the revenue generated as a result of the increase in the additional sales and use tax. In the first year in which an additional sales and use tax is increased, the no-new-revenue [effective] tax rate for the taxing unit is the no-new-revenue [effective] tax rate before the increase minus a number the numerator of which is the revenue generated as a result of the increase in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

(h) If the rate of the additional sales and use tax is decreased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) [~~of this section~~], of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the decrease and the second projection must not take into account the decrease. The designated officer or employee shall then subtract the amount of the result of the first projection from the

amount of the result of the second projection to determine the revenue lost as a result of the decrease in the additional sales and use tax. In the first year in which an additional sales and use tax is decreased, the no-new-revenue ~~[effective]~~ tax rate for the taxing unit is the no-new-revenue ~~[effective]~~ tax rate before the decrease plus a number the numerator of which is the revenue lost as a result of the decrease in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

SECTION 30. The heading to Section 26.043, Tax Code, is amended to read as follows:

Sec. 26.043. ROLLBACK AND NO-NEW-REVENUE ~~[EFFECTIVE]~~ TAX RATES ~~[RATE]~~ IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

SECTION 31. Sections 26.043(a) and (b), Tax Code, are amended to read as follows:

(a) In the tax year in which a city has set an election on the question of whether to impose a local sales and use tax under Subchapter H, Chapter 453, Transportation Code, the officer or employee designated to make the calculations provided by Section 26.04 may not make those calculations until the outcome of the election is determined. If the election is determined in favor of the imposition of the tax, the designated officer or employee ~~[representative]~~ shall subtract from the city's rollback and no-new-revenue ~~[effective]~~ tax rates the amount that, if applied to the city's current total value, would impose an amount equal to the amount of property taxes budgeted in the current tax year to pay for expenses related to mass transit services.

(b) In a tax year to which this section applies, a reference in this chapter to the city's no-new-revenue ~~[effective]~~ or rollback tax rate refers to that rate as adjusted under this section.

SECTION 32. The heading to Section 26.044, Tax Code, is amended to read as follows:

Sec. 26.044. NO-NEW-REVENUE ~~[EFFECTIVE]~~ TAX RATE TO PAY FOR STATE CRIMINAL JUSTICE MANDATE.

SECTION 33. Sections 26.044(a), (b), and (c), Tax Code, are amended to read as follows:

(a) The first time that a county adopts a tax rate after September 1, 1991, in which the state criminal justice mandate applies to the county, the no-new-revenue ~~[effective]~~ maintenance and operation rate for the county is increased by the rate calculated according to the following formula:

$$\text{(State Criminal Justice Mandate)} / \text{(Current Total Value - New Property Value)}$$

(b) In the second and subsequent years that a county adopts a tax rate, if the amount spent by the county for the state criminal justice mandate increased over the previous year, the no-new-revenue ~~[effective]~~ maintenance and operation rate for the county is increased by the rate calculated according to the following formula:

$$\text{(This Year's State Criminal Justice Mandate - Previous Year's State Criminal Justice Mandate)} / \text{(Current Total Value - New Property Value)}$$



(c) The county shall include a notice of the increase in the no-new-revenue ~~[effective]~~ maintenance and operation rate provided by this section, including a description and amount of the state criminal justice mandate, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061 ~~[26.06(b) of this code]~~.

SECTION 34. Sections 26.0441(a), (b), and (c), Tax Code, are amended to read as follows:

(a) In the first tax year in which a taxing unit adopts a tax rate after January 1, 2000, and in which the enhanced minimum eligibility standards for indigent health care established under Section 61.006, Health and Safety Code, apply to the taxing unit, the no-new-revenue ~~[effective]~~ maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

$$\text{Amount of Increase} = \frac{\text{Enhanced Indigent Health Care Expenditures}}{(\text{Current Total Value} - \text{New Property Value})}$$

(b) In each subsequent tax year, if the taxing unit's enhanced indigent health care expenses exceed the amount of those expenses for the preceding year, the no-new-revenue ~~[effective]~~ maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

$$\text{Amount of Increase} = \frac{(\text{Current Tax Year's Enhanced Indigent Health Care Expenditures} - \text{Preceding Tax Year's Indigent Health Care Expenditures})}{(\text{Current Total Value} - \text{New Property Value})}$$

(c) The taxing unit shall include a notice of the increase in its no-new-revenue ~~[effective]~~ maintenance and operations rate provided by this section, including a brief description and the amount of the enhanced indigent health care expenditures, in the information published under Section 26.04(e) and, as ~~[#]~~ applicable, in the notice prescribed by Section 26.06 or 26.061 ~~[26.06(b)]~~.

SECTION 35. Chapter 26, Tax Code, is amended by adding Section 26.0442 to read as follows:

Sec. 26.0442. TAX RATE ADJUSTMENT FOR LOCAL OPTION RESIDENCE HOMESTEAD EXEMPTIONS. (a) In this section, "local option residence homestead exemption costs" means the amount of tax revenue that a taxing unit was unable to collect in the preceding tax year as a result of exemptions adopted by the taxing unit under Sections 11.13(d) and (n), calculated by multiplying the adopted tax rate of the taxing unit for the preceding tax year by the appraised value of property that was not taxable by the taxing unit in that tax year because of exemptions adopted by the taxing unit under Sections 11.13(d) and (n).

(b) If a taxing unit's local option residence homestead exemption costs exceed the amount of those costs for the preceding tax year, the no-new-revenue maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

$$\frac{(\text{Current Tax Year's Local Option Residence Homestead Exemption Costs} - \text{Preceding Tax Year's Local Option Residence Homestead Exemption Costs})}{(\text{Current Total Value} - \text{New Property Value})}$$

(c) The taxing unit shall include a notice of the increase in the no-new-revenue maintenance and operations rate provided by this section, including a description and the amount of local option residence homestead exemption costs, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or Section 26.061.

SECTION 36. Section 26.05, Tax Code, is amended by amending Subsections (a), (b), (c), (d), (e), and (g) and adding Subsections (d-1), (d-2), and (e-1) to read as follows:

(a) ~~The governing body of each taxing unit [before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit]~~ shall adopt a tax rate for the current tax year and shall notify the assessor for the taxing unit of the rate adopted. The governing body must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, except that the governing body must adopt a tax rate that exceeds the rollback tax rate not later than the 71st day before the next uniform election date prescribed by Section 41.001, Election Code, that occurs in November of that year. The tax rate consists of two components, each of which must be approved separately. The components are:

(1) for a taxing unit other than a school district, the rate that, if applied to the total taxable value, will impose the total amount described by [published under] Section 26.04(e)(4)(C) [26.04(e)(3)(C)], less any amount of additional sales and use tax revenue that will be used to pay debt service, or, for a school district, the rate calculated under Section 44.004(c)(5)(A)(ii)(b), Education Code; and

(2) the rate that, if applied to the total taxable value, will impose the amount of taxes needed to fund maintenance and operation expenditures of the taxing unit for the next year.

(b) A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget. For a taxing unit other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue [effective] tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. For a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the sum of the no-new-revenue [effective] maintenance and operations tax rate of the district as determined under Section 26.08(i) and the district's current debt rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue [effective] tax rate must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds the no-new-revenue [effective] tax rate) percent increase in the tax rate." If the ordinance, resolution, or order sets a tax rate that, if applied to the

total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the taxing unit that exceeds the amount of taxes imposed for that purpose in the preceding year, the taxing unit must:

(1) include in the ordinance, resolution, or order in type larger than the type used in any other portion of the document:

(A) the following statement: "THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE."; and

(B) if the tax rate exceeds the no-new-revenue ~~[effective]~~ maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE ~~[EFFECTIVE]~~ MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."; and

(2) include on the home page of the any ~~[any]~~ Internet website of operated by ~~[operated by]~~ the taxing unit:

(A) the following statement: "(Insert name of taxing unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and

(B) if the tax rate exceeds the no-new-revenue ~~[effective]~~ maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE ~~[EFFECTIVE]~~ MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

(c) If the governing body of a taxing unit does not adopt a tax rate before the date required by Subsection (a), the tax rate for the taxing unit for that tax year is the lower of the no-new-revenue ~~[effective]~~ tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. A tax rate established by this subsection is treated as an adopted tax rate. Before the fifth day after the establishment of a tax rate by this subsection, the governing body of the taxing unit must ratify the applicable tax rate in the manner required by Subsection (b).

(d) The governing body of a taxing unit other than a school district may not adopt a tax rate that exceeds the lower of the rollback tax rate or the no-new-revenue ~~[effective]~~ tax rate calculated as provided by this chapter until the governing body has held a public hearing ~~[two public hearings]~~ on the proposed tax rate and has otherwise complied with Section 26.06 and Section 26.065. The governing body of a taxing unit shall reduce a tax rate set by law or by vote of the electorate to the lower of the rollback tax rate or the no-new-revenue ~~[effective]~~ tax rate and may not adopt a higher rate unless it first complies with Section 26.06.

(d-1) The governing body of a taxing unit other than a school district may not hold a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the fifth business day after the date the chief appraiser of each appraisal district in which the taxing unit participates has:

(1) delivered the notice required by Section 26.04(e-2); and

(2) complied with Section 26.17(f).

(d-2) Notwithstanding Subsection (a), the governing body of a taxing unit other than a school district may not adopt a tax rate until the chief appraiser of each appraisal district in which the taxing unit participates has complied with Subsection (d-1).

(e) A person who owns taxable property is entitled to an injunction restraining the collection of taxes by a taxing unit in which the property is taxable if the taxing unit has not complied with the requirements of this section or Section 26.04 [and the failure to comply was not in good faith]. It is a defense in an action for an injunction under this subsection that the failure to comply was in good faith. An action to enjoin the collection of taxes must be filed not later than the 15th day after the date the taxing unit adopts a tax rate. A property owner is not required to pay the taxes imposed by a taxing unit on the owner's property while an action filed by the property owner to enjoin the collection of taxes imposed by the taxing unit on the owner's property is pending. If the property owner pays the taxes and subsequently prevails in the action, the property owner is entitled to a refund of the taxes paid, together with reasonable attorney's fees and court costs. The property owner is not required to apply to the collector for the taxing unit to receive the refund [prior to the date a taxing unit delivers substantially all of its tax bills].

(e-1) The governing body of a taxing unit that imposes an additional sales and use tax may not adopt the component of the tax rate of the taxing unit described by Subsection (a)(1) of this section until the chief financial officer or the auditor for the taxing unit submits to the governing body of the taxing unit a written certification that the amount of additional sales and use tax revenue that will be used to pay debt service has been deducted from the total amount described by Section 26.04(e)(4)(C) as required by Subsection (a)(1) of this section. The comptroller shall prescribe the form of the certification required by this subsection and the manner in which it is required to be submitted.

(g) Notwithstanding Subsection (a), the governing body of a school district that elects to adopt a tax rate before the adoption of a budget for the fiscal year that begins in the current tax year may adopt a tax rate for the current tax year before receipt of the certified appraisal roll for the school district if the chief appraiser of the appraisal district in which the school district participates has certified to the assessor for the school district an estimate of the taxable value of property in the school district as provided by Section 26.01(e). If a school district adopts a tax rate under this subsection, the no-new-revenue [effective] tax rate and the rollback tax rate of the district shall be calculated based on the certified estimate of taxable value.

SECTION 37. Section 26.052, Tax Code, is amended by amending Subsection (e) and adding Subsection (f) to read as follows:

(e) Public notice provided under Subsection (c) must specify:

(1) the tax rate that the governing body proposes to adopt;

(2) the date, time, and location of the meeting of the governing body of the taxing unit at which the governing body will consider adopting the proposed tax rate; and

(3) if the proposed tax rate for the taxing unit exceeds the taxing unit's no-new-revenue [effective] tax rate calculated as provided by Section 26.04, a statement substantially identical to the following: "The proposed tax rate would increase total taxes in (name of taxing unit) by (percentage by which the proposed tax rate exceeds the no-new-revenue [effective] tax rate)."

(f) A taxing unit to which this section applies that elects to provide public notice of its proposed tax rate under Subsection (c)(2) must also provide public notice of its proposed tax rate by posting notice of the proposed tax rate, including the information prescribed by Subsection (e), prominently on the home page of the Internet website of the taxing unit.

SECTION 38. Section 26.06, Tax Code, is amended by amending Subsections (a), (b), (c), (d), and (e) and adding Subsections (b-1), (b-2), (b-3), and (b-4) to read as follows:

(a) A public hearing required by Section 26.05 may not be held before the seventh day after the date the notice of the public hearing is given. The ~~[second hearing may not be held earlier than the third day after the date of the first hearing. Each]~~ hearing must be on a weekday that is not a public holiday. ~~The [Each]~~ hearing must be held inside the boundaries of the unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. At the hearing [hearings], the governing body must afford adequate opportunity for proponents and opponents of the tax increase to present their views.

(b) The notice of a public hearing 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 24-point or larger type. ~~[The notice must contain a statement in the following form:~~

**["NOTICE OF PUBLIC HEARING ON TAX INCREASE**

~~["The (name of the taxing unit) will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax rate calculated under this chapter) percent. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.~~

~~["The first public hearing will be held on (date and time) at (meeting place).~~

~~["The second public hearing will be held on (date and time) at (meeting place).~~

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

~~["The average taxable value of a residence homestead in (name of taxing unit) last year was \$\_\_\_\_ (average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older). Based on last year's tax rate of \$\_\_\_\_ (preceding year's adopted tax rate) per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$\_\_\_\_ (tax on average~~

~~taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older).~~

~~["The average taxable value of a residence homestead in (name of taxing unit) this year is \$ \_\_\_\_\_ (average taxable value of a residence homestead in the taxing unit for the current tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older). If the governing body adopts the effective tax rate for this year of \$ \_\_\_\_\_ (effective tax rate) per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$ \_\_\_\_\_ (tax on average taxable value of a residence homestead in the taxing unit for the current tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older).~~

~~["If the governing body adopts the proposed tax rate of \$ \_\_\_\_\_ (proposed tax rate) per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$ \_\_\_\_\_ (tax on the average taxable value of a residence in the taxing unit for the current year disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older).~~

~~["Members of the public are encouraged to attend the hearings and express their views."]~~

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

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

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

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

"ROLLBACK 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 rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate.

"The proposed tax rate is greater than the no-new-revenue tax rate. This means that (name of taxing unit) is 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 also greater than the rollback 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. If a majority of the voters reject the proposed tax rate, the (name of taxing unit) will be required to adopt a new tax rate that is not greater than the rollback 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 can be calculated as follows:

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

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

(b-2) If the proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the rollback tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

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

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

"ROLLBACK 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 rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate.

"The proposed tax rate is greater than the no-new-revenue tax rate. This means that (name of taxing unit) is 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 not greater than the rollback tax rate. As a result, (name of taxing unit) is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public hearing mentioned above.

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

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

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

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

"NOTICE OF PUBLIC HEARING ON TAX RATE

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

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

"ROLLBACK 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 rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify 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 rollback 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. If a majority of the voters reject the proposed tax rate, the (name of taxing unit) will be required to adopt a new tax rate that is not greater than the rollback 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 can be calculated as follows:

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

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

(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 Section 26.062.

(c) The notice of a public hearing under this section may be delivered by mail to each property owner in the taxing unit, or may 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. If the taxing unit publishes the notice in a newspaper [~~operates an Internet website~~], the taxing unit must also post the notice prominently on the home page of the Internet website of the taxing unit [~~must be posted on the website~~] from the date the notice is first published until the [~~second~~] public hearing is concluded.

(d) The governing body may vote on the proposed tax rate at the public hearing. If the governing body does not vote on the proposed tax rate at the public hearing, [~~At the public hearings~~] the governing body shall announce at the public hearing the date, time, and place of the meeting at which it will vote on the proposed tax rate and, after the hearing, [~~After each hearing the governing body~~] shall give notice of the meeting [~~at which it will vote on the proposed tax rate and the notice shall be~~] in the same form as prescribed by Subsections (b) and (c), except that the notice [~~#~~] must state the following:



"NOTICE OF TAX REVENUE INCREASE

"The (name of the taxing unit) conducted a public hearing [~~hearings~~] on (date of [~~first~~] hearing) [~~and (date of second hearing)~~] on a proposal to increase the total tax revenues of the (name of the taxing unit) from properties on the tax roll in the preceding year by (percentage by which proposed tax rate exceeds lower of rollback tax rate or no-new-revenue [~~effective~~] tax rate calculated under this chapter) percent.

"The total tax revenue proposed to be raised last year at last year's tax rate of (insert tax rate for the preceding year) for each \$100 of taxable value was (insert total amount of taxes imposed in the preceding year).

"The total tax revenue proposed to be raised this year at the proposed tax rate of (insert proposed tax rate) for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is (insert amount computed by multiplying proposed tax rate by the difference between current total value and new property value).

"The total tax revenue proposed to be raised this year at the proposed tax rate of (insert proposed tax rate) for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is (insert amount computed by multiplying proposed tax rate by current total value).

"The (governing body of the taxing unit) is scheduled to vote on the tax rate that will result in that tax increase at a public meeting to be held on (date of meeting) at (location of meeting, including mailing address) at (time of meeting).

"The (governing body of the taxing unit) proposes to use the increase in total tax revenue for the purpose of (description of purpose of increase)."

(e) A [~~The~~] meeting to use the tax increase for which notice is required to be provided under Subsection (d) may not be held [~~earlier than the third day or~~] later than the seventh [~~14th~~] day after the date of the [~~second~~] public hearing. The meeting must be held inside the boundaries of the taxing unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. If the governing body does not adopt a tax rate that exceeds the lower of the rollback tax rate or the no-new-revenue [~~effective~~] tax rate by the seventh [~~14th~~] day, it must give a new notice under Subsection (d) before it may adopt a rate that exceeds the lower of the rollback tax rate or the no-new-revenue [~~effective~~] tax rate.

SECTION 39. Chapter 26, Tax Code, is amended by adding Sections 26.061, 26.062, and 26.063 to read as follows:

Sec. 26.061. NOTICE OF MEETING TO VOTE ON PROPOSED TAX RATE THAT DOES NOT EXCEED LOWER OF NO-NEW-REVENUE OR ROLLBACK TAX RATE. (a) This section applies only to the governing body of a taxing unit other than a school district that proposes to adopt a tax rate that does not exceed the lower of the no-new-revenue tax rate or the rollback tax rate calculated as provided by this chapter.

(b) The notice of the meeting at which the governing body of the taxing unit will vote on the proposed tax rate must contain a statement in the following form:

"NOTICE OF MEETING TO VOTE ON TAX RATE  
"PROPOSED TAX RATE \$ \_\_\_\_\_ per \$100  
"NO-NEW-REVENUE TAX RATE \$ \_\_\_\_\_ per \$100

"ROLLBACK 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 rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify 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 meeting to vote on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is also not greater than the rollback tax rate. As a result, (name of taxing unit) is not required to hold an election to ratify the rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public meeting mentioned above.

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

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

"(Names of all members of the governing body, showing how each voted on the proposed tax rate or, if one or more were absent, indicating the absences.)"

(c) In addition to including the information described by Subsection (b), the notice must include the information described by Section 26.062.

(d) The notice required under this section must be provided in the manner required under Section 26.06(c).

Sec. 26.062. ADDITIONAL INFORMATION TO BE INCLUDED IN TAX RATE NOTICE. (a) In addition to the information described by Section 26.06(b-1), (b-2), or (b-3) or 26.061, as applicable, a notice required by that provision must include at the end of the notice:

(1) a statement in the following form:

"The following table compares the taxes imposed on the average residence homestead by (name of taxing unit) last year to the taxes proposed to be imposed on the average residence homestead by (name of taxing unit) this year:";

(2) a table in the form required by this section following the statement described by Subdivision (1); and

(3) a statement in the following form following the table:

(A) if the tax assessor for the taxing unit maintains an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address), or visit (Internet website address) for more information."; or

(B) if the tax assessor for the taxing unit does not maintain an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address)."

(b) The table must contain five rows and four columns.

(c) The first row must appear as follows:

(1) the first column of the first row must be left blank;

(2) the second column of the first row must state the year corresponding to the preceding tax year;

(3) the third column of the first row must state the year corresponding to the current tax year; and

(4) the fourth column of the first row must be entitled "Change".

(d) The second row must appear as follows:

(1) the first column of the second row must be entitled "Total tax rate (per \$100 of value)";

(2) the second column of the second row must state the adopted tax rate for the preceding tax year;

(3) the third column of the second row must state the proposed tax rate for the current tax year; and

(4) the fourth column of the second row must state the nominal and percentage difference between the adopted tax rate for the preceding tax year and the proposed tax rate for the current tax year as follows: "(increase or decrease, as applicable) of (nominal difference between tax rate stated in second column of second row and tax rate stated in third column of second row) per \$100, or (percentage difference between tax rate stated in second column of second row and tax rate stated in third column of second row)%".

(e) The third row must appear as follows:

(1) the first column of the third row must be entitled "Average homestead taxable value";

(2) the second column of the third row must state the average taxable value of a residence homestead in the taxing unit for the preceding tax year;

(3) the third column of the third row must state the average taxable value of a residence homestead in the taxing unit for the current tax year; and

(4) the fourth column of the third row must state the percentage difference between the average taxable value of a residence homestead in the taxing unit for the preceding tax year and the average taxable value of a residence homestead in the taxing unit for the current tax year as follows: "(increase or decrease, as applicable) of (percentage difference between amount stated in second column of third row and amount stated in third column of third row)%".

(f) The fourth row must appear as follows:

(1) the first column of the fourth row must be entitled "Tax on average homestead";

(2) the second column of the fourth row must state the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the preceding tax year;

(3) the third column of the fourth row must state the amount of taxes that would be imposed by the taxing unit in the current tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate; and

(4) the fourth column of the fourth row must state the nominal and percentage difference between the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal to the average

taxable value of a residence homestead in the taxing unit in the preceding tax year and the amount of taxes that would be imposed by the taxing unit in the current tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate, as follows: "(increase or decrease, as applicable) of (nominal difference between amount stated in second column of fourth row and amount stated in third column of fourth row), or (percentage difference between amount stated in second column of fourth row and amount stated in third column of fourth row)%".

(g) The fifth row must appear as follows:

(1) the first column of the fifth row must be entitled "Total tax levy on all properties";

(2) the second column of the fifth row must state the amount equal to last year's levy;

(3) the third column of the fifth row must state the amount computed by multiplying the proposed tax rate by the current total value and dividing the product by 100; and

(4) the fourth column of the fifth row must state the nominal and percentage difference between the total amount of taxes imposed by the taxing unit in the preceding tax year and the amount that would be imposed by the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate, as follows: "(increase or decrease, as applicable) of (nominal difference between amount stated in second column of fifth row and amount stated in third column of fifth row), or (percentage difference between amount stated in second column of fifth row and amount stated in third column of fifth row)%".

(h) In calculating the average taxable value of a residence homestead in the taxing unit for the preceding tax year and the current tax year for purposes of Subsections (e) and (f), any residence homestead exemption available only to disabled persons, persons 65 years of age or older, or their surviving spouses must be disregarded.

Sec. 26.063. ALTERNATE PROVISIONS FOR TAX RATE NOTICE OF TAXING UNIT OTHER THAN SPECIAL TAXING UNIT. (a) This section applies only to a taxing unit:

(1) that is a taxing unit other than a special taxing unit;

(2) that is required to provide notice under Section 26.06(b-1) or (b-3); and

(3) for which the de minimis rate exceeds the rollback tax rate.

(b) In the notice required to be provided by the taxing unit under Section 26.06(b-1) or (b-3), as applicable, the taxing unit shall:

(1) substitute the following for the definition of "rollback tax rate": "The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate, unless the de minimis rate for (insert name of taxing unit) exceeds the rollback tax rate for (insert name of taxing unit), in which case the de minimis rate is the highest tax rate that (name of taxing unit) may adopt without an election.";

(2) add the following definition of "de minimis rate": "The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for (name of taxing unit), the rate that will raise the de minimis amount, and the current debt rate for (name of taxing unit)."; and

(3) substitute the following for the provision that provides notice that an election is required: "The proposed tax rate is greater than the rollback 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 the de minimis rate exceeds the rollback tax rate and the proposed tax rate is less than the de minimis rate. If a majority of the voters reject the proposed tax rate, the (name of taxing unit) will be required to adopt a new tax rate that is not greater than the rollback 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).".

SECTION 40. Section 26.065(b), Tax Code, is amended to read as follows:

(b) ~~The [If the] taxing unit [owns, operates, or controls an Internet website, the unit]~~ shall post notice of the public hearing prominently on the home page of the Internet website of the taxing unit continuously for at least seven days immediately before the public hearing on the proposed tax rate increase and at least seven days immediately before the date of the vote proposing the increase in the tax rate.

SECTION 41. Section 26.07, Tax Code, is amended to read as follows:

Sec. 26.07. ELECTION TO APPROVE TAX RATE OF TAXING UNIT OTHER THAN SCHOOL DISTRICT [REPEAL INCREASE]. (a) This section applies to [If the governing body of] a taxing unit other than a school district.

(b) If the governing body of a special taxing unit adopts a tax rate that exceeds the taxing unit's rollback tax rate or the governing body of a taxing unit other than a special taxing unit adopts a tax rate that exceeds the greater of the taxing unit's rollback tax rate or de minimis rate [calculated as provided by this chapter], the registered [qualified] voters of the taxing unit at an election held for that purpose must determine whether to approve the adopted tax rate. When increased expenditure of money by a taxing unit is necessary to respond to a disaster, including a tornado, hurricane, flood, or other calamity, but not including a drought, that has impacted the taxing unit and the governor has declared any part of the area in which the taxing unit is located as a disaster area, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs [by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate calculated as provided by this chapter].

~~[(b) A petition is valid only if:~~

~~[(1) it states that it is intended to require an election in the taxing unit on the question of reducing the tax rate for the current year;~~

~~[(2) it is signed by a number of registered voters of the taxing unit equal to at least:~~

~~[(A) seven percent of the number of registered voters of the taxing unit according to the most recent list of registered voters if the tax rate adopted for the current tax year would impose taxes for maintenance and operations in an amount of at least \$5 million; or~~

~~[(B) 10 percent of the number of registered voters of the taxing unit according to the most recent official list of registered voters if the tax rate adopted for the current tax year would impose taxes for maintenance and operations in an amount of less than \$5 million; and~~

~~[(3) it is submitted to the governing body on or before the 90th day after the date on which the governing body adopted the tax rate for the current year.]~~

~~(c) The governing body [Not later than the 20th day after the day a petition is submitted, the governing body shall determine whether or not the petition is valid and pass a resolution stating its finding. If the governing body fails to act within the time allowed, the petition is treated as if it had been found valid.]~~

~~[(d) If the governing body finds that the petition is valid (or fails to act within the time allowed), it] shall order that the [an] election be held in the taxing unit on the uniform election date prescribed by Section 41.001, Election Code, that occurs in November of the applicable tax year. The order calling the election may not be issued later than August 15 [a date not less than 30 or more than 90 days after the last day on which it could have acted to approve or disapprove the petition. A state law requiring local elections to be held on a specified date does not apply to the election unless a specified date falls within the time permitted by this section]. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of \$ \_\_\_\_\_ per \$100 valuation in (name of taxing unit) for the current year, a rate that is \$ \_\_\_\_\_ higher per \$100 valuation than the rollback tax rate of (name of taxing unit), for the purpose of (description of purpose of increase) ["Reducing the tax rate in (name of taxing unit) for the current year from (the rate adopted) to (the rollback tax rate calculated as provided by this chapter)]." The ballot proposition must include the adopted tax rate and the difference between that rate and the rollback tax rate in the appropriate places.~~

~~(d) [(e)] If a majority of the votes cast [qualified voters voting on the question] in the election favor the proposition, the tax rate for the [taxing unit for the] current year is the [rollback tax] rate that was adopted by the governing body [calculated as provided by this chapter; otherwise, the tax rate for the current year is the one adopted by the governing body].~~

~~(e) If the proposition is not approved as provided by Subsection (d), the governing body may not adopt a tax rate for the taxing unit for the current year that exceeds the taxing unit's rollback tax rate.~~

~~(f) If, [the tax rate is reduced by an election called under this section] after tax bills for the taxing unit have been [are] mailed, a proposition to approve the taxing unit's adopted tax rate is not approved by the voters of the taxing unit at an election held under this section, on subsequent adoption of a new tax rate by the governing body of the taxing unit, the assessor for the taxing unit shall prepare and mail corrected tax bills. The assessor [He] shall include with the bill a brief explanation of the reason for and effect of the corrected bill. The date on which the taxes become~~

delinquent for the year is extended by a number of days equal to the number of days between the date the first tax bills were sent and the date the corrected tax bills were sent.

(g) If a property owner pays taxes calculated using the originally adopted ~~higher~~ tax rate of the taxing unit and the proposition to approve the adopted tax rate is not approved by voters ~~[when the rate is reduced by an election called under this section]~~, the taxing unit shall refund the difference between the amount of taxes paid and the amount due under the subsequently adopted ~~reduced~~ rate if the difference between the amount of taxes paid and the amount due under the subsequent ~~reduced~~ rate is \$1 or more. If the difference between the amount of taxes paid and the amount due under the subsequent ~~reduced~~ rate is less than \$1, the taxing unit shall refund the difference on request of the taxpayer. An application for a refund of less than \$1 must be made within 90 days after the date the refund becomes due or the taxpayer forfeits the right to the refund.

SECTION 42. Section 26.08(n), Tax Code, is amended to read as follows:

(n) For purposes of this section, the rollback tax rate of a school district ~~[whose maintenance and operations tax rate for the 2005 tax year was \$1.50 or less per \$100 of taxable value]~~ is the sum of the following:

(1) the rate per \$100 of taxable value that is equal to the product of the no-new-revenue maintenance and operations tax rate of the district as computed under Subsection (i) and 1.02 ~~[for the 2006 tax year, the sum of the rate that is equal to 88.67 percent of the maintenance and operations tax rate adopted by the district for the 2005 tax year, the rate of \$0.04 per \$100 of taxable value, and the district's current debt rate]; and~~

(2) ~~[for the 2007 and subsequent tax years, the lesser of the following:~~

~~[(A) the sum of the following:~~

~~[(i) the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Section 42.2516, Education Code, for the current year and \$1.50;~~

~~[(ii) the rate of \$0.04 per \$100 of taxable value;~~

~~[(iii) the rate that is equal to the sum of the differences for the 2006 and each subsequent tax year between the adopted tax rate of the district for that year if the rate was approved at an election under this section and the rollback tax rate of the district for that year; and~~

~~[(iv) the district's current debt rate; or~~

~~[(B) the sum of the following:~~

~~[(i) the effective maintenance and operations tax rate of the district as computed under Subsection (i) or (k), as applicable;~~

~~[(ii) the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Section 42.2516, Education Code, for the current year and \$0.06; and~~

~~[(iii)] the district's current debt rate.~~

SECTION 43. The heading to Section 26.16, Tax Code, is amended to read as follows:

Sec. 26.16. POSTING OF TAX-RELATED INFORMATION ~~[TAX RATES]~~  
ON COUNTY'S INTERNET WEBSITE.

SECTION 44. Section 26.16, Tax Code, is amended by amending Subsections (a) and (d) and adding Subsections (a-1), (d-1), and (d-2) to read as follows:

(a) Each county shall maintain an Internet website. The county assessor-collector for each county ~~[that maintains an Internet website]~~ shall post on the Internet website maintained by [of] the county the following information for the most recent five tax years ~~[beginning with the 2012 tax year]~~ for each taxing unit all or part of the territory of which is located in the county:

- (1) the adopted tax rate;
- (2) the maintenance and operations rate;
- (3) the debt rate;
- (4) the no-new-revenue [effective] tax rate;
- (5) the no-new-revenue [effective] maintenance and operations rate; and
- (6) the rollback tax rate.

(a-1) For purposes of Subsection (a), a reference to the no-new-revenue tax rate or the no-new-revenue maintenance and operations rate includes the equivalent effective tax rate or effective maintenance and operations rate for a preceding year. This subsection expires January 1, 2026.

(d) The county assessor-collector shall post immediately below the table prescribed by Subsection (c) the following statement:

"The county is providing this table of property tax rate information as a service to the residents of the county. Each individual taxing unit is responsible for calculating the property tax rates listed in this table pertaining to that taxing unit and providing that information to the county.

"The adopted tax rate is the tax rate adopted by the governing body of a taxing unit.

"The maintenance and operations rate is the component of the adopted tax rate of a taxing unit that will impose the amount of taxes needed to fund maintenance and operation expenditures of the taxing unit for the following year.

"The debt rate is the component of the adopted tax rate of a taxing unit that will impose the amount of taxes needed to fund the taxing unit's debt service for the following year.

"The no-new-revenue [effective] tax rate is the tax rate that would generate the same amount of revenue in the current tax year as was generated by a taxing unit's adopted tax rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year.

"The no-new-revenue [effective] maintenance and operations rate is the tax rate that would generate the same amount of revenue for maintenance and operations in the current tax year as was generated by a taxing unit's maintenance and operations rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year.

"The rollback tax rate is the highest tax rate a taxing unit may adopt before requiring voter approval at an election. An [In the case of a taxing unit other than a school district, the voters by petition may require that a rollback election be held if the unit adopts a tax rate in excess of the unit's rollback tax rate. In the case of a school district, an] election will automatically be held if a taxing unit [the district] wishes to adopt a tax rate in excess of the taxing unit's [district's] rollback tax rate."



(d-1) In addition to posting the information described by Subsection (a), the county assessor-collector shall post on the Internet website of the county for each taxing unit all or part of the territory of which is located in the county:

(1) the tax rate calculation forms used by the designated officer or employee of each taxing unit to calculate the no-new-revenue and rollback tax rates of the taxing unit for the most recent five tax years beginning with the 2020 tax year, as certified by the designated officer or employee under Section 26.04(d-2); and

(2) the name and official contact information for each member of the governing body of the taxing unit.

(d-2) Not later than August 1, the county assessor-collector shall post on the website the tax rate calculation forms described by Subsection (d-1)(1) for the current tax year.

SECTION 45. Chapter 26, Tax Code, is amended by adding Sections 26.17 and 26.18 to read as follows:

Sec. 26.17. DATABASE OF PROPERTY-TAX-RELATED INFORMATION.

(a) The chief appraiser of each appraisal district shall create and maintain a property tax database that:

(1) is identified by the name of the county in which the appraisal district is established instead of the name of the appraisal district;

(2) contains information that is provided by designated officers or employees of the taxing units that are located in the appraisal district in the manner required by the comptroller;

(3) is continuously updated as preliminary and revised data become available to and are provided by the designated officers or employees of taxing units;

(4) is accessible to the public; and

(5) is searchable by property address and owner, except to the extent that access to the information in the database is restricted by Section 25.025 or 25.026.

(b) The database must include, with respect to each property listed on the appraisal roll for the appraisal district:

(1) the property's identification number;

(2) the property's market value;

(3) the property's taxable value;

(4) the name of each taxing unit in which the property is located;

(5) for each taxing unit other than a school district in which the property is

located:

(A) the no-new-revenue tax rate; and

(B) the rollback tax rate;

(6) for each school district in which the property is located:

(A) the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and

(B) the rollback tax rate;

(7) the tax rate proposed by the governing body of each taxing unit in which the property is located;

(8) for each taxing unit other than a school district in which the property is located, the taxes that would be imposed on the property if the taxing unit adopted a tax rate equal to:

(A) the no-new-revenue tax rate; and

(B) the proposed tax rate;

(9) for each school district in which the property is located, the taxes that would be imposed on the property if the district adopted a tax rate equal to:

(A) the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and

(B) the proposed tax rate;

(10) for each taxing unit other than a school district in which the property is located, the difference between the amount calculated under Subdivision (8)(A) and the amount calculated under Subdivision (8)(B);

(11) for each school district in which the property is located, the difference between the amount calculated under Subdivision (9)(A) and the amount calculated under Subdivision (9)(B);

(12) the date, time, and location of the public hearing, if applicable, on the proposed tax rate to be held by the governing body of each taxing unit in which the property is located;

(13) the date, time, and location of the public meeting, if applicable, at which the tax rate will be adopted to be held by the governing body of each taxing unit in which the property is located; and

(14) for each taxing unit in which the property is located, an e-mail address at which the taxing unit is capable of receiving written comments regarding the proposed tax rate of the taxing unit.

(c) The database must provide a link to the Internet website used by each taxing unit in which the property is located to post the information described by Section 26.18.

(d) The database must allow the property owner to electronically complete and submit to a taxing unit in which the owner's property is located a form on which the owner may provide the owner's opinion as to whether the tax rate proposed by the governing body of the taxing unit should be adopted. The form must require the owner to provide the owner's name and contact information and the physical address of the owner's property located in the taxing unit. The database must allow a property owner to complete and submit the form at any time during the period beginning on the date the governing body of the taxing unit proposes the tax rate for that tax year and ending on the date the governing body adopts a tax rate for that tax year.

(e) The officer or employee designated by the governing body of each taxing unit in which the property is located to calculate the no-new-revenue tax rate and the rollback tax rate for the taxing unit must electronically incorporate into the database:

(1) the information described by Subsections (b)(5), (6), (7), (12), and (13), as applicable, as the information becomes available; and

(2) the tax rate calculation forms prepared under Section 26.04(d-1) at the same time the designated officer or employee submits the tax rates to the governing body of the taxing unit under Section 26.04(e).

(f) The chief appraiser shall make the information described by Subsection (e)(1) and the tax rate calculation forms described by Subsection (e)(2) available to the public not later than the third business day after the date the information and forms are incorporated into the database.

Sec. 26.18. POSTING OF TAX RATE AND BUDGET INFORMATION BY TAXING UNIT ON WEBSITE. Each taxing unit shall maintain an Internet website or have access to a generally accessible Internet website that may be used for the purposes of this section. Each taxing unit shall post or cause to be posted on the Internet website the following information in a format prescribed by the comptroller:

(1) the name of each member of the governing body of the taxing unit;  
(2) the mailing address, e-mail address, and telephone number of the taxing unit;

(3) the official contact information for each member of the governing body of the taxing unit, if that information is different from the information described by Subdivision (2);

(4) the taxing unit's budget for the preceding two years;

(5) the taxing unit's proposed or adopted budget for the current year;

(6) the change in the amount of the taxing unit's budget from the preceding year to the current year, by dollar amount and percentage;

(7) in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for maintenance and operations for:

(A) the preceding two years; and

(B) the current year;

(8) in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for debt service for:

(A) the preceding two years; and

(B) the current year;

(9) the tax rate for maintenance and operations adopted by the taxing unit for the preceding two years;

(10) in the case of a taxing unit other than a school district, the tax rate for debt service adopted by the taxing unit for the preceding two years;

(11) in the case of a school district, the interest and sinking fund tax rate adopted by the district for the preceding two years;

(12) the tax rate for maintenance and operations proposed by the taxing unit for the current year;

(13) in the case of a taxing unit other than a school district, the tax rate for debt service proposed by the taxing unit for the current year;

(14) in the case of a school district, the interest and sinking fund tax rate proposed by the district for the current year; and

(15) the most recent financial audit of the taxing unit.

SECTION 46. Section 31.12(b), Tax Code, is amended to read as follows:

(b) For purposes of this section, liability for a refund arises:

(1) if the refund is required by Section 11.431(b), on the date the chief appraiser notifies the collector for the taxing unit of the approval of the late homestead exemption;

(2) if the refund is required by Section 26.07(g), on the date the subsequent tax rate is adopted ~~[results of the election to reduce the tax rate are certified]~~;

(3) if the refund is required by Section 26.15(f):

(A) for a correction to the tax roll made under Section 26.15(b), on the date the change in the tax roll is certified to the assessor for the taxing unit under Section 25.25; or

(B) for a correction to the tax roll made under Section 26.15(c), on the date the change in the tax roll is ordered by the governing body of the taxing unit;

(4) if the refund is required by Section 31.11, on the date the auditor for the taxing unit determines that the payment was erroneous or excessive or, if the amount of the refund exceeds the applicable amount specified by Section 31.11(a), on the date the governing body of the taxing unit approves the refund;

(5) if the refund is required by Section 31.111, on the date the collector for the taxing unit determines that the payment was erroneous; or

(6) if the refund is required by Section 31.112, on the date required by Section 31.112(d) or (e), as applicable.

SECTION 47. Section 41.03(a), Tax Code, is amended to read as follows:

(a) A taxing unit is entitled to challenge before the appraisal review board:

(1) ~~[the level of appraisals of any category of property in the district or in any territory in the district, but not the appraised value of a single taxpayer's property;~~

~~(2)~~ an exclusion of property from the appraisal records;

~~(2)~~ ~~(3)~~ a grant in whole or in part of a partial exemption;

~~(3)~~ ~~(4)~~ a determination that land qualifies for appraisal as provided by Subchapter C, D, E, or H, Chapter 23; or

~~(4)~~ ~~(5)~~ failure to identify the taxing unit as one in which a particular property is taxable.

SECTION 48. Section 41.44(d), Tax Code, is amended to read as follows:

(d) A notice of protest is sufficient if it identifies the protesting property owner, including a person claiming an ownership interest in the property even if that person is not listed on the appraisal records as an owner of the property, identifies the property that is the subject of the protest, and indicates apparent dissatisfaction with some determination of the appraisal office. The notice need not be on an official form, but the comptroller shall prescribe a form that provides for more detail about the nature of the protest. The form must permit a property owner to include each property in the appraisal district that is the subject of a protest. The form must permit a property owner to request that the protest be heard by a special panel established under Section 6.425 if the protest will be determined by an appraisal review board to which that section applies and the property is included in a classification described by Section 6.425(b). The comptroller, each appraisal office, and each appraisal review board shall make the forms readily available and deliver one to a property owner on request.

SECTION 49. Section 41.45, Tax Code, is amended by amending Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to read as follows:

(d) This subsection does not apply to a special panel established under Section 6.425. An appraisal review board consisting of more than three members may sit in panels of not fewer than three members to conduct protest hearings. ~~[However, the determination of a protest heard by a panel must be made by the board.]~~ If the

recommendation of a panel is not accepted by the board, the board may refer the matter for rehearing to a panel composed of members who did not hear the original protest ~~[hearing]~~ or, if there are not at least three members who did not hear the original protest, the board may determine the protest. ~~[Before determining a protest or conducting a rehearing before a new panel or the board, the board shall deliver notice of the hearing or meeting to determine the protest in accordance with the provisions of this subchapter.]~~

(d-1) An appraisal review board to which Section 6.425 applies shall sit in special panels established under that section to conduct protest hearings. A special panel may conduct a protest hearing relating to property only if the property is described by Section 6.425(b) and the property owner has requested that a special panel conduct the hearing or if the protest is assigned to the special panel under Section 6.425(f). If the recommendation of a special panel is not accepted by the board, the board may refer the matter for rehearing to another special panel composed of members who did not hear the original protest or, if there are not at least three other special panel members who did not hear the original protest, the board may determine the protest.

(d-2) The determination of a protest heard by a panel under Subsection (d) or (d-1) must be made by the board.

(d-3) The board must deliver notice of a hearing or meeting to determine a protest heard by a panel, or to rehear a protest, under Subsection (d) or (d-1) in accordance with the provisions of this subchapter.

SECTION 50. Section 41.46(a), Tax Code, is amended to read as follows:

(a) The appraisal review board before which a protest hearing is scheduled shall deliver written notice to the property owner initiating a protest not later than the 15th day before the date of the hearing. The notice must include:

(1) ~~of~~ the date, time, and place of ~~[fixed for]~~ the hearing;  
(2) a description of the subject matter of the hearing that is sufficient to identify the specific action being protested, such as:

(A) the determination of the appraised value of the property owner's property;

(B) the denial to the property owner in whole or in part of a partial exemption; or

(C) the determination that the property owner's land does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23; and

(3) a statement that ~~[on the protest and of]~~ the property owner is entitled ~~[owner's entitlement]~~ to a postponement of the hearing as provided by Section 41.45 unless the property owner waives in writing notice of the hearing. ~~[The board shall deliver the notice not later than the 15th day before the date of the hearing.]~~

SECTION 51. Section 41.461, Tax Code, is amended to read as follows:

Sec. 41.461. NOTICE OF CERTAIN MATTERS BEFORE HEARING; DELIVERY OF REQUESTED INFORMATION. (a) At least 14 days before a hearing on a protest, the chief appraiser shall:

(1) deliver a copy of the pamphlet prepared by the comptroller under Section 5.06 ~~[5.06(a)]~~ to the property owner initiating the protest ~~[if the owner is representing himself]~~, or to an agent representing the owner if requested by the agent;

(2) inform the property owner that the owner or the agent of the owner is entitled on request to [may inspect and may obtain] a copy of the data, schedules, formulas, and all other information the chief appraiser will [plans to] introduce at the hearing to establish any matter at issue; and

(3) deliver a copy of the hearing procedures established by the appraisal review board under Section 41.66 to the property owner.

(b) The chief appraiser may not charge a property owner or the designated agent of the owner for copies provided to the [an] owner or designated agent under this section, regardless of the manner in which the copies are prepared or delivered [may not exceed the charge for copies of public information as provided under Subchapter F, Chapter 552, Government Code, except:

[(1) the total charge for copies provided in connection with a protest of the appraisal of residential property may not exceed \$15 for each residence; and

[(2) the total charge for copies provided in connection with a protest of the appraisal of a single unit of property subject to appraisal, other than residential property, may not exceed \$25].

(c) A chief appraiser shall deliver information requested by a property owner or the agent of the owner under Subsection (a)(2):

(1) by regular first-class mail, deposited in the United States mail, postage prepaid, and addressed to the property owner or agent at the address provided in the request for the information;

(2) in an electronic format as provided by an agreement under Section 1.085; or

(3) subject to Subsection (d), by referring the property owner or the agent of the owner to a secure Internet website with user registration and authentication or to the exact Internet location or uniform resource locator (URL) address on an Internet website maintained by the appraisal district on which the requested information is identifiable and readily available.

(d) If a chief appraiser provides a property owner or the designated agent of the owner information under Subsection (c)(3), the notice must contain a statement in a conspicuous font that clearly indicates that the property owner or the agent of the owner may on request receive the information by regular first-class mail or in person at the appraisal office. On request by a property owner or the agent of the owner, the chief appraiser must provide the information by regular first-class mail or in person at the appraisal office.

SECTION 52. Section 41.47, Tax Code, is amended by adding Subsections (c-2) and (f) and amending Subsections (d) and (e) to read as follows:

(c-2) The board may not determine the appraised value of the property that is the subject of a protest to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23. This subsection does not apply if the action being protested is the cancellation, modification, or denial of an exemption or the determination that the property does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23.

(d) The board shall deliver by certified mail:

(1) a notice of issuance of the order and a copy of the order to the property owner and the chief appraiser; and

(2) a copy of the appraisal review board survey prepared under Section 5.104 and instructions for completing and submitting the survey to the property owner.

(e) The notice of the issuance of the order must contain a prominently printed statement in upper-case bold lettering informing the property owner in clear and concise language of the property owner's right to appeal the order of the board [~~board's decision~~] to district court. The statement must describe the deadline prescribed by Section 42.06(a) [~~of this code~~] for filing a written notice of appeal[.] and the deadline prescribed by Section 42.21(a) [~~of this code~~] for filing the petition for review with the district court.

(f) The appraisal review board shall take the actions required by Subsections (a) and (d) not later than:

(1) the 30th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of less than four million; or

(2) the 45th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of four million or more.

SECTION 53. Section 41.66, Tax Code, is amended by amending Subsections (h), (i), (j), and (k) and adding Subsections (j-1), (k-1), and (p) to read as follows:

(h) The appraisal review board shall postpone a hearing on a protest if the property owner or the designated agent of the owner requests additional time to prepare for the hearing and establishes to the board that the chief appraiser failed to comply with Section 41.461. The board is not required to postpone a hearing more than one time under this subsection.

(i) A hearing on a protest filed by a property owner or the designated agent of the owner [~~who is not represented by an agent designated under Section 1.111~~] shall be set for a time and date certain. If the hearing is not commenced within two hours of the time set for the hearing, the appraisal review board shall postpone the hearing on the request of the property owner or the designated agent of the owner.

(j) On the request of a property owner or the [~~a~~] designated agent of the owner, an appraisal review board shall schedule hearings on protests concerning up to 20 designated properties to be held consecutively on the same day. The designated properties must be identified in the same notice of protest, and the notice must contain in boldfaced type the statement "request for same-day protest hearings." A property owner or the designated agent of the owner may [~~not~~] file more than one request under this subsection with the appraisal review board in the same tax year. The appraisal review board may schedule hearings on protests concerning more than 20 properties filed by the same property owner or the designated agent of the owner and may use different panels to conduct the hearings based on the board's customary scheduling. The appraisal review board may follow the practices customarily used by the board in the scheduling of hearings under this subsection.

(j-1) An appraisal review board may schedule the hearings on all protests filed by a property owner or the designated agent of the owner to be held consecutively. The notice of the hearings must state the date and time that the first hearing will begin, state the date the last hearing will end, and list the order in which the hearings will be held. The order of the hearings listed in the notice may not be changed without the agreement of the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. The board may not reschedule a hearing for which notice is given under this subsection to a date earlier than the seventh day after the date the last hearing was scheduled to end unless agreed to by the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. Unless agreed to by the parties, the board must provide written notice of the date and time of the rescheduled hearing to the property owner or the designated agent of the owner not later than the seventh day before the date of the hearing.

(k) This subsection does not apply to a special panel established under Section 6.425. If an appraisal review board sits in panels to conduct protest hearings, protests shall be randomly assigned to panels, except that the board may consider the type of property subject to the protest or the ground of the protest for the purpose of using the expertise of a particular panel in hearing protests regarding particular types of property or based on particular grounds. If a protest is scheduled to be heard by a particular panel, the protest may not be reassigned to another panel without the consent of the property owner or the designated agent of the owner. If the appraisal review board has cause to reassign a protest to another panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another panel.

(k-1) On the request of a property owner or the designated agent of the owner, an appraisal review board to which Section 6.425 applies shall assign a protest relating to property described by Section 6.425(b) to a special panel. In addition, the chairman of the appraisal review board may assign a protest relating to property not described by Section 6.425(b) to a special panel as authorized by Section 6.425(f), but only if the assignment is requested or consented to by the property owner or the designated agent of the owner. Protests assigned to special panels shall be randomly assigned to those panels. If a protest is scheduled to be heard by a particular special panel, the protest may not be reassigned to another special panel without the consent of the property owner or the designated agent of the owner. If the board has cause to reassign a protest to another special panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a special panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another special panel.



(p) At the end of a hearing on a protest, the appraisal review board shall provide the property owner or the designated agent of the owner one or more documents indicating that the members of the board hearing the protest signed the affidavit required by Subsection (g).

SECTION 54. Section 41.67(d), Tax Code, is amended to read as follows:

(d) Information that was previously requested under Section 41.461 by the protesting party that was not delivered ~~[made available]~~ to the protesting party at least 14 days before the scheduled or postponed hearing may not be used or offered in any form as evidence in the hearing, including as a document or through argument or testimony. This subsection does not apply to information offered to rebut evidence or argument presented at the hearing by the protesting party or that party's designated agent.

SECTION 55. Section 41.71, Tax Code, is amended to read as follows:

Sec. 41.71. EVENING AND WEEKEND HEARINGS. (a) An appraisal review board by rule shall provide for hearings on protests ~~[in the evening or]~~ on a Saturday or after 5 p.m. on a weekday ~~[Sunday]~~.

(b) The board may not schedule:

(1) the first hearing on a protest held on a weekday evening to begin after 7 p.m.; or

(2) a hearing on a protest on a Sunday.

SECTION 56. Section 41A.06(b), Tax Code, is amended to read as follows:

(b) To initially qualify to serve as an arbitrator under this chapter, a person must:

(1) meet the following requirements, as applicable:

(A) be licensed as an attorney in this state; or

(B) have:

(i) completed at least 30 hours of training in arbitration and alternative dispute resolution procedures from a university, college, or legal or real estate trade association; and

(ii) been licensed or certified continuously during the five years preceding the date the person agrees to serve as an arbitrator as:

(a) a real estate broker or sales agent under Chapter 1101, Occupations Code;

(b) a real estate appraiser under Chapter 1103, Occupations Code; or

(c) a certified public accountant under Chapter 901, Occupations Code; ~~[and]~~

(2) complete the courses for training and education of appraisal review board members established under Sections 5.041(a) and (e-1) and be issued a certificate for each course indicating course completion;

(3) complete the training program on property tax law for the training and education of arbitrators established under Section 5.043; and

(4) agree to conduct an arbitration for a fee that is not more than:

(A) \$400, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;

(B) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;

(C) \$450, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$750, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order;

(E) \$1,000, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

SECTION 57. Sections 41A.061(b) and (c), Tax Code, are amended to read as follows:

(b) To renew the person's agreement to serve as an arbitrator, the person must:

(1) file a renewal application with the comptroller at the time and in the manner prescribed by the comptroller;

(2) continue to meet the requirements provided by Sections 41A.06(b)(1) and (4) [Section 41A.06(b)]; [and]

(3) during the preceding two years have completed at least eight hours of continuing education in arbitration and alternative dispute resolution procedures offered by a university, college, real estate trade association, or legal association; and

(4) complete a revised training program on property tax law for the training and education of arbitrators established under Section 5.043 not later than the 120th day after the date the program is available to be taken if the comptroller:

(A) revises the program after the person is included in the registry; and

(B) determines that the program is substantially revised.

(c) The comptroller shall remove a person from the registry if:

(1) the person fails or declines to renew the person's agreement to serve as an arbitrator in the manner required by this section; ~~[or]~~

(2) the comptroller determines by clear and convincing evidence that there is good cause to remove the person from the registry, including evidence of repeated bias or misconduct by the person while acting as an arbitrator; or

(3) the person fails to complete a revised training program on property tax law for the training and education of arbitrators established under Section 5.043 not later than the 120th day after the date the program is available to be taken if the comptroller:

(A) revises the program after the person is included in the registry; and

(B) determines that the program is substantially revised.

SECTION 58. Section 41A.07, Tax Code, is amended by amending Subsections (e), (f), and (g) and adding Subsection (h) to read as follows:

(e) To be eligible for appointment as an arbitrator under this section [~~Subsection (a)~~], the arbitrator must reside[~~:-~~

~~[(1) in the county in which the property that is the subject of the appeal is located; or~~

~~[(2) in this state [if no available arbitrator on the registry resides in that county].~~

(f) A person is not eligible for appointment as an arbitrator under this section [~~Subsection (a)~~] if at any time during the preceding five years, the person has:

(1) represented a person for compensation in a proceeding under this title in the appraisal district in which the property that is the subject of the appeal is located;

(2) served as an officer or employee of that appraisal district; or

(3) served as a member of the appraisal review board for that appraisal district.

(g) The comptroller may not appoint an arbitrator under this section [~~Subsection (a)~~] if the comptroller determines that there is good cause not to appoint the arbitrator, including information or evidence indicating repeated bias or misconduct by the person while acting as an arbitrator.

(h) A property owner may request that, in appointing an initial arbitrator under this section, the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located or an arbitrator who resides outside that county. In appointing an initial arbitrator under Subsection (a), the comptroller shall comply with the request of the property owner unless the property owner requests that the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located and there is not an available arbitrator who resides in that county. In appointing a substitute arbitrator under Subsection (d), the comptroller shall consider but is not required to comply with the request of the property owner. This subsection does not authorize a property owner to request the appointment of a specific individual as an arbitrator.

SECTION 59. Section 41A.09(b), Tax Code, is amended to read as follows:

(b) An award under this section:

(1) must include a determination of the appraised or market value, as applicable, of the property that is the subject of the appeal;

(2) may include any remedy or relief a court may order under Chapter 42 in an appeal relating to the appraised or market value of property;

(3) shall specify the arbitrator's fee, which may not exceed the amount provided by Section 41A.06(b)(4) [~~41A.06(b)(2)~~];

(4) is final and may not be appealed except as permitted under Section 171.088, Civil Practice and Remedies Code, for an award subject to that section; and

(5) may be enforced in the manner provided by Subchapter D, Chapter 171, Civil Practice and Remedies Code.

SECTION 60. Section 45.105(e), Education Code, is amended to read as follows:

(e) The governing body of an independent school district that governs a junior college district under Subchapter B, Chapter 130, in a county with a population of more than two million may dedicate a specific percentage of the local tax levy to the use of the junior college district for facilities and equipment or for the maintenance and operating expenses of the junior college district. To be effective, the dedication must be made by the governing body on or before the date on which the governing body adopts its tax rate for a year. The amount of local tax funds derived from the percentage of the local tax levy dedicated to a junior college district from a tax levy may not exceed the amount that would be levied by five percent of the no-new-revenue ~~[effective]~~ tax rate for the tax year calculated as provided by Section 26.04, Tax Code, on all property taxable by the school district. All real property purchased with these funds is the property of the school district, but is subject to the exclusive control of the governing body of the junior college district for as long as the junior college district uses the property for educational purposes.

SECTION 61. Section 403.302, Government Code, is amended by adding Subsections (k) and (k-1) and amending Subsection (o) to read as follows:

(k) If the comptroller determines in the final certification of the study that the school district's local value as determined by the appraisal district that appraises property for the school district is not valid, the comptroller shall provide notice of the comptroller's determination to the board of directors of the appraisal district. The board of directors of the appraisal district shall hold a public meeting to discuss the receipt of notice under this subsection.

(k-1) If the comptroller determines in the final certification of the study that the school district's local value as determined by the appraisal district that appraises property for the school district is not valid for three consecutive years, the comptroller shall conduct an additional review of the appraisal district under Section 5.102, Tax Code, and provide recommendations to the appraisal district regarding appraisal standards, procedures, and methodologies. The comptroller may contract with a third party to assist the comptroller in conducting the additional review and providing the recommendations required under this subsection. If the appraisal district fails to comply with the recommendations provided under this subsection and the comptroller finds that the board of directors of the appraisal district failed to take remedial action reasonably designed to ensure substantial compliance with each recommendation before the first anniversary of the date the recommendations were made, the comptroller shall notify the Texas Department of Licensing and Regulation, or a successor to the department, which shall take action necessary to ensure that the recommendations are implemented as soon as practicable. Before February 1 of the year following the year in which the Texas Department of Licensing and Regulation, or a successor to the department, takes action under this subsection, the department, with the assistance of the comptroller, shall determine whether the recommendations have been substantially implemented and notify the chief appraiser and the board of directors of the appraisal district of the determination. If the department determines that the recommendations have not been substantially implemented, the board of directors of the appraisal district must, within three months of the determination,

consider whether the failure to implement the recommendations was under the current chief appraiser's control and whether the chief appraiser is able to adequately perform the chief appraiser's duties.

(o) The comptroller shall adopt rules governing the conduct of the study after consultation with the comptroller's property tax administration advisory board [~~Comptroller's Property Value Study Advisory Committee~~].

SECTION 62. Section 102.007(d), Local Government Code, is amended to read as follows:

(d) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the governing body by name voting on the adoption of the budget;

(3) the municipal property tax rates for the preceding fiscal year, and each municipal property tax rate that has been adopted or calculated for the current fiscal year, including:

(A) the property tax rate;

(B) the no-new-revenue ~~effective~~ tax rate;

(C) the no-new-revenue ~~effective~~ maintenance and operations tax rate;

(D) the rollback tax rate; and

(E) the debt rate; and

(4) the total amount of municipal debt obligations.

SECTION 63. Section 111.008(d), Local Government Code, is amended to read as follows:

(d) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax

revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget;

(3) the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year, including:

(A) the property tax rate;

(B) the ~~no-new-revenue~~ [effective] tax rate;

(C) the ~~no-new-revenue~~ [effective] maintenance and operations tax rate;

(D) the rollback tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION 64. Section 111.039(d), Local Government Code, is amended to read as follows:

(d) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget;

(3) the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year, including:

(A) the property tax rate;

(B) the no-new-revenue [effective] tax rate;

(C) the no-new-revenue [effective] maintenance and operations tax rate;

(D) the rollback tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION 65. Section 111.068(c), Local Government Code, is amended to read as follows:

(c) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget;

(3) the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year, including:

(A) the property tax rate;

(B) the no-new-revenue [effective] tax rate;

(C) the no-new-revenue [effective] maintenance and operations tax rate;

(D) the rollback tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

SECTION 66. Section 1101.254(f), Special District Local Laws Code, is amended to read as follows:

(f) This section does not affect the applicability of ~~[any rights district voters may have to petition for an election under]~~ Section 26.07, Tax Code, to the district's tax rate, except that if district voters approve a tax rate increase under this section, ~~[the voters may not petition for an election under]~~ Section 26.07, Tax Code, does not apply [as] to the tax rate for that year.

SECTION 67. Sections 1122.2522 and 8876.152, Special District Local Laws Code, are amended to read as follows:

Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE. ~~[(a)]~~ If in any year the board adopts a tax rate that exceeds the rollback tax rate calculated as provided by Chapter 26, Tax Code, ~~[the qualified voters of the district by petition may require that]~~ an election under Section 26.07 of that code must be held to determine whether or not to approve [reduce] the tax rate adopted by the board for that year ~~[to the rollback tax rate].~~

~~[(b) To the extent a conflict exists between this section and a provision of the Tax Code, the provision of the Tax Code prevails.]~~

Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS. (a) Sections 26.04, 26.05, 26.06, 26.061, and 26.07, Tax Code, do not apply to a tax imposed by the district.

(b) Sections 49.236(a)(1) and (2) and (b) ~~[Section 49.236]~~, Water Code, apply [as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003, applies] to the district.

SECTION 68. Section 49.107(g), Water Code, is amended to read as follows:

(g) Sections 26.04, 26.05, 26.061, and 26.07, Tax Code, do not apply to a tax levied and collected under this section or an ad valorem tax levied and collected for the payment of the interest on and principal of bonds issued by a district.

SECTION 69. Section 49.108(f), Water Code, is amended to read as follows:

(f) Sections 26.04, 26.05, 26.061, and 26.07, Tax Code, do not apply to a tax levied and collected for payments made under a contract approved in accordance with this section.

SECTION 70. Section 49.236, Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, is amended by amending Subsections (a) and (d) and adding Subsections (e), (f), and (g) to read as follows:

(a) Before the board adopts an ad valorem tax rate for the district for debt service, operation and maintenance purposes, or contract purposes, the board shall give notice of each meeting of the board at which the adoption of a tax rate will be considered. The notice must:

(1) contain a statement in substantially the following form:

"NOTICE OF PUBLIC HEARING ON TAX RATE

"The (name of the district) will hold a public hearing on a proposed tax rate for the tax year (year of tax levy) on (date and time) at (meeting place). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property [and the tax rate that is adopted]. The change in the taxable value of your property in relation to the change in the taxable value of all other property determines the distribution of the tax burden among all property owners.



"(Names of all board members and, if a vote was taken, an indication of how each voted on the proposed tax rate and an indication of any absences.);";

(2) contain the following information:

(A) the district's total adopted tax rate for the preceding year and the proposed tax rate, expressed as an amount per \$100;

(B) the difference, expressed as an amount per \$100 and as a percent increase or decrease, as applicable, in the proposed tax rate compared to the adopted tax rate for the preceding year;

(C) the average appraised value of a residence homestead in the district in the preceding year and in the current year; the district's total homestead exemption, other than an exemption available only to disabled persons or persons 65 years of age or older, applicable to that appraised value in each of those years; and the average taxable value of a residence homestead in the district in each of those years, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(D) the amount of tax that would have been imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(E) the amount of tax that would be imposed by the district in the current year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, if the proposed tax rate is adopted; ~~and~~

(F) the difference between the amounts of tax calculated under Paragraphs (D) and (E), expressed in dollars and cents and described as the annual percentage increase or decrease, as applicable, in the tax to be imposed by the district on the average residence homestead in the district in the current year if the proposed tax rate is adopted; and

(G) if the proposed combined debt service, operation and maintenance, and contract tax rate exceeds the rollback tax rate, a description of the purpose of the proposed tax increase; and

(3) contain a statement in substantially the following form, as applicable:

(A) if the district is a special taxing unit:

"NOTICE OF VOTE ON TAX RATE ~~[TAXPAYERS' RIGHT TO ROLLBACK ELECTION]~~

"If operation and maintenance taxes on the average residence homestead increase by more than eight percent, ~~[the qualified voters of the district by petition may require that]~~ an election must be held to determine whether to approve ~~[reduce]~~ the operation and maintenance tax rate ~~[to the rollback tax rate]~~ under Section 49.236(d), Water Code."; or

(B) if the district is a taxing unit other than a special taxing unit:

"NOTICE OF VOTE ON TAX RATE

"If operation and maintenance taxes on the average residence homestead increase by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.236(e), Water Code, unless the de minimis rate exceeds the rollback tax rate and the proposed tax rate is lower than the de minimis rate."

(d) This subsection applies only to a district that is a special taxing unit. If the governing body of the [a] district adopts a combined debt service, operation and maintenance, and contract tax rate that exceeds the rollback tax rate, [would impose more than 1.08 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, the qualified voters of the district by petition may require that] an election must be held to determine whether [or not] to approve [reduce] the tax rate adopted for the current year [to the rollback tax rate] in accordance with the procedures provided by Sections 26.07(b)-(g) [and 26.081], Tax Code. For purposes of Sections 26.07(b)-(g), Tax Code, and this subsection, the rollback tax rate is the sum of the following tax rates:

- (1) the current year's debt service tax rate;
- (2) the current year's [and] contract tax rate; and
- (3) [rates plus] the operation and maintenance tax rate that would impose

1.08 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older.

(e) This subsection applies only to a district that is a taxing unit other than a special taxing unit. If the governing body of the district adopts a combined debt service, operation and maintenance, and contract tax rate that exceeds the greater of the rollback tax rate or de minimis rate, an election must be held to determine whether to approve the tax rate adopted for the current year in accordance with the procedures provided by Sections 26.07(b)-(g), Tax Code. For purposes of Sections 26.07(b)-(g), Tax Code, and this subsection, the rollback tax rate is the sum of the following tax rates:

- (1) the current year's debt service tax rate;
- (2) the current year's contract tax rate;
- (3) the operation and maintenance tax rate that would impose 1.035 times

the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older; and

- (4) the district's unused increment rate.

(f) Notwithstanding any other provision of this section, the board of a district that is a taxing unit other than a special taxing unit may give notice under Subsection (a) and calculate the rollback tax rate of the district in the manner provided for a

district that is a special taxing unit if any part of the district is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The board may continue doing so until the earlier of:

(1) the first tax year in which the total taxable value of property taxable by the district as shown on the appraisal roll for the district submitted by the assessor for the district to the board exceeds the total taxable value of property taxable by the district on January 1 of the tax year in which the disaster occurred; or

(2) the fifth tax year after the tax year in which the disaster occurred.

(g) In this section:

(1) "De minimis rate" and "special taxing unit" have the meanings assigned by Section 26.012, Tax Code.

(2) "Taxing unit" has the meaning assigned by Section 1.04, Tax Code.

(3) "Unused increment rate" has the meaning assigned by Section 26.013, Tax Code.

SECTION 71. The following provisions are repealed:

- (1) Sections 403.302(m-1) and (n), Government Code;
- (2) Section 140.010, Local Government Code;
- (3) Section 1063.255, Special District Local Laws Code;
- (4) Sections 5.103(e) and (f), 6.412(e), 22.23(c), and 41A.06(c), Tax Code;
- (5) Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003; and
- (6) Section 49.2361, Water Code.

SECTION 72. Section 5.041, Tax Code, as amended by this Act, applies only to an appraisal review board member appointed to serve a term of office that begins on or after January 1, 2020.

SECTION 73. The comptroller of public accounts shall implement Section 5.043, Tax Code, as added by this Act, as soon as practicable after January 1, 2020.

SECTION 74. Sections 5.05, 5.102, 5.13, and 23.01, Tax Code, as amended by this Act, apply only to the appraisal of property for ad valorem tax purposes for a tax year beginning on or after January 1, 2020.

SECTION 75. (a) The comptroller of public accounts shall comply with Sections 5.07(f), (g), (h), and (i), Tax Code, as added by this Act, as soon as practicable after January 1, 2020.

(b) The comptroller of public accounts shall comply with Section 5.091, Tax Code, as amended by this Act, not later than:

- (1) January 1, 2022, with regard to tax rate information related to a taxing unit located wholly or partly in a county with a population of 120,000 or more; and
- (2) January 1, 2023, with regard to tax rate information related to a taxing unit located wholly in a county with a population of less than 120,000.

SECTION 76. Section 5.09, Tax Code, as amended by this Act, applies only to information submitted to the comptroller of public accounts that relates to a tax year beginning on or after January 1, 2020.

SECTION 77. The comptroller of public accounts shall prepare and make available the survey and instructions for completing and submitting the survey required by Section 5.104, Tax Code, as added by this Act, as soon as practicable after

January 1, 2020. An appraisal district is not required to provide the survey or instructions under a requirement of that section until the survey and instructions are prepared and made available by the comptroller of public accounts.

SECTION 78. Section 6.41(d-9), Tax Code, as amended by this Act, applies only to the appointment of appraisal review board members to terms beginning on or after January 1, 2021.

SECTION 79. Section 6.412, Tax Code, as amended by this Act, does not affect the eligibility of a person serving on an appraisal review board immediately before January 1, 2020, to continue to serve on the board for the term to which the member was appointed.

SECTION 80. Section 6.42(d), Tax Code, as added by this Act, applies only to a recommendation, determination, decision, or other action by an appraisal review board or a panel of such a board on or after January 1, 2020. A recommendation, determination, decision, or other action by an appraisal review board or a panel of such a board before January 1, 2020, is governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.

SECTION 81. Section 22.23(d), Tax Code, as amended by this Act, applies only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2020.

SECTION 82. (a) An appraisal district established in a county with a population of 120,000 or more and each taxing unit located wholly or partly in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2021 tax year.

(b) An appraisal district established in a county with a population of less than 120,000 and each taxing unit located wholly in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2022 tax year.

SECTION 83. (a) Not later than the 30th day after the date this section takes effect:

(1) the designated officer or employee of each taxing unit shall submit to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located the worksheets used by the designated officer or employee to calculate the effective and rollback tax rates of the taxing unit for the 2015-2019 tax years; and

(2) the county assessor-collector for each county shall post the worksheets submitted to the county assessor-collector under Subdivision (1) of this subsection on the Internet website of the county.

(b) This section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this section takes effect on the 91st day after the last day of the legislative session.

SECTION 84. A taxing unit that does not own, operate, or control an Internet website is not required to comply with Sections 26.05(b)(2) and 26.065(b), Tax Code, as amended by this Act, until the first tax year in which the taxing unit is required by law to maintain or have access to an Internet website.

SECTION 85. Section 41.03(a), Tax Code, as amended by this Act, applies only to a challenge under Chapter 41, Tax Code, for which a challenge petition is filed on or after January 1, 2020. A challenge under Chapter 41, Tax Code, for which a challenge petition was filed before January 1, 2020, is governed by the law in effect on the date the challenge petition was filed, and the former law is continued in effect for that purpose.

SECTION 86. Sections 41.45 and 41.66(k), Tax Code, as amended by this Act, and Section 41.66(k-1), Tax Code, as added by this Act, apply only to a protest filed under Chapter 41, Tax Code, on or after January 1, 2021. A protest filed under that chapter before January 1, 2021, is governed by the law in effect on the date the protest was filed, and the former law is continued in effect for that purpose.

SECTION 87. Sections 41.46, 41.461, 41.47, 41.66(h), (i), and (j), and 41.67, Tax Code, as amended by this Act, and Sections 41.66(j-1) and (p), Tax Code, as added by this Act, apply only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board established for an appraisal district on or after January 1, 2020.

SECTION 88. Section 41.71, Tax Code, as amended by this Act, applies only to a hearing on a protest under Chapter 41, Tax Code, that is scheduled on or after January 1, 2020. A hearing on a protest under Chapter 41, Tax Code, that is scheduled before January 1, 2020, is governed by the law in effect on the date the hearing was scheduled, and that law is continued in effect for that purpose.

SECTION 89. Section 41A.07, Tax Code, as amended by this Act, applies only to a request for binding arbitration received by the comptroller of public accounts from an appraisal district on or after January 1, 2020.

SECTION 90. (a) A person who immediately before January 1, 2020, serves as an arbitrator in binding arbitrations of appeals of appraisal review board orders must meet the requirements of Section 41A.06(b)(3), Tax Code, as added by this Act, not later than the 120th day after the date the comptroller of public accounts begins to provide the training required under Section 5.043, Tax Code, as added by this Act.

(b) This Act does not prohibit a person who is serving as an arbitrator on January 1, 2020, from renewing the person's agreement with the comptroller of public accounts to serve as an arbitrator if the person has the qualifications required for an arbitrator under the Tax Code as amended by this Act.

SECTION 91. The first tax year that may be considered for purposes of the condition to the applicability of Section 403.302(k-1), Government Code, as added by this Act, that the comptroller of public accounts has determined in a study under Section 403.302 of that code that a school district's local value as determined by the appraisal district that appraises property for the school district is not valid for three consecutive years is the 2020 tax year.

SECTION 92. (a) Not later than the 30th day after the date this section takes effect, the comptroller of public accounts shall provide a written notice to each appraisal district of:

(1) the deadline for complying with each new requirement, duty, or function imposed by this Act on an appraisal district or taxing unit; and

(2) any change made by this Act to the deadline for complying with an existing requirement, duty, or function of an appraisal district or taxing unit.

(b) As soon as practicable after receipt of the notice provided by the comptroller of public accounts under Subsection (a) of this section, the chief appraiser of an appraisal district shall forward the notice to each assessor for a taxing unit located in the appraisal district.

(c) This section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this section takes effect on the 91st day after the last day of the legislative session.

SECTION 93. This Act takes effect only if H.B. 3, 86th Legislature, Regular Session, 2019, becomes law. If H.B. 3, 86th Legislature, Regular Session, 2019, does not become law, this Act has no effect.

SECTION 94. (a) Except as otherwise provided by this Act, this Act takes effect January 1, 2020.

(b) The following provisions take effect September 1, 2020:

- (1) Sections 6.41(b) and (d-9), Tax Code, as amended by this Act;
- (2) Sections 6.41(b-1), (b-2), and (d-10), Tax Code, as added by this Act;
- (3) Section 6.414(d), Tax Code, as amended by this Act;
- (4) Section 6.425, Tax Code, as added by this Act;
- (5) Section 41.44(d), Tax Code, as amended by this Act;
- (6) Section 41.45(d), Tax Code, as amended by this Act;
- (7) Sections 41.45(d-1), (d-2), and (d-3), Tax Code, as added by this Act;
- (8) Section 41.66(k), Tax Code, as amended by this Act; and
- (9) Section 41.66(k-1), Tax Code, as added by this Act.

(c) The following provisions take effect January 1, 2021:

- (1) Sections 25.19(b-3) and (b-4), Tax Code, as added by this Act;
- (2) Sections 26.04(d-1), (d-2), (d-3), (e-2), (e-3), (e-4), and (e-5), Tax Code, as added by this Act;
- (3) Sections 26.04(e-1) and (g), Tax Code, as amended by this Act;
- (4) Sections 26.05(d-1) and (d-2), Tax Code, as added by this Act; and
- (5) Section 26.05(e), Tax Code, as amended by this Act.

(d) Sections 25.19(b) and (i), Tax Code, as amended by this Act, take effect January 1, 2022.

### **Floor Amendment No. 1**

Amend **CSSB 2** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 1.111, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-2) to read as follows:

(a) Except as provided by Subsection (a-2), a ~~[A]~~ property owner may designate a lessee or other person to act as the agent of the owner for any purpose under this title in connection with the property or the property owner.

(a-2) Notwithstanding any other law, a person who enters into a contingency fee agreement to act as the agent of a property owner for any purpose under this title must be an attorney licensed in this state.

**Floor Amendment No. 2**

Amend **CSSB 2** (house committee printing) as follows:

(1) On page 117, line 5, between "22.23(c)," and "and", insert "25.19(b-2),".

(2) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 1.07(a), Tax Code, is amended to read as follows:

(a) An official or agency required by this title to deliver a notice to a property owner may deliver the notice by regular first-class mail, with postage prepaid, unless this section or another provision of this title requires or authorizes a different method of delivery or the parties agree that the notice must be delivered as provided by Section 1.085 or 1.086.

SECTION \_\_\_\_\_. Chapter 1, Tax Code, is amended by adding Section 1.086 to read as follows:

Sec. 1.086. DELIVERY OF CERTAIN NOTICES BY E-MAIL. (a) On the written request of the owner of a residential property that is occupied by the owner as the owner's principal residence, the chief appraiser of the appraisal district in which the property is located shall send each notice required by this title related to the following to the e-mail address of the owner:

(1) a change in value of the property;

(2) the eligibility of the property for an exemption; or

(3) the grant, denial, cancellation, or other change in the status of an exemption or exemption application applicable to the property.

(b) A property owner must provide the e-mail address to which the chief appraiser must send the notices described by Subsection (a) in a request made under that subsection.

(c) A chief appraiser who delivers a notice electronically under this section is not required to mail the same notice to the property owner.

(d) A request made under this section remains in effect until revoked by the property owner in a written revocation filed with the chief appraiser.

(e) After a property owner makes a request under this section and before a chief appraiser may deliver a notice electronically under this section, the chief appraiser must send an e-mail to the address provided by the property owner confirming the owner's request to receive notices electronically.

(f) The chief appraiser of an appraisal district that maintains an Internet website shall provide a form on the website that a property owner may use to electronically make a request under this section.

SECTION \_\_\_\_\_. Subchapter A, Chapter 6, Tax Code, is amended by adding Section 6.054 to read as follows:

Sec. 6.054. RESTRICTION ON EMPLOYMENT BY APPRAISAL DISTRICT. An individual may not be employed by an appraisal district if the individual is:

(1) an officer of a taxing unit that participates in the appraisal district; or

(2) an employee of a taxing unit that participates in the appraisal district.

SECTION \_\_\_\_\_. Subchapter A, Chapter 6, Tax Code, is amended by adding Section 6.16 to read as follows:

Sec. 6.16. RESIDENTIAL PROPERTY OWNER ASSISTANCE. (a) The chief appraiser of each appraisal district shall maintain a list of the following individuals who have designated themselves as an individual who will provide free assistance to an owner of residential property that is occupied by the owner as the owner's principal residence:

(1) a real estate broker or sales agent licensed under Chapter 1101, Occupations Code;

(2) a real estate appraiser licensed or certified under Chapter 1103, Occupations Code; or

(3) a property tax consultant registered under Chapter 1152, Occupations Code.

(b) On the request of an owner described by Subsection (a), the chief appraiser shall provide to the owner a copy of the list maintained under this section.

(c) The list must:

(1) be organized by county;

(2) be available on the appraisal district's Internet website, if the appraisal district maintains a website; and

(3) provide the name, contact information, and job title of each individual who will provide free assistance.

(d) A person must designate himself or herself as an individual who will provide free assistance by completing a form prescribed by the chief appraiser and submitting the form to the chief appraiser.

SECTION \_\_\_\_ . Chapter 25, Tax Code, is amended by adding Sections 25.192 and 25.193 to read as follows:

Sec. 25.192. NOTICE OF RESIDENCE HOMESTEAD EXEMPTION ELIGIBILITY. (a) This section applies only to residential property that has not qualified for a residence homestead exemption in the current tax year.

(b) If the records of the appraisal district indicate that the address of the property is also the address of the owner of the property, the chief appraiser must send to the property owner a notice that contains:

(1) the following statement in boldfaced 18-point type at the top of the first page of the notice: "NOTICE: A residence homestead exemption from ad valorem taxation is NOT currently being allowed on the property listed below. However, our records show that this property may qualify for a residence homestead exemption, which will reduce your taxes.";

(2) following the statement described by Subdivision (1), the following statement in 12-point type: "According to the records of the appraisal district, the property described in this notice may be your primary residence and may qualify for a residence homestead exemption from ad valorem taxation. If the property is your home and you occupy it as your primary residence, the property likely qualifies for one or more residence homestead exemptions, which will reduce the amount of taxes imposed on the property. The form needed to apply for a residence homestead exemption is enclosed. Although the form may state that the deadline for filing an application for a residence homestead exemption is April 30, a late application for a



residence homestead exemption will be accepted if filed before February 1, (insert year application must be filed). There is no fee or charge for filing an application or a late application for a residence homestead exemption."; and

(3) following the statement described by Subdivision (2), the address to which the notice is sent.

(c) The notice required by this section must be accompanied by an application form for a residence homestead exemption.

(d) If a property owner has elected to receive notices by e-mail as provided by Section 1.086, the notice required by this section must be sent in that manner separately from any other notice sent to the property owner by the chief appraiser.

Sec. 25.193. NOTICE OF CERTAIN CANCELED OR REDUCED EXEMPTIONS. (a) By April 1 or as soon thereafter as practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with residential property that does not qualify for an exemption under Section 11.13, the chief appraiser shall deliver a clear and understandable written notice to a property owner if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year.

(b) If a property owner has elected to receive notices by e-mail as provided by Section 1.086, for property described by that section, the notice required by this section must be sent in that manner regardless of whether the information was also included in a notice under Section 25.19 and must be sent separately from any other notice sent to the property owner by the chief appraiser.

SECTION \_\_\_\_ . Sections 25.192 and 25.193, Tax Code, as added by this Act, apply only to a notice for a tax year beginning on or after January 1, 2020. A notice for a tax year beginning before January 1, 2020, is governed by the law in effect immediately before January 1, 2020, and that law is continued in effect for that purpose.

### **Floor Amendment No. 3**

Amend CSSB 2 (house committee report) on page 2, line 6, between "system," and "best practices," by inserting "ways to better ensure the equal and uniform appraisal of property, in accordance with Section 1, Article VIII of the Texas Constitution,".

### **Floor Amendment No. 6**

Amend CSSB 2 (house committee report) as follows:

(1) On page 19, lines 13 and 14, strike "has an appraised value of \$50 million or more as determined by the appraisal district" and substitute "has an appraised value as determined by the appraisal district equal to or greater than the minimum eligibility amount determined as provided by Subsection (g)".

(2) On page 21, between lines 2 and 3, insert the following:

(g) By January 1 or as soon thereafter as practicable, the comptroller shall determine the minimum eligibility amount for the current tax year for purposes of Subsection (b)(1) and publish that amount in the Texas Register. The minimum

eligibility amount for the 2020 tax year is \$50 million. For each succeeding tax year, the minimum eligibility amount is equal to the minimum eligibility amount for the preceding tax year as adjusted by the comptroller to reflect the inflation rate.

#### **Floor Amendment No. 7**

Amend Amendment No. 6 by J. Turner to **CSSB 2** by adding the following appropriately numbered item to the amendment and renumbering the items of the amendment accordingly:

(\_\_\_\_) On page 25, line 20, following the underlined period, add the following:

For the purposes of this subdivision, "consumer price index" means the consumer price index for all urban consumers (all items, Dallas-Fort Worth-Arlington, Texas, core-based statistical area), as published by the Bureau of Labor Statistics, United States Department of Labor, or its successor in function.

#### **Floor Amendment No. 8**

Amend **CSSB 2** as follows:

(1) Insert a new SECTION (\_\_\_\_) and renumber the subsequent sections appropriately.

SECTION \_\_\_\_ . Section 11.24, Tax Code, is amended by adding Subsection (b) to read as follows:

(b) A taxing unit may not reduce the amount of or repeal an exemption adopted under Subsection (a) for a property otherwise qualified unless the taxing unit has delivered to the property owner written notice of its intent to reduce the amount of or repeal the exemption at least five years before doing so.

(2) Insert a new SECTION (\_\_\_\_) and renumber the subsequent sections appropriately.

SECTION \_\_\_\_ . The change in law made to Section 11.24, Tax Code, applies to the 2018 tax year and subsequent tax years. Any reduction or denial of an exemption granted under Section 11.24 in 2018 and subsequent years is subject to the change in law made in Section 11.24 and must be reinstated and notice given as provided in the change in law in Section 11.24.

#### **Floor Amendment No. 11**

Amend **CSSB 2** (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION \_\_\_\_ . Section 6.03(a), Tax Code, is amended to read as follows:

(a) The appraisal district is governed by a board of directors. Five directors are appointed by the taxing units that participate in the district as provided by this section. If the county assessor-collector is not appointed to the board, the county assessor-collector serves as a nonvoting director. The county assessor-collector is ineligible to serve if the board enters into a contract under Section 6.05(b) or if the commissioners court of the county enters into a contract under Section 6.24(b). To be eligible to serve on the board of directors, an individual other than a county assessor-collector serving as a nonvoting director must be a resident of the district and must have resided in the district for at least two years immediately preceding the date the individual takes office. Except as provided by this subsection, an [Am] individual

~~[who] is ineligible [otherwise eligible] to serve on the board if the individual is an officer or employee [is not ineligible because of membership on the governing body of a taxing unit. An employee] of a taxing unit that participates in the district [is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district].~~

SECTION \_\_\_\_\_. Section 6.03(a), Tax Code, as amended by this Act, does not affect the right of a person serving on the board of directors of an appraisal district on January 1, 2020, to complete the person's term on the board.

### **Floor Amendment No. 12**

Amend Amendment No. 11 by Tinderholt to **CSSB 2** as follows:

(1) On page 1, on line 4, strike "Section 6.03(a), Tax Code, is amended" and substitute "Section 6.03, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1)".

(2) On page 1, line 18, between "subsection" and the underlined comma, insert "and Subsection (a-1)".

(3) On page 1, between lines 25 and 26, insert the following:

(a-1) This subsection applies only to a county with a population of 25,000 or less. An individual who is otherwise eligible to serve on the board is not ineligible because of membership on the governing body of a taxing unit. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

### **Floor Amendment No. 13**

Amend **CSSB 2** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 1.02, Tax Code, is amended to read as follows:

Sec. 1.02. APPLICABILITY OF TITLE. This title applies to a taxing unit that is created by or pursuant to any general, special, or local law enacted before or after the enactment of this title unless a law enacted after enactment of this title by or pursuant to which the taxing unit is created expressly provides that this title does not apply. This title supersedes and provision of a municipal charter or ordinance relating to property taxation, including a provision setting or requiring a vote [~~Nothing in this title invalidates or restricts the right of voters to utilize municipal level initiative and referendum~~] to set a tax rate, level of spending, or limitation on tax increase for that municipality.

### **Floor Amendment No. 14**

Amend **CSSB 2** (house committee report) on page 2, between lines 13 and 14, by inserting the following appropriately lettered subsection in added Section 5.01, Tax Code, and relettering subsections of that section and any cross-references accordingly:

(\_\_\_\_\_) In making appointments under Subsection (b), the comptroller shall ensure that the members of the advisory board reflect, to the extent possible, the ethnic and geographic diversity of this state.

**Floor Amendment No. 19**

Amend **CSSB 2** (house committee report) as follows:

- (1) On page 24, line 25, strike the last comma and insert "(13),".
- (2) On page 25, between lines 20 and 21, insert:
  - (13) "Last year's levy" means the total of:

(A) the amount of taxes that would be generated by multiplying the total tax rate adopted by the governing body in the preceding year by the total taxable value of property on the appraisal roll for the preceding year, including:

(i) taxable value that was reduced in an appeal under Chapter 42; and

(ii) all appraisal roll supplements and corrections other than corrections made pursuant to Section 25.25(d), as of the date of the calculation, except that last year's taxable value for a school district excludes the total value of homesteads that qualified for a tax limitation as provided by Section 11.26 and last year's taxable value for a county, municipality, or junior college district excludes the total value of homesteads that qualified for a tax limitation as provided by Section 11.261; ~~and~~

(iii) the taxable value that has been appealed under Chapter 42 and is actively under review as of July 25; and

(B) the amount of taxes refunded by the taxing unit in the preceding year for tax years before that year.

**Floor Amendment No. 21**

Amend **CSSB 2** (house committee report) on page 26, lines 12 and 13, by striking "actual tax rate used to levy taxes" and substituting "maintenance and operations tax rate used to levy taxes for maintenance and operations".

**Floor Amendment No. 25**

Amend **CSSB 2** (house committee report) as follows:

- (1) On page 29, line 25, strike "first" and substitute "second".
- (2) On page 41, line 13, strike "first" and substitute "second".
- (3) On page 116, line 12, strike "first" and substitute "second".

**Floor Amendment No. 30**

Amend **CSSB 2** (house committee report) as follows:

- (1) On page 45, line 17, strike "and (c)," and substitute "(c), and (d),".
- (2) On page 46, between lines 17 and 18, insert the following:

(d) In this section, "enhanced indigent health care expenditures" for a tax year means the amount spent by the taxing unit for the maintenance and operation costs of providing indigent health care under Chapter 61, ~~[at the increased minimum eligibility standards established under Section 61.006,] Health and Safety Code, [effective on or after January 1, 2000,]~~ in the period beginning on July 1 of the year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted, less the amount of state assistance received by the taxing unit in accordance with Chapter 61, Health and Safety Code, that is attributable to those costs.

**Floor Amendment No. 36**

Amend **CSSB 2** (house committee printing) as follows:

(1) Except on page 119, line 24, or where "rollback" is stricken through, replace "rollback" tax rate with the term "voter-approved" tax rate and make any capitalization, underlining, bracketing, or other change necessary to implement this change in terminology.

(2) Strike "an election to ratify the rate" and substitute "an election to seek voter approval of the rate" in each of the following places it appears:

- (A) page 57, lines 2-3;
- (B) page 58, lines 12-13;
- (C) page 59, lines 20-21;
- (D) page 63, lines 23-24;
- (E) page 64, line 5; and
- (F) page 69, lines 19-20.

**Floor Amendment No. 37**

Amend Amendment No. 36 by Martinez to **CSSB 2** by striking page 1, lines 1-7 and substituting the following:

Amend **CSSB 2** (house committee printing) by striking "an election to ratify the rate" and substituting

**Floor Amendment No. 38**

Amend **CSSB 2** (house committee report) as follows:

(1) On page 73, line 7, strike "increase)" and substitute "increase). Last year, the ad valorem tax rate in (name of taxing unit) was \$ \_\_\_\_\_ per \$100 valuation".

(2) On page 73, lines 11 and 12, strike "rate and the difference between that rate and the rollback tax rate" and substitute "rate, the difference between the adopted tax rate and the rollback tax rate, and the taxing unit's tax rate for the preceding tax year".

**Floor Amendment No. 39**

Amend **CSSB 2** (house committee report) as follows:

(1) On page 71, line 13, between "flood," and "or", insert "wildfire,".

(2) On page 74, line 22, strike "Section 26.08(n), Tax Code, is" and substitute "Sections 26.08(a) and (n), Tax Code, are".

(3) On page 74, between lines 23 and 24, insert the following:

(a) If the governing body of a school district adopts a tax rate that exceeds the district's rollback tax rate, the registered voters of the district at an election held for that purpose must determine whether to approve the adopted tax rate. When increased expenditure of money by a school district is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, that has impacted a school district and the governor has requested federal disaster assistance for the area in which the school district is located, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs.

**Floor Amendment No. 41**

Amend **CSSB 2** (house committee report) as follows:

(1) On page 86, line 5, strike "Section 41.44(d), Tax Code, is" and substitute "Sections 41.44(a) and (d), Tax Code, are".

(2) On page 86, between lines 6 and 7, insert the following:

(a) Except as provided by Subsections (b), (c), (c-1), and (c-2), to be entitled to a hearing and determination of a protest, the property owner initiating the protest must file a written notice of the protest with the appraisal review board having authority to hear the matter protested:

(1) not later than May 15 or the 30th day after the date that notice to the property owner was delivered to the property owner as provided by Section 25.19, whichever is later;

(2) in the case of a protest of a change in the appraisal records ordered as provided by Subchapter A of this chapter or by Chapter 25, not later than the 30th day after the date notice of the change is delivered to the property owner;

(3) in the case of a determination that a change in the use of land appraised under Subchapter C, D, E, or H, Chapter 23, has occurred, not later than the 30th day after the date the notice of the determination is delivered to the property owner; ~~or~~

(4) in the case of a determination of eligibility for a refund under Section 23.1243, not later than the 30th day after the date the notice of the determination is delivered to the property owner; or

(5) in the case of a protest described by Section 41.41(a)(9), not later than the 30th day after the date the notice of the determination that a change in the use of the land has occurred is delivered to the property owner.

(3) Add the following appropriately numbered SECTIONS to the bill and renumber the SECTIONS of the bill accordingly:

SECTION \_\_\_\_ . Section 41.41(a), Tax Code, is amended to read as follows:

(a) A property owner is entitled to protest before the appraisal review board the following actions:

(1) determination of the appraised value of the owner's property or, in the case of land appraised as provided by Subchapter C, D, E, or H, Chapter 23, determination of its appraised or market value;

(2) unequal appraisal of the owner's property;

(3) inclusion of the owner's property on the appraisal records;

(4) denial to the property owner in whole or in part of a partial exemption;

(5) determination that the owner's land does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23;

(6) identification of the taxing units in which the owner's property is taxable in the case of the appraisal district's appraisal roll;

(7) determination that the property owner is the owner of property;

(8) a determination that a change in use of land appraised under Subchapter C, D, E, or H, Chapter 23, has occurred; ~~or~~

(9) for purposes of determining the amount of the additional tax described by Section 23.55(a), determination of the appraised or market value of land appraised as provided by Subchapter D, Chapter 23, for each of the years preceding the year in which the change of use of the land occurs used to determine the amount of additional tax imposed; or

(10) any other action of the chief appraiser, appraisal district, or appraisal review board that applies to and adversely affects the property owner.

SECTION \_\_\_\_\_. Sections 41.41(a) and 41.44(a), Tax Code, as amended by this Act, apply only to a change of use of land appraised under Subchapter D, Chapter 23, Tax Code, that occurs on or after January 1, 2020.

#### **Floor Amendment No. 42**

Amend **CSSB 2** (house committee printing) on page 93, line 16, between "(j-1)" and "An", insert the following:

An appraisal review board must give priority in its schedule of protest hearings filed by a property owner over the age of 65; a disabled property owner; or a property owner who is a military service member, military veteran, or military spouse before scheduling a hearing filed by a designated agent of a property owner.

#### **Floor Amendment No. 43**

Amend **CSSB 2** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. (a) Section 41A.03(a-1), Tax Code, is amended to read as follows:

(a-1) If a property owner requests binding arbitration under this chapter to appeal appraisal review board orders involving two or more contiguous tracts of land that are owned by the property owner [~~contiguous to one another~~], a single arbitration deposit in the amount provided by Subsection (a)(2) is sufficient to satisfy the requirement of Subsection (a)(2). For purposes of this subsection, "contiguous tracts of land" means improved or unimproved tracts of land that are touching or that share a common boundary, as determined using appraisal district records or legal descriptions of the tracts.

(b) The changes in law made by this section apply only to a request for binding arbitration under Chapter 41A, Tax Code, that is filed on or after January 1, 2020. A request for binding arbitration under Chapter 41A, Tax Code, that is filed before January 1, 2020, is governed by the law in effect on the date the request is filed, and the former law is continued in effect for that purpose.

#### **Floor Amendment No. 44**

Amend **CSSB 2** (house committee printing) on page 100, line 12, by striking "five years" and substituting "two [~~five~~] years".

#### **Floor Amendment No. 45**

Amend **CSSB 2** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Chapter 45, Education Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. COUNTY EQUALIZATION TAX

Sec. 45.351. ELECTION TO REVOKE COUNTY EQUALIZATION TAX.

The commissioners court of a county for which a county equalization tax was adopted under former Chapter 18 of this code, as that chapter existed on May 1, 1995, and that continues in effect under Section 11.301, may order an election on the question of revoking the county equalization tax, in accordance with former Section 18.11 and other applicable provisions of that former chapter.

**Floor Amendment No. 46**

Amend **CSSB 2** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. (a) Subtitle B, Title 3, Government Code, is amended by adding Chapter 320A to read as follows:

CHAPTER 320A. REVIEW OF STATE AND LOCAL TAX PREFERENCES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 320A.001. DEFINITIONS. In this chapter:

(1) "Commission" means the select commission on periodic tax preference review.

(2) "Tax preference" means an abatement, credit, discount, exclusion, exemption, limitation on appraised value, refund, special valuation, special accounting treatment, special appraisal method or provision, special rate, or special method of reporting authorized by state law or the state constitution that relates to a state or local tax imposed in this state.

SUBCHAPTER B. SELECT COMMISSION ON PERIODIC TAX PREFERENCE REVIEW

Sec. 320A.051. COMPOSITION OF COMMISSION. The select commission on periodic tax preference review is composed of:

(1) five members of the house of representatives, appointed by the speaker of the house of representatives;

(2) five members of the senate, appointed by the lieutenant governor; and

(3) the comptroller.

Sec. 320A.052. TERMS. The members of the commission serve two-year terms that expire December 31 of each even-numbered year.

Sec. 320A.053. VACANCY. If a vacancy occurs, the individual who originally appointed the vacating member or the individual's successor shall appoint an individual to fill the vacancy for the remainder of the unexpired term.

Sec. 320A.054. OFFICERS. (a) The speaker of the house of representatives shall select one member of the commission appointed under Section 320A.051(1) to serve as chair of the commission.

(b) The lieutenant governor shall select one member of the commission appointed under Section 320A.051(2) to serve as vice chair of the commission.

Sec. 320A.055. MEETINGS. The commission shall meet at the call of the chair.

Sec. 320A.056. STAFF. On the commission's request, the Legislative Budget Board, the Texas Legislative Council, the office of the governor, the comptroller, the senate, and the house of representatives shall provide staff to assist the commission in performing the commission's duties.



Sec. 320A.057. COOPERATION BY OTHER STATE ENTITIES. The commission may request the assistance of any state agency, department, or office if the commission needs assistance to perform the commission's duties. The agency, department, or office shall provide the requested assistance.

Sec. 320A.058. EXPENSES. The operating expenses of the commission shall be paid from available funds of the office of the governor and the contingent expense funds of the senate and the house of representatives, as agreed by those entities. The commission members are entitled to reimbursement from those funds for expenses incurred by the members in implementing this chapter.

#### SUBCHAPTER C. POWERS AND DUTIES OF COMMISSION

Sec. 320A.101. DEVELOPMENT AND BIENNIAL MODIFICATION OF STATE AND LOCAL TAX PREFERENCE REVIEW SCHEDULE. (a) The commission shall:

(1) identify each state tax preference and each type of local tax preference;  
(2) develop a state and local tax preference review schedule under which each identified tax preference is reviewed once during each six-year period; and

(3) specifically identify on the schedule:

(A) each of the tax preferences the commission must review for purposes of the next report due under Section 320A.153;

(B) any tax preference described by Paragraph (A) that reduces by less than one-fourth of one percent the total revenue derived from the tax to which the tax preference applies and that the commission recommends for an abbreviated review; and

(C) the components of the review specified by Section 320A.104 that the commission recommends are unnecessary with respect to a tax preference recommended for an abbreviated review.

(b) In developing the schedule, the commission shall schedule the tax preferences for review in the order in which the tax preferences were enacted or authorized.

(c) The commission shall revise the schedule biennially only to:

(1) add to the schedule a tax preference that was enacted or authorized after the commission developed the most recent schedule;

(2) delete from the schedule a tax preference that was repealed after the commission developed the most recent schedule;

(3) update the review dates of the tax preferences for which reviews were conducted after the commission developed the most recent schedule; and

(4) update the tax preferences identified under Subsection (a)(3).

Sec. 320A.102. PUBLIC COMMENT. The commission shall provide a process by which the public may comment on the state and local tax preference review schedule under Section 320A.101. The commission shall consider those comments in developing or revising the schedule.

Sec. 320A.103. COMPLETION OF SCHEDULE. The state and local tax preference review schedule must be completed not later than December 1 of each odd-numbered year.

Sec. 320A.104. PERIODIC REVIEW OF STATE AND LOCAL TAX PREFERENCES. The commission shall review each state tax preference and each type of local tax preference according to the state and local tax preference review schedule developed under Section 320A.101. In reviewing a tax preference, the commission shall:

- (1) determine the intended purpose of the tax preference; and
- (2) evaluate:
  - (A) whether the tax preference accomplishes its intended purpose;
  - (B) whether the intended purpose of the tax preference could be accomplished through a more cost-effective method; and
  - (C) the effect of the tax preference on economic development in this state.

SUBCHAPTER D. RECOMMENDATIONS REGARDING REVIEWED TAX PREFERENCES

Sec. 320A.151. PRELIMINARY REPORT. Not later than September 1 of each even-numbered year, the commission shall file a preliminary report on the reviews of tax preferences identified under Section 320A.101(a)(3)(A) with the senate finance committee and the house ways and means committee. The report must include drafts of any proposed legislation needed to implement the commission's recommendations.

Sec. 320A.152. REVIEW AND COMMENT. The senate finance committee and the house ways and means committee may review the preliminary report and proposed legislation and submit comments to the commission. Comments must be submitted not later than October 15 of each even-numbered year.

Sec. 320A.153. FINAL REPORT. (a) The commission may modify the preliminary report and proposed legislation in response to the comments received under Section 320A.152.

(b) Not later than December 1 of each even-numbered year, the commission shall provide to the governor and the presiding officers of the senate finance committee and the house ways and means committee a final report on the reviews of tax preferences identified under Section 320A.101(a)(3)(A) and proposed legislation necessary to implement the commission's recommendations.

Sec. 320A.154. PUBLIC HEARING ON FINAL REPORT. The senate finance committee and the house ways and means committee shall hold a joint public hearing on the final report and proposed legislation provided under Section 320A.153.

(b) The lieutenant governor and the speaker of the house of representatives shall appoint the initial members of the select commission on periodic tax preference review not later than January 5, 2020. Notwithstanding Section 320A.052, Government Code, as added by this section, the terms of the initial members of the commission expire December 31, 2020.

(c) Notwithstanding Section 320A.103, Government Code, as added by this section, the select commission on periodic tax preference review shall submit:

- (1) the initial state and local tax preference review schedule required by that section not later than January 15, 2020;
- (2) the initial preliminary report required by Section 320A.151, Government Code, as added by this section, not later than September 1, 2020; and

(3) the initial final report required by Section 320A.153, Government Code, as added by this section, not later than December 1, 2020.

### Floor Amendment No. 47

Amend **CSSB 2** (house committee report) as follows:

(1) On page 111, line 2, strike "Sections 26.04, 26.05, 26.061, and 26.07, Tax Code," and substitute "Sections 26.04 through [~~26.05, and~~] 26.07, Tax Code."

(2) On page 111, line 8, strike "Sections 26.04, 26.05, 26.061, and 26.07, Tax Code," and substitute "Sections 26.04 through [~~26.05, and~~] 26.07, Tax Code."

(3) Strike page 111, lines 11-14, and substitute the following:

SECTION 70. Section 49.236, Water Code, as added by Chapter 335 (**SB 392**), Acts of the 78th Legislature, Regular Session, 2003, is amended by amending Subsections (a) and (d) and adding Subsections (e), (f), (g), (h), (i), and (j) to read as follows:

(4) On page 112, line 10, strike "total" and substitute "[~~total~~"]".

(5) On page 113, line 10, strike "[~~and~~]" and substitute "and".

(6) Strike page 113, lines 17-20.

(7) Strike page 113, line 23, through page 116, line 3, and substitute the following:

(A) if the district is a special taxing unit or a developed district, and the district's proposed combined debt service, operation and maintenance, and contract tax rate exceeds the district's rollback tax rate:

"NOTICE OF PROPOSED TAX RATE IN EXCESS OF ROLLBACK TAX RATE"

"The proposed tax rate for the district exceeds the district's rollback tax rate. The revenue attributable to the proposed tax rate will be used for (state purpose)."; and

(B) if the district is a special taxing unit or a developed district, and the district's proposed combined debt service, operation and maintenance, and contract tax rate exceeds the district's tax approval election rate:

"NOTICE OF VOTE ON TAX RATE [TAXPAYERS' RIGHT TO ROLLBACK ELECTION]"

"If the district adopts a combined debt service, operation and maintenance, and contract tax rate that exceeds the district's tax approval election rate [~~taxes on the average residence homestead increase by more than eight percent, the qualified voters of the district by petition may require that~~] an election must be held to determine whether to approve [~~reduce~~] the operation and maintenance tax rate [~~to the rollback tax rate~~] under Section 49.236(d), Water Code."

(d) This subsection applies only to a district described by Subsection (a)(3)(B). If the governing body of the [~~a~~] district adopts a combined debt service, operation and maintenance, and contract tax rate that exceeds the district's tax approval election rate, [~~would impose more than 1.08 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, the qualified voters of the district by petition may require that~~] an election must be held to determine whether [~~or not~~] to approve [~~reduce~~] the tax rate adopted for the current year [~~to the rollback tax rate~~] in accordance with the procedures provided by Sections 26.07(c)-(g) [~~26.07(b) (g) and 26.081~~], Tax Code.

(e) The tax approval election rate for a district that is a special taxing unit described by Subsection (a)(3)(B) is the greater of:

(1) the sum of the debt service tax rate, the contract tax rate, the operation and maintenance tax rate, and the district's unused increment rate that would impose more than 1.08 times the amount of tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that tax year, disregarding any homestead exemption granted to disabled persons and persons 65 years of age or older; or

(2) the rollback tax rate.

(f) The tax approval election rate for a district described by Subsection (a)(3)(B) other than a special taxing unit is the greatest of:

(1) the sum of the de minimis rate and the contract tax rate;

(2) the sum of the debt service tax rate, the contract tax rate, the operation and maintenance tax rate, and the district's unused increment rate that would impose more than 1.035 times the amount of tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that tax year, disregarding any homestead exemption granted to disabled persons and persons 65 years of age or older; or

(3) the rollback tax rate.

(g) For purposes of Sections 26.07(c)-(g), Tax Code, ~~[26.07(b)-(g)]~~ and this section ~~[subsection]~~, the rollback tax rate is the sum of the following tax rates:

(1) the current year's debt service tax rate;

(2) the current year's ~~and~~ contract tax rate;

(3) the following applicable rate:

(A) for a district that is a taxing unit other than a special taxing unit, the rate equal to the product of 1.035 and the district's operations and maintenance tax rate for the preceding tax year; or

(B) for a district that is a special taxing unit, the rate equal to the product of 1.08 and the district's operations and maintenance tax rate for the preceding tax year; and

(4) the district's unused increment rate ~~[rates plus the operation and maintenance tax rate that would impose 1.08 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older].~~

(8) On page 116, line 4, strike "(f)" and substitute "(h)".

(9) Strike page 116, lines 20-26, and substitute the following:

(i) In this section:

(1) "De minimis rate" and "special taxing unit" have the meanings assigned by Section 26.012, Tax Code.

(2) "Developed district" means a district that has financed, completed, and issued bonds to pay for all land, works, improvements, facilities, plants, equipment, and appliances necessary to serve at least 95 percent of the projected build-out of the district in accordance with the purposes for its creation or the purposes authorized by the constitution, this code, or any other law.

(3) "Taxing unit" has the meaning assigned by Section 1.04, Tax Code.

(4) "Unused increment rate" has the meaning assigned by Section 26.013, Tax Code.

(j) The following provisions of the Tax Code do not apply to a district:

(1) Sections 26.16(a)(4), (5), and (6) and (d-1)(1); and

(2) Sections 26.17(b)(5),(8), and (10).

The amendments were read.

Senator Bettencourt moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The President asked if there were any motions to instruct the conference committee on **SB 2** before appointment.

There were no motions offered.

The President announced the appointment of the following conferees on the part of the Senate: Senators Hancock, Chair; Bettencourt, Hinojosa, Creighton, and Perry.

### **MOMENT OF SILENCE OBSERVED**

At the request of Senator Taylor, the Senate observed a moment of silence in honor of the victims, their families, and community affected by the Colorado STEM School Highlands Ranch shooting.

### **SENATE RULES SUSPENDED (Posting Rules)**

On motion of Senator Whitmire and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Criminal Justice might meet and consider the following bills tomorrow:

**SB 804, HB 1528, HB 3582.**

### **SENATE RULES SUSPENDED (Posting Rules)**

On motion of Senator Birdwell and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Natural Resources and Economic Development might meet and consider the following bills tomorrow: **HB 2402, HB 2771.**

### **SENATE RULES SUSPENDED (Posting Rules)**

On motion of Senator Kolkhorst and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Health and Human Services might meet in the Betty King Committee Room today.

### **CO-AUTHOR OF SENATE BILL 227**

On motion of Senator Bettencourt, Senator Hall will be shown as Co-author of **SB 227.**

**CO-AUTHOR OF SENATE BILL 250**

On motion of Senator Zaffirini, Senator Menéndez will be shown as Co-author of **SB 250**.

**CO-AUTHOR OF SENATE BILL 514**

On motion of Senator Rodríguez, Senator Menéndez will be shown as Co-author of **SB 514**.

**CO-AUTHOR OF SENATE BILL 694**

On motion of Senator Campbell, Senator Powell will be shown as Co-author of **SB 694**.

**CO-AUTHOR OF SENATE BILL 869**

On motion of Senator Zaffirini, Senator Lucio will be shown as Co-author of **SB 869**.

**CO-AUTHORS OF SENATE BILL 1033**

On motion of Senator Hancock, Senators Birdwell, Lucio, and Schwertner will be shown as Co-authors of **SB 1033**.

**CO-AUTHOR OF SENATE BILL 1355**

On motion of Senator Powell, Senator Zaffirini will be shown as Co-author of **SB 1355**.

**CO-AUTHORS OF SENATE BILL 1663**

On motion of Senator Creighton, Senators Hall and Schwertner will be shown as Co-authors of **SB 1663**.

**CO-AUTHOR OF SENATE BILL 1777**

On motion of Senator Campbell, Senator Hall will be shown as Co-author of **SB 1777**.

**CO-AUTHOR OF SENATE BILL 1978**

On motion of Senator Hughes, Senator Hall will be shown as Co-author of **SB 1978**.

**CO-AUTHOR OF SENATE BILL 1993**

On motion of Senator Birdwell, Senator Fallon will be shown as Co-author of **SB 1993**.

**CO-AUTHORS OF SENATE BILL 2551**

On motion of Senator Hinojosa, Senators Hughes, Johnson, Lucio, and Menéndez will be shown as Co-authors of **SB 2551**.

**CO-SPONSOR OF HOUSE BILL 16**

On motion of Senator Kolkhorst, Senator Hall will be shown as Co-sponsor of **HB 16**.

**CO-SPONSOR OF HOUSE BILL 25**

On motion of Senator Zaffirini, Senator Miles will be shown as Co-sponsor of **HB 25**.

**CO-SPONSOR OF HOUSE BILL 1325**

On motion of Senator Perry, Senator Rodríguez will be shown as Co-sponsor of **HB 1325**.

**CO-SPONSOR OF HOUSE BILL 1435**

On motion of Senator Birdwell, Senator Miles will be shown as Co-sponsor of **HB 1435**.

**CO-SPONSOR OF HOUSE BILL 1997**

On motion of Senator Hancock, Senator Schwertner will be shown as Co-sponsor of **HB 1997**.

**CO-SPONSOR OF HOUSE BILL 2570**

On motion of Senator Nelson, Senator Huffman will be shown as Co-sponsor of **HB 2570**.

**CO-SPONSORS OF HOUSE JOINT RESOLUTION 12**

On motion of Senator Watson, Senators Alvarado, Campbell, Fallon, Flores, Huffman, Johnson, Kolkhorst, Menéndez, Miles, Perry, Powell, Rodríguez, Taylor, West, Whitmire, and Zaffirini will be shown as Co-sponsors of **HJR 12**.

**RECESS**

On motion of Senator Whitmire, the Senate at 8:42 p.m. recessed until 11:00 a.m. tomorrow.

---

**APPENDIX**

---

**COMMITTEE REPORTS**

The following committee reports were received by the Secretary of the Senate in the order listed:

May 7, 2019

EDUCATION — **HB 2243, HB 403, SB 947, HB 638**

FINANCE — **HB 3954, HB 3086, HB 2458**

EDUCATION — **CSSB 139**

FINANCE — **HB 2338, HJR 12, HB 2570, HB 1965, HB 791, HB 2684, SB 1294**

BUSINESS AND COMMERCE — **SB 1623, HB 1757, HB 2779, HB 3441, HB 2790, HB 1540**

**BILLS AND RESOLUTIONS ENROLLED**May 6, 2019

**SB 72, SB 225, SB 240, SB 254, SB 320, SB 385, SB 416, SB 497, SB 590, SB 642, SB 669, SB 925, SB 971, SB 1012, SB 1066, SB 1134, SB 1213, SB 1358, SB 1378, SB 1443, SB 1574, SB 1597, SB 1598, SB 1764, SB 2024, SB 2132, SB 2390, SR 691, SR 692, SR 693, SR 694, SR 695, SR 696, SR 697, SR 698, SR 699, SR 700**

**SIGNED BY GOVERNOR**May 7, 2019

**SB 213, SB 234, SB 325, SB 533, SB 606, SB 612, SB 614, SB 625, SB 626, SB 627, SB 812, SB 872, SB 928, SB 1142, SB 1587, SB 1939**