

BILL ANALYSIS

Senate Research Center
76R2597 SMH-D

S.B. 693
By: Cain
State Affairs
3/26/1999
Committee Report (Amended)

DIGEST

Currently, a taxing entity is required to hold a public hearing before the adoption of a tax rate which exceeds the preceding year's rate. However, while the Texas Constitution allows taxing entities to exclude new or annexed property from the calculation of the preceding year's levy, the Tax Code prohibits the consideration of new or annexed property. S.B. 693 would fix the conflict between sections in the law and clarify the effective tax rate changes which require public hearings.

PURPOSE

As proposed, S.B. 693 clarifies the effective tax rate changes which require public hearings.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 26.04(e), Tax Code, to require the designated officer to notify each property owner in the unit that the adoption of the effective tax rate would change the total property taxes levied in the unit in comparison with the previous year's levy. Makes conforming changes.

SECTION 2. Amends Section 26.05(d), Tax Code, to prohibit a governing body from adopting a tax rate which exceeds the effective tax rate calculated as provided by Section 26.04, rather than one which exceeds last year's levy, until the governing body, rather than it, has completed certain actions.

SECTION 3. Amends Sections 26.06(a), (b), (d), and (e), Tax Code, to prohibit a public hearing required by Section 26.05 on a proposed tax increase before a certain deadline. Sets forth changes to required public statement regarding a hearing on tax increase: specifies that properties on the tax roll in the preceding year are the subject of the hearing's proposal; provides that property owners' individual taxes are subject to increase at a greater or lesser rate, or even decrease, depending on changes in the taxable value of property; and provides that the public statement show how each member of the governing body voted on the proposal to consider the tax increase, rather than the increase in total tax revenues. Requires the governing body to give notice of a certain meeting. Deletes text regarding increasing total tax revenues. Makes conforming changes.

SECTION 4. Amends Section 25.19(b), Tax Code, to require the chief appraiser to include a statement prohibiting the governing body from adopting a tax revenue rate increase for operating purposes from properties taxed in, rather than above tax revenues for, the proceeding year without previous public notification.

SECTION 5. (a) Effective date: September 1, 1999.

(b) Provides that this Act applies only to an ad valorem tax rate beginning on or after January 1, 2000, except as provided by Subsection (c).

(c) Provides that this Act applies to an ad valorem tax rate adopted by a taxing unit for the 1999 tax year, unless the taxing unit takes certain actions before this Act's effective date.

SECTION 6. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 26.04(e), Tax Code, to include a statement regarding the tax rate in the list of information concerning which the designated officer or employee is required to notify each property owner in the unit.

SECTIONS 2-6.

Redesignated from SECTIONS 1-5.