

BILL ANALYSIS

Senate Research Center

H.B. 3189
By: Howard, Charlie (Hegar)
Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

One of the more persistent complaints about increasing tax rates under the current property tax system is that the notice of the public hearings related to tax rate increases has become so complicated that many taxpayers no longer pay attention to it. During the 79th Legislature, Regular Session, 2005, two bills that were enacted made conflicting amendments to the language required for the notice, further compounding this problem. A return of the notice to a simpler form may be closer to the notice's original intent and a more useful document for taxpayers.

H.B. 3189 requires the governing body of a taxing unit to publish a notice of public hearings if it proposes to adopt a tax rate that is higher than its effective tax rate or rollback tax rate.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 26.06(b), Tax Code, as amended by Chapter 807, Acts of the 79th Legislature, Regular Session, 2005, to require a notice of public hearing on tax increase to state that two public hearings, rather than a hearing, on such a proposal will be held, and sets forth the substantial language to be used on such a notice. Deletes existing text requiring the notice to contain certain information regarding taxation on residence homesteads in the taxing unit.

SECTION 2. Amends Section 26.06(d), Tax Code, to require the governing body of a taxing unit to give notice of the meeting at which it will vote on the proposed tax rate, and for that notice to include information in a certain format regarding the total tax revenue proposed to be raised at last year's tax rate, the total tax revenue proposed to be raised this year at the proposed tax rate, both including and excluding the tax revenue to be raised from new property added to the tax roll for this year, and the date, location, including mailing address, and time of the meeting, rather than the time and meeting place. Makes conforming changes.

SECTION 3. Repealer: Section 26.06(b), Tax Code, as amended by Chapter 1368, Acts of the 79th Legislature, Regular Session, 2005.

SECTION 4. (a) Makes application of Sections 26.06(b) and (d), Tax Code, as amended by this Act, prospective to tax year 2007 and subsequent tax years, except as provided by Subsection (b).

(b) Makes application of Sections 26.06(b) and (d), Tax Code, as amended by this Act, prospective to tax year 2008 and subsequent tax years if the taxing unit published the notice required by either subsection, as applicable, before the effective date of this Act.

SECTION 5. Effective date: upon passage or September 1, 2007.