

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 2  
By: Bettencourt et al.  
Property Tax  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Property Tax Reform and Relief Act of 2019 has four main goals: (1) lower the rollback rate from 8 percent to 2.5 percent for the largest taxing units in the state; (2) require an automatic tax ratification election if the rollback rate is exceeded, eliminating the petition requirement in current statute; (3) make information about the tax rates proposed by local taxing units more accessible to property owners and more timely; and (4) make it easier for property owners to express their opinions about proposed tax rates to local elected officials before tax rates are adopted.

Under current law, voters in any taxing unit may petition for a rollback election when the taxing unit adopts a total tax rate that includes an increase of more than 8 percent in the effective maintenance and operation rate. For taxing units that collect more than \$15 million in property tax levy plus sales tax, S.B. 2 lowers the 8 percent threshold to 2.5 percent and requires an automatic rollback election if the taxing unit adopts a tax that exceeds the 2.5 percent threshold. Taxing units that collect no more than \$15 million in property tax levy and sales tax remain at the current 8 percent threshold and retain the current petition requirement for a rollback election.

S.B. 2 renames the effective tax rate as the "No-New-Revenue tax rate" so that property owners and local elected officials can better understand and utilize this benchmark for evaluating the tax rates proposed by local taxing units. The calculation currently referred to as the effective tax rate, and which S.B. 2 renames the No-New-Revenue tax rate, is required by Article 8, Section 21 of the Texas Constitution.

S.B. 2 creates a new, online "real-time tax rate notice" to inform property owners of the tax rates proposed by their local taxing units. The real-time tax rate notice is analogous to the notice of appraised value that property owners receive each spring under current law and will be available at a website that allows property owners to enter their address and then view a tax rate notice customized to their property. The notice will display each taxing unit in which the property is located, as well as the proposed tax rate, no-new-revenue tax rate, and rollback tax rate for each taxing unit. The notice will also display the taxable value of the property and will calculate the amount of property tax that would be imposed on the property at the proposed tax rate, the no-new-revenue tax rate, and the rollback tax rate. The real-time tax notice will provide an email address for each local government within which a property is located so that property owners can express their support or opposition for the tax rates proposed by those local governments and, most importantly, will be available online in time for property owners to express their support or opposition for the proposed tax rates before those rates are adopted.

S.B. 2 also revises and reformats the tax notice required by Section 26.06, Tax Code, to increase the understandability and usefulness of the notice to taxpayers. For example, the notice will clearly state whether or not the proposed tax rate represents a tax increase and whether or not a rollback election will be held if the taxing unit adopts the proposed tax rate. The notice will also display a table comparing, both in dollar values and percentage change, (i) the property tax on the average homestead in the taxing unit last year to (ii) the property tax that would be imposed on the average homestead in the taxing unit this year at the proposed tax rate and the equivalent tax rate, so that property owners can clearly see whether the proposed tax rate represents a tax increase or decrease and the magnitude of the change.

To ensure compliance, S.B. 2 prohibits a local taxing unit from adopting a tax rate if the unit has not complied with procedures required by law that relate to accuracy, notification and transparency in the property tax process. S.B. 2 strengthens taxpayer remedies, in the form of an injunction, if taxing units fail to comply with those requirements.

S.B. 2 makes several reforms to the appraisal review process. In counties with populations of one million or more, S.B. 2 establishes specialized Appraisal Review Board (ARB) panels to hear protests for different categories of commercial properties that exceed \$50 million in value. The bill clarifies that a majority vote by ARB members is binding for decisions and thus prohibits ARB panels from requiring a unanimous vote. S.B. 2 also eliminates Sunday ARB hearings and requires evening hearings to be scheduled to begin between 5 p.m. and 7 p.m. The bill sets the statutory deadline for filing all property tax protests to May 15, regardless of the type of property, and requires all appraisal districts to follow appraisal manuals issued by the Texas Comptroller. Finally, S.B. 2 eliminates the ability of local governments to challenge the value of an entire class of properties.

S.B. 2 also creates a Property Tax Administration Advisory Board in the Texas Comptroller's office to oversee the entire property tax process.

S.B. 2 creates changes relating to both the rollback tax rate calculation and ballot language for ISD's, including adjustments to the school district rollback tax rate calculation to reflect the 2.5 percent revenue cap recommendation in the Public School Finance Commission Report. The bill also modifies the required ballot language if an election is required due to a district wishing to exceed the 2.5 percent revenue increase.

As proposed, S.B. 2 amends current law relating to ad valorem taxation.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the comptroller of public accounts of the State of Texas (comptroller) in SECTIONS 5, 10, 29, and 36 (Sections 5.043, 5.104, 26.04, and 26.05, Tax Code) of this bill.

Rulemaking authority previously granted to an appraisal review board is modified in SECTION 57 (Section 41.71, Tax Code) of this bill.

Rulemaking authority previously granted to the comptroller is modified in SECTIONS 9 and 64 (Sections 5.102 and 403.302, Tax Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Provides that this Act may be cited as the Texas Property Tax Reform and Relief Act of 2019.

SECTION 2. Amends Section 1.085(a), Tax Code, as follows:

(a) Authorizes any notice, rendition, application form, or completed application, or information requested under Section 41.461(a)(2) (relating to a property owner's ability to inspect and obtain certain information), 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 a person designated by a property owner under Section 1.111(f) (relating to delivery of notices to a specified person rather than a property owner) to be delivered in an electronic format if the chief appraiser and the property owner or person designated by the owner agree under this section. Makes a nonsubstantive change.

SECTION 3. Amends Chapter 5, Tax Code, by adding Section 5.01, as follows:

Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD. (a) Requires the comptroller of public accounts of the State of Texas (comptroller) to 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 and local tax offices. Authorizes the advisory board to make recommendations to the comptroller regarding improving the effectiveness and efficiency of the property tax system, best practices, and complaint resolution procedures.

(b) Provides that the advisory board is composed of at least six members appointed by the comptroller and sets forth guidelines regarding the composition of the board.

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

(d) Requires any advice provided by a member of the advisory board to the comptroller relating to a matter described by Subsection (a) to be provided at a meeting called by the comptroller.

(e) Provides that Chapter 2110 (State Agency Advisory Committees), Government Code, does not apply to the advisory board.

SECTION 4. Amends Sections 5.041(b), (c), and (e-1), Tax Code, as follows:

(b) Requires the course established under Subsection (a) (relating to training of appraisal review board members) to provide at least eight hours of classroom training and education.

(c) Authorizes the comptroller to assess a fee not to exceed \$50 per person trained if the training is provided to an individual other than a member of an appraisal review board.

(e-1) Requires a continuing education course for members of an appraisal review board to provide at least four hours of classroom training and education.

SECTION 5. Amends Chapter 5, Tax Code, by adding Section 5.043, as follows:

Sec. 5.043. TRAINING OF ARBITRATORS. (a) Provides that this section applies only to persons who have agreed to serve as arbitrators under Chapter 41A (Appeal Through Binding Arbitration).

(b) Requires the comptroller to approve curricula and provide an arbitration manual and other materials for use in training and educating arbitrators, to make all materials for use in training and educating arbitrators freely available online, and to establish and supervise a training program on property tax law for the training and education of arbitrators.

(c) Requires the training program to emphasize the requirements regarding the equal and uniform appraisal of property, and to be at least four hours in length.

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

(e) Authorizes the comptroller to contract with service providers to assist with the duties imposed under Subsection (b), but prohibits the training program from being 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. Authorizes the comptroller to assess a fee to recover a portion of the costs incurred for the training program, but prohibits the fee from exceeding \$50 for each person trained.

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

SECTION 6. Amends Section 5.05, Tax Code, by adding Subsection (c-1) to require an appraisal district to appraise property in accordance with any appraisal manuals prepared and issued by the comptroller under this section.

SECTION 7. Amends Section 5.07, Tax Code, by adding Subsections (f), (g), (h), and (i), as follows:

(f) Requires the comptroller to 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 (Assessment); and

(2) school district to calculate and submit the no-new-revenue tax rate, the rollback tax rate, and 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) Provides that the forms described by Subsection (f) must be in an electronic format and meet certain requirements.

(h) Requires the comptroller, for purposes of Subsections (f) and (g), to use the forms published on the comptroller's Internet website as of January 1, 2019, modified as necessary to comply with the requirements of those subsections. Requires the comptroller to update the forms as necessary to reflect any change in the values used to calculate a tax rate resulting from a statutory change in a value used to calculate a tax rate. Authorizes the comptroller to also update the forms to reflect formatting or other nonsubstantive changes.

(i) Authorizes the comptroller to revise the forms to reflect statutory changes other than those described by Subsection (h) or on receipt of a request in writing. Requires a revision under this subsection to 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. Requires the members of the committee to represent, equally, taxpayers and either taxing units or persons designated by taxing units. Requires the person requesting the revision, in the case of a revision for which the comptroller receives a request in writing, to pay the costs of mediation if the comptroller determines that mediation is required.

SECTION 8. Amends Section 5.091, Tax Code, as follows:

Sec. 5.091. STATEWIDE LIST OF TAX RATES. (a) Requires the comptroller to prepare a list each year that includes the total tax rate imposed by each taxing unit in this state, as reported to the comptroller by each appraisal district, for the year, rather than for the year preceding the year, in which the list is prepared. Deletes text excluding a school district from the list. Requires the comptroller to:

(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. Deletes existing text requiring the comptroller to list the tax rates in descending order.

(b) Requires the comptroller to publish on the comptroller's Internet website the list required by Subsection (a) not later than January 1 of the following year, rather than December 31 of each year.

SECTION 9. Amends Sections 5.102(a) and (c), Tax Code, as follows:

(a) Requires the comptroller, at least once every two years, to 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 appraisal manuals prepared and issued by the comptroller. Authorizes the comptroller by rule, after consultation with the property tax administration advisory board, rather than the advisory committee created under Section 403.302 (Determination of School District Property Values), Government Code, to establish procedures and standards for conducting and scoring the review.

(c) Makes a conforming change.

SECTION 10. Amends Chapter 5, Tax Code, by adding Section 5.104, as follows:

Sec. 5.104. APPRAISAL REVIEW BOARD SURVEY; REPORT. (a) Requires the comptroller to prepare an appraisal review board survey form that allows an individual described by Subsection (b) to submit comments and suggestions to the comptroller regarding an appraisal review board and instructions for completing and submitting the form.

(b) Authorizes certain individuals to complete and submit a survey form under this section.

(c) Requires the survey form to allow an individual to submit comments and suggestions regarding the matters listed in Section 5.103(b) (relating to required elements of model hearing procedures), and any other matter related to the fairness and efficiency of the appraisal review board.

(d) Requires an appraisal district to provide the survey form and the instructions for completing and submitting the form to each property owner or designated agent of the owner at or before each hearing conducted under Section 25.25 (Correction of Appraisal Roll) or Chapter 41 (Local Review) by the appraisal review board established for the appraisal district or by a panel of the board.

(e) Requires an individual who elects to submit the survey form to submit the form to the comptroller as provided by this section. Prohibits an appraisal district from accepting a survey form submitted under this section. Provides that an individual may submit only one survey form for each motion or protest.

(f) Requires the comptroller to allow an individual to submit a survey form to the comptroller in person, by mail, by electronic mail, or through a web page on the comptroller's Internet website that allows the individual to complete and submit the form.

(g) Prohibits an appraisal district from requiring a property owner or the designated agent of the owner to complete a survey form at the appraisal office in order to be permitted to submit the form to the comptroller.

(h) Requires a property owner, the designated agent of the owner, or a designated representative of an appraisal district who elects to submit a survey form to submit the form not later than the 45th day after the date the form is provided to the owner or agent under Subsection (d).

(i) Requires the comptroller to issue an annual report that summarizes the information included in the survey forms submitted during the preceding year. Prohibits the report from disclosing the identity of an individual who submitted a survey form.

(j) Authorizes the comptroller to adopt rules necessary to implement this section.

SECTION 11. Amends Section 5.13(d), Tax Code, as follows:

(d) Requires the comptroller, in conducting a general audit, to 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 appraisal manuals prepared and issued by the comptroller;

(2)–(4) Makes no changes to these subdivisions; and

(5) Makes a nonsubstantive change.

SECTION 12. Amends Section 6.035(a-1), Tax Code, to decrease from five to three years the period of time after an individual engages in certain business or representation for compensation in an appraisal district during which that individual is ineligible to serve on the board of directors of the appraisal district.

SECTION 13. Amends Section 6.05, Tax Code, by adding Subsection (k), as follows:

(k) Requires the chief appraiser to establish an office of tax notices in the appraisal district. Provides that the office is responsible for delivering the notice required by Section 26.04(e-2) and creating and maintaining the database required by Section 26.17. Provides that the office is administered by the tax notice officer, who is appointed by and serves at the pleasure of the chief appraiser. Authorizes the chief appraiser to designate other personnel to assist the tax notice officer in performing the functions of the office. Requires an office to identify itself in all communications as that county's County Office of Tax Notices, rather than as the appraisal district.

SECTION 14. Amends Section 6.15, Tax Code, by adding Subsection (c-1) to provide that 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. Amends Section 6.41, Tax Code, by amending Subsections (b) and (d-9) and adding Subsections (b-1), (b-2), and (d-10), as follows:

(b) Creates an exception under Subsection (b-1) or (b-2) to the requirement that an appraisal review board consist of three members.

(b-1) Makes nonsubstantive changes.

(b-2) Requires 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 to 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) Requires the local administrative district judge, in selecting individuals who are to serve as members of the appraisal review board for an appraisal district described by Subsection (b-2), to 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) Creates this subdivision from existing text.

SECTION 16. Amends Sections 6.412(a) and (d), Tax Code, as follows:

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

(1) and (2) Makes no changes to these subdivisions;

(3) is related within the third degree by consanguinity or within the second degree by affinity, as determined under Chapter 573 (Degrees of Relationship; Nepotism Prohibition), Government Code, to a member of the appraisal district's board of directors or the appraisal review board.

(d) Provides that 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) (relating to the appointment of board members by the local administrative district judge in certain counties), rather than a county having a population of more than 100,000, if the person:

(1) Makes no changes to this subdivision;

(2) and (3) Makes nonsubstantive changes; 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. Amends Section 6.414(d), Tax Code, as follows:

(d) Prohibits an auxiliary board member from hearing taxpayer protests before a special panel established under Section 6.425 unless the member is eligible to be appointed to the special panel. Provides that if one or more auxiliary board members sit on a panel established under Section 6.425 or 41.45 (Hearing on Protest) 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.

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

(a) Requires the local administrative district judge under Subchapter D (Administration by County), Chapter 74 (Court Administration Act), Government Code, in the county in which the appraisal district is established, rather than the board of directors of the appraised districts, to select a chairman and a secretary from among the members of the appraisal review board. Provides that the judge, rather than board of directors of the appraisal district, is encouraged to select as chairman a member of the appraisal review board, if any, who has a background in law and property appraisal. Deletes text referring to the appraisal district as being established by resolution. Makes a nonsubstantive change.

(d) Provides that the concurrence of a majority of the members of the appraisal review board or a panel of the board present at a meeting of the board or panel is sufficient for a recommendation, determination, decision, or other action by the board or panel, and prohibits the concurrence of more than a majority of the members of the board or panel from being required.

SECTION 19. Amends Subchapter C, Chapter 6, Tax Code, by adding Section 6.425, as follows:

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

(b) Requires the appraisal review board to establish special panels to conduct protest hearings under Chapter 41 relating to certain property.

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

(d) Requires an appraisal review board member, to be eligible to be appointed to a special panel described by this section, to meet at least one of certain educational and professional requirements.

(e) Authorizes the chairman of the appraisal review board, notwithstanding Subsection (d), to 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 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 if the board member being appointed to the panel holds a bachelor's degree in any field.

(f) Authorizes a special panel, in addition to conducting protest hearings relating to property described by Subsection (b) of this section, to 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. Amends Section 11.4391(a), Tax Code, to require the chief appraiser to accept and approve or deny an application for an exemption for freeport goods under Section 11.251 (Tangible Personal Property Exempt), after the deadline for filing it has passed if it is filed not later than June 1, rather than not later than June 15.

SECTION 21. Amends Sections 22.23(a) and (b), Tax Code, as follows:

(a) Requires rendition statements and property reports to be delivered to the chief appraiser after January 1 and not later than April 1, rather than not later than April 15, except as provided by Section 22.02 (Rendition of Property Losing Exemption During Tax Year or for Which Exemption Application is Denied).

(b) Requires the chief appraiser, on written request by the property owner, to extend a deadline for filing a rendition statement or property report to a date not later than May 1, rather than to May 15.

SECTION 22. Amends Section 23.01(b), Tax Code, to require the market value of property to be determined by the application of generally accepted appraisal methods and techniques, including appraisal methods and techniques prescribed by appraisal manuals prepared and issued by the comptroller.

SECTION 23. Amends Section 25.19, Tax Code, by amending Subsections (a), (b), (g), and (i) and adding Subsections (b-3) and (b-4), as follows:



(a) Requires the chief appraiser, by April 15, rather than April 1, or as soon thereafter as practicable, to deliver a clear and understandable written notice to a property owner of the appraised value of the property owner's property in certain circumstances. Deletes existing text providing April 1 as the deadline if the property is a single-family residence that qualifies for an exemption under Section 11.13 (Residence Homestead) or a May 1 deadline if it is any other property.

(b) Requires the chief appraiser to separate real from personal property and include certain information in the notice for each.

(1)–(4) Makes no changes to these subdivisions;

(5) deletes existing text relating to values greater than in a previous year and redesignated text of existing Subdivision (6) as Subdivision (5); and

(6)–(8) redesignates existing Subdivisions (7) through (9) as Subdivisions (6) through (8).

(b-3) Provides that this subsection applies only to an appraisal district described by Section 6.41(b-2). Requires the chief appraiser, in addition to the information required by Subsection (b), to 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) Provides that 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. Provides that this subsection expires January 1, 2022.

(g) Makes conforming changes.

(i) Provides that delivery with a notice required by Subsection (a) or (g) of a copy of the pamphlet published by the comptroller under Section 5.06 (Explanation of Taxpayer Remedies) or a copy of the notice published by the chief appraiser under Section 41.70 (Public Notice of Protest and Appeal Procedures) is sufficient to comply with the requirement that the notice include the information specified by Subsection (b)(6), rather than (b)(7), or (g)(3), as applicable.

SECTION 24. Amends Section 25.22(a), Tax Code, to require the chief appraiser to submit the completed appraisal records to the appraisal review board for review and determination of protests by May 1, rather than May 15, or as soon thereafter as practicable. Makes nonsubstantive changes.

SECTION 25. Amends Sections 26.01(a) and (e), Tax Code, as follows:

(a) Requires the chief appraiser, by July 10, rather than July 25, to prepare and certify to the assessor for each taxing unit participating in the district that part of the appraisal roll for the district that lists the property taxable by the taxing unit. Provides that the part certified to the assessor is the appraisal roll for the taxing unit. Requires the chief appraiser to consult with the assessor for each taxing unit and to notify each taxing unit in writing by April 1 of the form in which the roll will be provided to each taxing unit.

(e) Requires the chief appraiser, except as provided by Subsection (f), to prepare and certify to the assessor for each county, municipality, and school district participating in the appraisal district an estimate of the taxable value of property in that taxing unit not later than May 15, rather than not later than April 30.

SECTION 26. Redesignates Section 26.012(9), Tax Code, as Section 26.012(18) and amends it to define "no-new-revenue maintenance and operations rate" rather than "effective maintenance and operations rate." Makes a conforming change.

SECTION 27. Amends Section 26.012, Tax Code, by amending Subdivision (10) and adding Subdivision (19), as follows:

(10) Makes nonsubstantive changes.

(19) Defines "small taxing unit" as a taxing unit, other than a school district, for which the sum of certain amounts is \$15 million or less.

SECTION 28. Amends the heading to Section 26.04, Tax Code, to read as follows:

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

SECTION 29. Amends Section 26.04, Tax Code, by amending Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and adding Subsections (c-1), (d-1), (d-2), (d-3), (e-2), (e-3), (e-4), (e-5), (h-1), and (h-2), as follows:

(b) Requires the assessor to 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 July 15, rather than August 1, or as soon thereafter as practicable. Requires the taxing unit's collector to certify the anticipated collection rate as calculated under Subsections (h), (h-1), and (h-2), rather than an estimate of the rate, for the current year to the governing body by July 15, rather than August 1, or as soon thereafter as practicable.

(c) Requires an officer or employee designated by the governing body, 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), to calculate the no-new-revenue, rather than effective, tax rate and the rollback tax rate for the taxing unit, where:

(1) Makes conforming changes.

(2) "Rollback tax rate" means a rate expressed in dollars per \$100 of taxable value calculated according to provided formulas for a small taxing unit and for a taxing unit other than a small taxing unit.

(c-1) Authorizes the governing body of a taxing unit other than a small taxing unit, notwithstanding any other provision of this section, to direct the designated officer or employee to calculate the rollback tax rate of the taxing unit in the manner provided for a small 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. Requires the designated officer or employee to 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.

(d) Makes conforming changes.

(d-1) Requires the designated officer or employee to use the tax rate calculation forms prescribed by the comptroller under Section 5.07 (Property Tax Forms and Records Systems) in calculating the no-new-revenue tax rate and rollback tax rate.

(d-2) Prohibits the designated officer or employee from submitting the no-new-revenue tax rate and the rollback tax rate to the governing body of the taxing unit and prohibits

the taxing unit from adopting 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) Requires the designated officer or employee to 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 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.

(e) Requires the designated officer or employee to submit the rates to the governing body by July 22, rather than August 7, or as soon thereafter as practicable. Makes conforming and nonsubstantive changes. Requires the designated officer or employee, by July 27, to deliver by mail to each property owner in the taxing unit or publish in a newspaper, and to also post prominently on the home page of the taxing unit's Internet website if published in a newspaper, in the form prescribed by the comptroller:

(1) the no-new-revenue 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) through (C) Makes conforming changes;

(4) Makes no changes to this subdivision;

(5) through (7) Makes no changes to these subdivisions.

(e-1) Provides that the tax rate certification requirements imposed by Subsection (d-2) and the notice requirements imposed by Subsections (e)(1)–(6) do not apply to a school district.

(e-2) Requires the tax notice officer of each appraisal district to deliver by regular mail or e-mail, by July 22 or as soon as practicable thereafter, 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 real-time tax database maintained by the tax notice officer under Section 26.17. Sets forth the language and requirements for the notice.

(e-3) Sets forth requirements for the heading of the statement described in (e-2).

(e-4) Authorizes the comptroller to adopt rules regarding the format and delivery of the notice required by Subsection (e-2).

(e-5) Requires the governing body of a taxing unit to 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) Make a conforming change.

(g) Entitles a person who owns taxable property 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 tax notice officer of the applicable appraisal

district, or the taxing unit, as applicable, has not complied with the computation, publication, or posting requirements of this section or Sections 26.16, 26.17, or 26.18. Provides that it is a defense in an action for an injunction under this subsection that the failure to comply was in good faith. Deletes text referencing a failure to comply that was not in good faith. Makes nonsubstantive changes.

(h-1) Provides that, 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) Provides that 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) Makes conforming and nonsubstantive changes.

(j) Makes conforming and nonsubstantive changes.

SECTION 30. Amends Section 26.041, Tax Code, by amending Subsections (a), (b), (c), (e), (g), and (h) and adding Subsection (c-1), as follows:

(a) Sets forth formulas for calculating the no-new-revenue tax rate and the rollback tax rate for a small taxing unit and for a taxing unit other than a small taxing unit in the first year in which an additional sales and use tax is required to be collected. Makes conforming and nonsubstantive changes.

(b) Sets forth formulas for calculating the rollback tax rate for a small taxing unit and for a taxing unit other than a small taxing unit in a year in which a taxing unit imposes an additional sales and use tax, except as provided by Subsections (a) and (c). Makes nonsubstantive changes.

(c) Sets forth formulas for calculating the no-new-revenue tax rate and the rollback tax rate for a small taxing unit and for a taxing unit other than a small taxing unit 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. Makes conforming and nonsubstantive changes.

(c-1) Authorizes the governing body of a taxing unit other than a small taxing unit, notwithstanding any other provision of this section, to direct the designated officer or employee to calculate the rollback tax rate of the taxing unit in the manner provided for a small 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. Requires the designated officer or employee to 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) Makes a conforming change.

(g) and (h) Makes conforming and nonsubstantive changes.

SECTION 31. Amends the heading to Section 26.043, Tax Code, to read as follows:

Sec. 26.043. ROLLBACK AND NO-NEW-REVENUE TAX RATES IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

SECTION 32. Amends Sections 26.043(a) and (b), Tax Code, to make conforming and nonsubstantive changes.

SECTION 33. Amends the heading to Section 26.044, Tax Code, to read as follows:

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

SECTION 34. Amends Sections 26.044(a), (b), and (c), Tax Code, to make conforming and nonsubstantive changes.

SECTION 35. Amends Sections 26.0441(a), (b), and (c), Tax Code, to make conforming changes.

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

(a) Requires the governing board of each taxing unit to adopt a tax rate for the current tax year and to notify the assessor for the taxing unit of the rate adopted. Requires the governing board to 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 before August 15. Makes nonsubstantive changes.

(b) Makes conforming and nonsubstantive changes.

(c) Makes a conforming change.

(d) Makes conforming changes.

(d-1) Prohibits the governing body of a taxing unit from holding a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the 14th day after the date the officer or employee designated by the governing body of the taxing unit to calculate the no-new-revenue tax rate and the rollback tax rate for the taxing unit complies with Section 26.17.

(d-2) Prohibits the governing body of a taxing unit other than a school district, notwithstanding Subsection (a), from adopting a tax rate until certain actions have been completed.

(e) Entitles a person who owns taxable property 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. Deletes existing text providing the entitlement is limited to circumstances in which the failure to comply was not in good faith. Provides that it is a defense in an action for an injunction under this subsection that the failure to comply was in good faith. Requires that an action to enjoin the collection of taxes be filed not later than the 15th day after the date the taxing unit adopts a tax rate. Provides that a property owner is not required to pay 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. Entitles the property owner to a refund of the taxes paid, together with reasonable attorney's fees and court costs if the property owner pays the taxes and subsequently prevails in the action. Provides that the property owner is not required to apply to the collector for the taxing unit to receive the refund. Deletes text specifying a deadline to enjoin the collection of taxes.

(e-1) Prohibits the governing body of a taxing unit that imposes an additional sales and use tax from adopting 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 published under Section 26.04(e)(3)(C) as required by Subsection (a)(1) of this section. Requires the comptroller to adopt rules governing the form of the certification required by this subsection and the manner in which it is required to be submitted.

(g) Makes a conforming change.

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

(e) Makes conforming and nonsubstantive changes.

(f) Requires a taxing unit to which this section applies that elects to provide public notice of its proposed tax rate under Subsection (c)(2) (relating to notice of a proposed tax rate published in a newspaper of general circulation) to 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. Amends Section 26.06, Tax Code, by amending Subsections (b), (c), (d), and (e) and adding Subsections (b-1), (b-2), (b-3) and (b-4), as follows:

(b) Deletes existing text providing required language for the form required for notice of a public hearing.

(b-1) Requires the notice, if the proposed tax rate exceeds the no-new-revenue tax rate and the rollback tax rate of the taxing unit, to contain a statement in a required form and sets forth the language of that form.

(b-2) Requires the notice, if the proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the rollback tax rate of the taxing unit, to contain a statement in a required form and sets forth the language of that form.

(b-3) Requires the notice, if the proposed tax rate does not exceed the no-new-revenue tax rate but does exceed the rollback tax rate of the taxing unit, to contain a statement in a specified form and sets forth required language of those statements.

(b-4) Requires the notice, in addition to including the information described by Subsection (b-1), (b-2), or (b-3), as applicable, to include the information described by Section 26.062.

(c) Requires the taxing unit, if a taxing unit publishes the notice of a public hearing required under this section in a newspaper, to post the notice prominently on the home page of the Internet website of the taxing unit from the date the notice is first published until the second public hearing is concluded. Deletes existing text only requiring taxing units that operate a website to post the notice on the website. Makes a nonsubstantive change.

(d) Makes a conforming change.

(e) Prohibits the meeting to vote on the tax increase from being earlier than third day or later than the seventh day, rather than later than the 14th day, after the date of the second public hearing. Makes conforming changes.

SECTION 39. Amends Chapter 26, Tax Code, by adding Sections 26.061 and 26.062, 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) Provides that 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) Requires the notice of the meeting at which the governing body of the taxing unit will vote on the proposed tax rate to contain a statement in a certain form and sets forth the language of that form.

(c) Requires the notice to include information described by Section 26.062, in addition to the information described by Subsection (b).

Sec. 26.062. ADDITIONAL INFORMATION TO BE INCLUDED IN TAX RATE NOTICE. (a) Requires a notice, in addition to the information described by Section 26.06(b-1), (b-2), or (b-3) or 26.061, as applicable, to include at the end of the notice certain statements and a table, and sets forth the suggested language.

(b) through (g) Sets forth the required format of the table required under this section.

(h) Requires any residence homestead exemption available only to disabled persons, persons 65 years of age or older, or their surviving spouses to be disregarded 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).

SECTION 40. Amends Section 26.065(b), Tax Code, to require the taxing unit to 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, rather than requiring only taxing units that operate a Internet website to post the required public notice on the taxing unit's website home page.

SECTION 41. Amends the heading to Section 26.08, Tax Code, to read as follows:

Sec. 26.08. ELECTION TO APPROVE TAX RATE OF TAXING UNIT.

SECTION 42. Amends Section 26.08, Tax Code, by amending Subsections (a), (b), (d), (d-1), (d-2), (e), (g), (h), (i), (n), and (p) and adding Subsections (b-1) and (q), as follows:

(a) Requires the registered voters of the taxing unit, rather than the registered voters of a school district, to determine whether to approve the adopted tax rate if the governing body of a taxing unit adopts a tax rate that exceeds the taxing unit's rollback tax rate at an election held for that purpose. Provides that 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 declares 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. Deletes existing text exempting a school district from the election requirement under this section if the governor requests federal disaster assistance for the area in which the school district is located. Makes conforming changes.

(b) Provides that this subsection applies only to a taxing unit other than a school district. Requires the governing body to order that the election be held in the taxing unit on the

uniform election date prescribed by Section 41.001 (Uniform Election Dates), Election Code, that occurs in November of the applicable tax year, rather than on a date not less than 30 or more than 90 days after the day on which it adopted the tax rate. Prohibits the order calling the election from being issued later than August 15. Deletes text providing that this provision does not apply to the election unless a date specified by that section falls within the time permitted by this section. Changes the ballot language to reference the name of the taxing unit rather than the school district.

(b-1) Provides that this subsection applies only to a school district. Requires the governing body of a school district to order that the election be held in the school district on the uniform election date prescribed by Section 41.001, Election Code, that occurs in November of the applicable tax year. Prohibits the order calling the election from being issued later than August 15. Requires the ballots, at the election, to be prepared to permit voting for or against the proposition and sets forth the language of the ballot. Requires the ballot proposition to include the adopted tax rate and the difference between that rate and the rollback tax rate in the appropriate places.

(d), (d-1), and (d-2) Makes conforming changes.

(e) Makes a nonsubstantive change.

(g) Provides that in a school district that received distributions from an equalization tax imposed under former Chapter 18, Education Code, the no-new-revenue tax rate, rather than the effective rate, of that tax as of the date of the county unit system's abolition is added to the district's rollback tax rate.

(h) Makes nonsubstantive changes.

(i) Changes a reference to the effective maintenance and operations tax rate of a school district to the no-new-revenue maintenance and operations tax rate.

(n) Provides that for purposes of this section, the rollback tax rate of a school district is the sum of:

(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 1.025; and

(2) the district's current debt rate.

Deletes existing text providing that the provision of this subsection apply only to certain school districts and text providing formulas for determining the roll back tax rate for the 2006 tax year and for the 2007 and subsequent tax years.

(p) Provides that notwithstanding Subsections (i) and (n), rather than Subsections (i), (n), and (o), if for the preceding tax year a school district adopted a maintenance and operations tax rate that was less than the district's no-new-revenue maintenance and operations tax rate for that preceding tax year, the rollback tax rate of the district for the current tax year is calculated as if the district adopted a maintenance and operations tax rate for the preceding tax year that was equal to the district's no-new-revenue maintenance and operations tax rate for that preceding tax year. Makes conforming changes.

(q) Provides that except as otherwise expressly provided by law, this section does not apply to a tax imposed by a taxing unit if a provision of an uncodified local or special law enacted by the 86th Legislature, Regular Session, 2019, or by an earlier legislature provides that former Section 26.07 (Election to Repeal Increase) does not apply to a tax imposed by the taxing unit.

SECTION 43. Amends the heading to Section 26.16, Tax Code, to read as follows:



Sec. 26.16. POSTING OF TAX-RELATED INFORMATION ON COUNTY'S INTERNET WEBSITE.

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

(a) Requires each county to maintain an Internet website. Requires the county assessor-collector for each county to post on the Internet website maintained by the county the following information for the most recent five tax years, rather than beginning with the 2012 tax year, for each taxing unit all or part of the territory of which is located in the county:

(1)–(3) Makes no changes to these subdivisions.

(4) the no-new-revenue, rather than the effective, tax rate;

(5) the no-new-revenue, rather than the effective, maintenance and operations rate; and

(6) Makes no changes to this subdivision.

(a-1) Provides that 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. Provides that this subsection expires January 1, 2026.

(d) Changes the required statement that the county assessor-collector is required to post immediately below the table prescribed by Subsection (c) (relating to a required table under the heading "Truth in Taxation Summary") to delete existing text authorizing the voters of a taxing unit other than a school district to by petition require a rollback election if the unit adopts a tax rate in excess of the unit's rollback tax rate. Replaces references to effective tax rate with no-new-revenue tax rate, and references to the district with a taxing unit, in the statement language.

(d-1) Requires the county assessor-collector, in addition to posting the information described by Subsection (a), to 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) Requires the county assessor-collector to post on the website the tax rate calculation forms described by Subsection (d-1)(1) for the current tax year not later than August 1.

SECTION 45. Amends Chapter 26, Tax Code, by adding Sections 26.17 and 26.18, as follows:

Sec. 26.17. REAL-TIME TAX DATABASE. (a) Requires the tax notice officer of each appraisal district to create and maintain a database that:

(1) is identified by the name of the office of tax notices, instead of the name of the appraisal district, and as the "Real-Time Tax Database";

(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 rules adopted 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.

(b) Requires the database to be capable of generating, with respect to each property listed on the appraisal roll for the appraisal district, a real-time tax notice that includes certain information.

(c) Requires the address of the Internet website at which the information contained in the database may be found to be in a specified or a substantially similar form.

(d) Requires the database to 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. Requires a certain statement to precede the link and sets forth required language for the statement.

(e) Requires the database to include a certain definition of the no-new-revenue tax rate and sets forth required language for the definition.

(f) Requires the officer or employee designated by the governing body of each taxing unit to calculate the no-new-revenue tax rate and the rollback tax rate for the taxing unit to electronically:

(1) enter in the database the information described by Subsection (b) as the information becomes available; and

(2) incorporate into the database the completed 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).

(g) Requires the e-mail address described by Subsection (b)(14) to be accompanied by a certain statement and sets forth required language for the statement.

(h) Requires each taxing unit to establish an e-mail address for the purpose described by Subsection (b)(14).

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

**SECTION 46.** Amends Sections 31.12(a) and (b), Tax Code, as follows:

(a) Adds Section 26.08(d-2) to the list of certain taxes that may be refunded with no interest due on the amount refunded if the refund is paid by a specified date. Deletes existing text including Section 26.07(g) among the sections providing for a refund of such taxes.

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

(1) Makes a nonsubstantive change.

(2) if the refund is required by Section 26.08(d-2), rather than Section 26.07(g), on the date the subsequent tax rate is adopted, rather than on the date the results of the election to reduce the tax rate are certified;

(3) Makes no changes to this subdivision.

(4) Makes a nonsubstantive change.

(5) and (6) Makes no changes to these subdivisions.

SECTION 47. Amends Section 33.08(b), Tax Code, to include Section 26.08(d-1) among the sections under which the governing body of the taxing unit or appraisal district is, in the manner required by law for official action, authorized to provide that taxes that become delinquent on or after June 1 incur an additional penalty to defray costs of collection.

SECTION 48. Amends Section 41.03(a), Tax Code, as follows:

(a) Entitles a taxing unit to challenge before the appraisal review board:

(1) Deletes existing text of Subdivision (1) and redesignates existing Subdivisions (2) through (5) as Subdivisions (1) through (4).

SECTION 49. Amends Section 41.12(a), Tax Code, to change the deadline by which the appraisal review board is required to take meet certain actions regarding challenges from July 20 to July 5.

SECTION 50. Amends Section 41.44(d), Tax Code, to require a form providing notice of protest to 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 if the property is included in a classification described by Section 6.425(b).

SECTION 51. Amends Section 41.45, Tax Code, by amending Subsection (d) and adding Subsections (d-1), (d-2), and (d-3), as follows:

(d) Provides that this subsection does not apply to a special panel established under Section 6.425. Deletes existing text requiring the determination of a protest heard by a panel to be made by the appraisal review board. Deletes existing text that requires the appraisal review board, before determining a protest or conducting a rehearing before a new panel or the appraisal review board, to deliver notice of the hearing or meeting to determine the protest in accordance with the provisions of this subchapter. Makes a nonsubstantive change.

(d-1) Requires an appraisal review board to which Section 6.425 applies to sit in special panels established under that section to conduct protest hearings. Authorizes a special panel to 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). Authorizes the appraisal review board, if the recommendation of a special panel is not accepted by the appraisal review board, to 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, authorizes the appraisal review board to determine the protest.

(d-2) Requires the appraisal review board to make the determination of a protest heard by a panel under Subsection (d) or (d-1).

(d-3) Requires the appraisal review board to 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 52. Amends Section 41.46(a), Tax Code, to require the appraisal review board before which a protest hearing is scheduled to deliver written notice to the property owner initiating a protest of the date, time, place, and subject matter of the hearing on the protest and of the property 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. Makes nonsubstantive changes.

SECTION 53. Amends 41.461, Tax Code, as follows:

Sec. 41.461. New heading: NOTICE OF CERTAIN MATTERS BEFORE HEARING; DELIVERY OF REQUESTED INFORMATION. (a) Requires the chief appraiser, at least 14 days before the first scheduled hearing on a protest, to:

(1) deliver a copy of the pamphlet prepared by the comptroller under Section 5.06, rather than 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, rather than may inspect and may obtain, a copy of the data, schedules, formulas, and all other information the chief appraiser will introduce at the hearing to establish any matter at issue; and

(3) Makes no changes to this subdivision.

(b) Prohibits the chief appraiser from charging a property owner or the designated agent of the owner for copies provided to the owner or designated agent under this section, regardless of the manner in which the copies are prepared or delivered. Deletes existing text relating to prohibiting charges for copies from exceeding certain limits.

(c) Requires a chief appraiser to deliver information requested by a property owner or the agent of the owner under Subsection (a)(2) through certain methods.

(d) Requires the notice to 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, if a chief appraiser provides a property owner or the agent of the owner information under Subsection (c)(3) (regarding delivery of requested information through a secure Internet website). Requires the chief appraiser to provide 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.

SECTION 54. Amends Section 41.47, Tax Code, by adding Subsections (c-2) and (f) and amending Subsection (e), as follows:

(c-2) Prohibits the appraisal review board from determining 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 (Submission for Review and Protest) or 25.23 (Supplemental Appraisal Records).

(e) Requires the notice of the issuance of the order to 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, rather than board's decision, to district court. Makes nonsubstantive changes.

(f) Requires an appraisal review board to take the actions required by Subsections (a) and (d) not later than the 15th day after the date the hearing on the protest is concluded.

SECTION 55. Amends Section 41.66, Tax Code, by amending Subsections (h), (i), (j), and (k) and adding Subsections (j-1), (k-1), and (p), as follows:

(h) Requires the appraisal review board to 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.

(i) Makes conforming changes.

(j) Requires an appraisal review board to schedule hearings on protests concerning up to 20 designated properties to be held consecutively on the same day, on the request of a property owner or the designated agent of the owner. Authorizes a property owner or the designated agent of the owner to file more than one request under this subsection with the appraisal review board in the same tax year and deletes existing text prohibiting such action. Makes conforming changes.

(j-1) Authorizes an appraisal review board to schedule the hearings on all protests filed by a property owner or the designated agent of the owner to be held consecutively. Requires the notice of the hearings to 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. Prohibits the order of the hearings listed in the notice from being changed without the agreement of the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. Prohibits the appraisal review board from rescheduling 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. Requires the appraisal review board to 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, unless agreed to by the parties.

(k) Provides that this subsection does not apply to a special panel established under Section 6.425. Makes conforming changes.

(k-1) Requires an appraisal review board to which Section 6.425 applies to assign a protest relating to property described by Section 6.425(b) to a special panel on the request of a property owner or the designated agent of the owner. Authorizes the chairman of the appraisal review board to assign a protest relating to property not described by Section 6.425(b) to a special panel as authorized by Section 6.425(f). Requires protests assigned to special panels to be randomly assigned to those panels. Prohibits the protest from being reassigned to another special panel without the consent of the property owner or the designated agent of the owner, if a protest is scheduled to be heard by a particular special panel. Authorizes a property owner or the designated agent of the owner to agree to reassignment of the protest or to request that the hearing on the protest be postponed, if the board has cause to reassign a protest to another special panel. Requires to the board to postpone the hearing on that request. Provides that 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) Requires the appraisal review board, at the end of a hearing on a protest, to 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 56. Amends Section 41.67(d), Tax Code, to prohibit information that was previously requested under Section 41.461 by the protesting party that was not delivered, rather than not made available, to the protesting party at least 14 days before the scheduled or postponed hearing from being used or offered in any form as evidence in the hearing, including as a document or through argument or testimony.

SECTION 57. Amends Section 41.71, Tax Code, as follows:

Sec. 41.71. EVENING AND WEEKEND HEARINGS. (a) Creates this subsection from existing text. Requires an appraisal review board by rule to provide for hearings on protests on a Saturday or after 5 p.m. on a weekday. Deletes the requirement for an appraisal review board to provide for hearings on protests in the evening and on a Sunday.

(b) Prohibits the board from scheduling the first hearing on a protest held on a weekday evening to begin after 7 p.m., or scheduling a hearing on a protest on a Sunday.

SECTION 58. Amends Section 41A.06(b), Tax Code, as follows:

(b) Requires a person to complete the course for training and education of appraisal review board members established under Section 5.041 (Training of Appraisal Review Board Members) and be issued a certificate indicating course completion and to complete the training program on property tax law for the training and education of arbitrators established under Section 5.043 in order to initially qualify to serve as an arbitrator under this chapter. Creates a new subdivision from existing text.

SECTION 59. Amends Section 41A.061(b), Tax Code, to require a person to continue to meet the requirements provided by Sections 41A.06(b)(1) and (4), rather than Section 41A.06(b), to renew the person's agreement to serve as an arbitrator.

SECTION 60. Amends Section 41A.07, Tax Code, by amending Subsections (e), (f), and (g) and adding Subsection (h), as follows:

(e) Requires that the arbitrator, to be eligible for appointment as an arbitrator under this section, rather than under Subsection (a), reside in in this state. Deletes existing text relating to the residency requirements in certain counties.

(f) and (g) Makes conforming changes.

(h) Authorizes a property owner to request, that in appointing an initial arbitrator under this section (Appointment of Arbitrator), 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. Requires the comptroller, in appointing an initial arbitrator under Subsection (a), to 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. Requires the comptroller to consider but provides that the comptroller is not required to comply with the request of the property owner in appointing a substitute arbitrator under Subsection (d). Provides that this subsection does not authorize a property owner to request the appointment of a specific individual as an arbitrator.

SECTION 61. Amends Section 41A.09(b), Tax Code, to make a conforming change.

SECTION 62. Amends Section 45.105(e), Education Code, to change a reference to the effective tax rate to a reference to the no-new-revenue tax rate for the amount of local tax funds derived from the percentage of local tax levy dedicated to a junior college district.

SECTION 63. Amends Section 130.016(b), Education Code, as follows:

(b) Provides that if the board of trustees of an independent school district that divests itself of the management, control, and operation of a junior college district under this section or under Section 130.017 was authorized by Section 45.105(e) or under former Section 20.48(e), to dedicate a portion of its tax levy to the junior college district before the divestment, the junior college district may levy an ad valorem tax from and after the divestment. Provides that in subsequent years, the tax rate of the junior college district is subject to Section 26.08, rather than Section 26.07, Tax Code. Makes conforming and nonsubstantive changes.

SECTION 64. Amends Section 403.302(o), Government Code, to require the comptroller to adopt rules governing the conduct of the study after consultation with the comptroller's property tax administration advisory board, rather than after consultation with the Comptroller's Property Value Study Advisory Committee.

SECTION 65. Amends Sections 281.124(d) and (e), Health and Safety Code, as follows:

(d) Provides that if a majority of the votes cast in the election favor the proposition, the tax rate for the specified tax year is the rate approved by the voters, and that that rate is not subject to Section 26.08, rather than Section 26.07, Tax Code. Deletes existing text relating to the rate not being subject to a rollback election.

(e) Prohibits the appraisal review board from adopting a tax rate for the district for the specified tax year that exceeds the rate that was not approved, and provides that Section 26.08, rather than Section 26.07, Tax Code, applies to the adopted rate if that rate exceeds the district's rollback tax rate, if the proposition is not approved as provided by Subsection (d), rather than Subsection (c).

SECTION 66. Amends Section 102.007(d), Local Government Code, to change references to effective tax rate to references to no-new-revenue tax rate for the cover page of an adopted budget.

SECTION 67. Amends Section 111.008(d), Local Government Code, to make conforming changes.

SECTION 68. Amends Section 111.039(d), Local Government Code, to make conforming changes.

SECTION 69. Amends Section 11.068(c), Local Government Code, to make conforming changes.

SECTION 70. Amends Section 1101.254(f), Special District Local Laws Code, as follows:

(f) Provides that this section does not affect the applicability of Section 26.08, Tax Code, to the district's tax rate, except that if district voters approve a tax rate increase under this section, Section 26.08, Tax Code, does not apply to the tax rate for that year. Deletes existing text providing that this section does not affect any right district voters may have to petition for an election under Section 26.07, Tax Code, except that if district voters approve a tax rate increase under this section, the voters are prohibited from petitioning for an election under Section 26.07, Tax Code, as to the tax rate for that year.

SECTION 71. Amends Sections 1122.2522, 3828.157, and 8876.152, Special District Local Laws Code, as follows:

Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE. Requires that, if in any year the board adopts a tax rate that exceeds the rollback tax rate calculated as provided by Chapter 26, Tax Code, an election under Section 26.08 of that code be held to determine whether or not to approve the tax rate adopted by the board of directors of the district for that year. Deletes existing text authorizing the qualified voters of the district by petition to require an election be held to determine whether or not to reduce the tax rate adopted by the board for that year to the rollback tax rate. Deletes existing text providing that to the extent a conflict exists between this section and a provision of the Tax Code, the provision of the Tax Code prevails. Makes a nonsubstantive change.

Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE PROVISIONS. Includes Section 26.08, Tax Code, among the sections that do not apply to a tax imposed under Sections 3828.153 or 3828.156, and deletes existing text including Section 26.07, Tax Code, among the sections that do not apply.

Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS. (a) Includes Sections 26.061 and 26.08, Tax Code, among the sections that do not apply to a tax imposed by the district, and deletes existing text including Section 26.07 among the sections that do not apply.

(b) Provides that Sections 49.236(a)(1) (regarding notice of board meetings considering ad valorem tax adoption) and (2) (regarding information contained in the notice) and (b) (regarding advertisement of the notice), Water Code, apply to the district. Deletes existing text providing that Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003, applies to the district.

SECTION 72. Amends Section 49.107(g), Water Code, to include Sections 26.061 and 26.08, Tax Code, rather than Section 26.07, Tax Code, among the sections that 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 73. Amends Section 49.108(f), Water Code, to include Sections 26.061 and 26.08, Tax Code, rather than Section 26.07, Tax Code, among the sections that do not apply to a tax levied and collected for payments made under a contract approved in accordance with this section.

SECTION 74. Amends Sections 49.236(a) and (d), Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, as follows:

(a) Requires the governing board of a district, before adopting an ad valorem tax rate for the district for debt service, operation and maintenance purposes, or contract purposes, to give notice of each meeting of the board at which the adoption of a tax rate will be considered. Requires the notice to contain certain statements and sets forth required language for the statements.

(d) Requires an election to be held to determine whether to ratify, rather than whether or not to reduce, the tax rate adopted for the current year in accordance with the procedures provided by Sections 26.08(b), (c), and (d), rather than Sections 26.07(b)-(g) and 26.081, Tax Code, if the governing body of a district adopts a combined debt service, operation and maintenance, and contract tax rate that exceeds the rollback tax rate. Provides that for the purposes of the Sections 26.08(b), (c), and (d), Tax Code, and this section, rather than Section 26.07(b)(g), the rollback tax rate is the sum of certain tax rates. Deletes text authorizing qualified voters to petition the district for an election if the district imposes more than 1.08 times the amount of tax than a preceding year on certain residences.

SECTION 75. Amends Section 6B(f), Chapter 1472, Acts of the 77th Legislature, Regular Session, 2001, to include Section 26.08, Tax Code, among the sections that do not apply to the maintenance taxes levied and collected for payments under a contract, agreement, lease, time



warrant, or maintenance note issued or executed under this section and to exclude Sections 26.07 and 26.012 from among the sections that do not apply.

SECTION 76. Repealers: Sections 403.302(m-1) (regarding the creation of the Comptroller's Property Value Study Advisory Committee) and (n) (regarding the exclusion of the Comptroller's Property Value Study Advisory Committee from applicability of Chapter 2110 (State Agency Advisory Committees)), Government Code.

Repealer: Section 140.010 (Proposed Property Tax Rate Notice for Counties and Municipalities), Local Government Code.

Repealer: Section 1063.255 (Petition and Order for Election to Reduce Tax Rate), Special District Local Laws Code.

Repealers: Sections 5.103(e) (regarding content requirements of a certain survey form) and (f) (regarding an annual report by comptroller summarizing the survey forms), Tax Code.

Repealer: Section 6.412(e) (regarding ineligibility of a person who has served three consecutive terms on an appraisal review board to serve a term that begins on the next January 1 following the third consecutive term), Tax Code.

Repealer: Section 22.23(c) (regarding the deadlines for certain rendition statement and property reports), Tax Code.

Repealers: Sections 26.07 (Election to Repeal Increase) and 26.08(o) (regarding roll back tax rate of certain school districts), Tax Code.

Repealer: Section 41A.06(c) (relating to the requirement that an arbitrator complete a training program on property tax law that meets certain requirements), Tax Code.

Repealer: Section 49.236 (Notice of Tax Hearing), Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003.

Repealer: Section 49.2361 (Additional Notice for Certain Tax Increases), Water Code.

SECTION 77. Makes application of Section 5.041, Tax Code, as amended by this Act, prospective to January 1, 2020.

SECTION 78. Requires the comptroller to implement Section 5.043, Tax Code, as added by this Act, as soon as practicable after January 1, 2020.

SECTION 79. Makes application of Sections 5.05, 5.102, 5.13, and 23.01, Tax Code, as amended by this Act, prospective to January 1, 2020.

SECTION 80. (a) Requires the comptroller to 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) Requires the comptroller to comply with Section 5.091, Tax Code, as amended by this Act, not later than January 1, 2021.

SECTION 81. Requires the comptroller to prepare and make available the survey form and instructions for completing and submitting the form required by Section 5.104, Tax Code, as added by this Act, as soon as practicable after January 1, 2020. Provides that an appraisal district is not required to provide the survey form or instructions under a requirement of that section until the form and instructions are prepared and made available by the comptroller.

SECTION 82. Makes application of Section 6.41(d-9), Tax Code, as amended by this Act, prospective to January 1, 2021.

SECTION 83. Provides that 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 84. Makes application of Section 6.42(d), Tax Code, as added by this Act, prospective to January 1, 2020.

SECTION 85. Makes application of Sections 11.4391(a) and 22.23, Tax Code, as amended by this Act, prospective to January 1, 2020.

SECTION 86. (a) Requires 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 to 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) Requires 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 to 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 87. (a) Provides that, not later than the 30th day after the date this section takes effect:

(1) the designated officer or employee of each taxing unit is required to 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 is required to post the worksheets submitted to the county assessor-collector under Subdivision (1) of this subsection on the Internet website of the county.

(b) Effective date, this section: upon passage or the 91st day after the last day of the legislative session.

SECTION 88. Provides that 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 89. Makes application of Section 33.08(b), Tax Code, as amended by this Act, prospective to January 1, 2020.

SECTION 90. Makes application of Section 41.03(a), Tax Code, as amended by this Act, prospective to January 1, 2020.

SECTION 91. Makes application of 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, prospective to January 1, 2021.

SECTION 92. Makes application of 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, prospective to January 1, 2020.

SECTION 93. Makes application of Section 41.71, Tax Code, as amended by this Act, prospective to January 1, 2020.

SECTION 94. Makes application of Section 41A.07, Tax Code, as amended by this Act, prospective to January 1, 2020.

SECTION 95. Provides that the changes in law made by this Act in the qualifications of persons serving as arbitrators in binding arbitrations of appeals of appraisal review board orders do not affect the entitlement of a person serving as an arbitrator immediately before January 1, 2020, to continue to serve as an arbitrator and to conduct hearings on arbitrations until the person is required to renew the person's agreement with the comptroller to serve as an arbitrator. Provides that the changes in law apply only to a person who initially qualifies to serve as an arbitrator or who renews the person's agreement with the comptroller to serve as an arbitrator on or after January 1, 2020. Provides that 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 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 96. (a) Requires the comptroller, not later than the 30th day after the date this section takes effect, to mail a written notice to each appraisal district and the assessor for each taxing unit in this state 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) Effective date, this section: upon passage or the 91st day after the last day of the legislative session.

SECTION 97. (a) Effective date, except as otherwise provided by this Act: January 1, 2020.

(b) Effective date, Sections 6.41(b) and (d-9), 6.414(d), 41.44(d), 41.45(d), and 41.66(k), Tax Code, as amended by this Act: September 1, 2020.

Effective date, Sections 6.41(b-1), (b-2), and (d-10), 6.425, 41.45(d-1), (d-2), (d-3), and 41.66(k-1), Tax Code, as added by this Act: September 1, 2020.

(c) Effective date, Sections 26.04(e-1) and (g) and 26.05(e), Tax Code, as amended by this Act: January 1, 2021.

Effective date, Sections 25.19(b-3) and (b-4), 26.04(d-1), (d-2), (d-3), (e-2), (e-3), (e-4), and (e-5), 26.05(d-1) and (d-2), Tax Code, as added by this Act: January 1, 2021.

(d) Effective date, Sections 25.19(b) and (i), Tax Code, as amended by this Act: January 1, 2022.