

CHAPTER 81

H.B. No. 155

AN ACT

relating to submission and publication of ad valorem tax rates.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Chapter 26, Tax Code, is amended by adding Section 26.052 to read as follows:

Sec. 26.052. **SIMPLIFIED TAX RATE NOTICE FOR SMALL TAXING UNITS.** (a) This section applies only to a taxing unit for which the total tax rate proposed for the current tax year:

(1) is five cents or less on each \$100 valuation of taxable property;

(2) would impose taxes of \$150,000 or less when applied to the total taxable value of property taxable by the taxing unit according to the appraisal roll for the current tax year; and

(3) is greater than 103 percent of the effective tax rate calculated as provided by Section 26.04.

(b) A taxing unit to which this section applies is exempt from the publication requirements of Section 26.04(e) and is not subject to an injunction under Section 26.04(g) for failure to comply with those publication requirements.

(c) A taxing unit to which this section applies may provide public notice of its proposed tax rate in either of the following methods not later than the seventh day before the date on which the tax rate is adopted:

(1) mailing a notice of the proposed tax rate to each owner of taxable property in the taxing unit; or

(2) publishing notice of the proposed tax rate in the legal notices section of a newspaper having general circulation in the taxing unit.

(d) A taxing unit that provides notice of a proposed tax rate under Subsection (c) is exempt from Sections 26.05(d) and 26.06 and is not subject to an injunction under Section 26.05(e) for failure to comply with Section 26.05(d). A taxing unit that provides notice of a proposed tax rate under Subsection (c) may not adopt a tax rate that exceeds the rate set out in the notice unless the taxing unit provides additional notice under Subsection (c) of the higher rate or complies with Sections 26.05(d) and 26.06 in adopting the higher rate.

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

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

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

(3) if the proposed tax rate for the taxing unit exceeds 103 percent of the unit's effective tax rate calculated as provided by this chapter, a statement substantially identical to the following: "The proposed tax rate would increase total taxes in (name of taxing unit) by (percentage by which the proposed tax rate exceeds the effective tax rate)."

SECTION 2. Section 26.04(e), Tax Code, is amended to read as follows:

(e) By August 7 or as soon thereafter as practicable, the designated officer or employee shall submit the rates to the governing body. He shall *deliver by mail to each property owner in the unit or publish in a newspaper in the form prescribed by the comptroller:*

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

(2) the estimated amount of interest and sinking fund balances and the estimated amount of maintenance and operation or general fund balances remaining at the end of the current fiscal year that are not encumbered with or by corresponding existing debt obligation, except that for a school district, estimated funds necessary for the operation of the district prior to the receipt of the first state education aid payment in the succeeding school year shall be subtracted from the estimated fund balances;

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

(A) the amount of principal and interest that will be paid to service the unit's debts in the next year from property tax revenue, including payments of lawfully incurred contractual obligations providing security for the payment of the principal of and interest on bonds and other evidences of indebtedness issued on behalf of the unit by another political subdivision;

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

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

(4) the amount of additional sales and use tax revenue anticipated in calculations under Section 26.041 of this code.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on March 10, 1993, by a non-record vote; the House concurred in Senate amendments to H.B. No. 155 on April 26, 1993: Yeas 130, Nays 0, 1 present, not voting; passed by the Senate, with amendments, on April 21, 1993: Yeas 30, Nays 0.

Approved May 4, 1993.

Effective May 4, 1993.