

TAX CODE CHAPTER 26. ASSESSMENT

TAX CODE

TITLE 1. PROPERTY TAX CODE

SUBTITLE D. APPRAISAL AND ASSESSMENT

CHAPTER 26. ASSESSMENT

Sec. 26.01. SUBMISSION OF ROLLS TO TAXING UNITS. (a) By July 25, the chief appraiser shall 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 unit. The part certified to the assessor is the appraisal roll for the unit. The chief appraiser shall consult with the assessor for each taxing unit and notify each unit in writing by April 1 of the form in which the roll will be provided to each unit.

(b) When a chief appraiser submits an appraisal roll for county taxes to a county assessor-collector, the chief appraiser also shall certify the appraisal district appraisal roll to the comptroller. However, the comptroller by rule may provide for submission of only a summary of the appraisal roll. The chief appraiser shall certify the district appraisal roll or the summary of that roll in the form and manner prescribed by the comptroller's rule.

(c) The chief appraiser shall prepare and certify to the assessor for each taxing unit a listing of those properties which are taxable by that unit but which are under protest and therefore not included on the appraisal roll approved by the appraisal review board and certified by the chief appraiser. This listing shall include the appraised market value, productivity value (if applicable), and taxable value as determined by the appraisal district and shall also include the market value, taxable value, and productivity value (if applicable) as claimed by the property owner filing the protest if available. If the property owner does not claim a value and the appraised value of the property in the current year is equal to or less than its value in the preceding year, the listing shall include a reasonable estimate of the market value, taxable value, and productivity value (if applicable) that would be assigned to the property if the taxpayer's claim is upheld.

If the property owner does not claim a value and the appraised value of the property is higher than its appraised value in the preceding year, the listing shall include the appraised market value, productivity value (if applicable) and taxable value of the property in the preceding year, except that if there is a reasonable likelihood that the appraisal review board will approve a lower appraised value for the property than its appraised value in the preceding year, the chief appraiser shall make a reasonable estimate of the taxable value that would be assigned to the property if the property owner's claim is upheld. The taxing unit shall use the lower value for calculations as prescribed in Sections 26.04 and 26.041 of this code.

(d) The chief appraiser shall prepare and certify to the assessor for each taxing unit a list of those properties of which the chief appraiser has knowledge that are reasonably likely to be taxable by that unit but that are not included on the appraisal roll certified to the assessor under Subsection (a) or included on the listing certified to the assessor under Subsection (c). The chief appraiser shall include on the list for each property the market value, appraised value, and kind and amount of any partial exemptions as determined by the appraisal district for the preceding year and a reasonable estimate of the market value, appraised value, and kind and amount of any partial exemptions for the current year. Until the property is added to the appraisal roll, the assessor for the taxing unit shall include each property on the list in the calculations prescribed by Sections 26.04 and 26.041, and for that purpose shall use the lower market value, appraised value, or taxable value, as appropriate, included on or computed using the information included on the list for the property.

(e) Except as provided by Subsection (f), by June 7, the chief appraiser shall 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. The chief appraiser shall assist each county, municipality, and school district in determining values of property in that taxing unit for the taxing unit's budgetary purposes.

(f) Subsection (e) does not apply to a county or municipality that notifies the chief appraiser that the county or municipality elects not to receive the estimate or assistance described by that subsection.

Acts 1979, 66th Leg., p. 2276, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 162, ch. 13, Sec. 114, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 4615, ch. 786, Sec. 1, eff. Aug. 29, 1983; Acts 1983, 68th Leg., p. 4826, ch. 851, Sec. 17, eff. Aug. 29, 1983; Acts 1983, 68th Leg., p. 4946, ch. 884, Sec. 3, eff. Jan. 1, 1984; Acts 1985, 69th Leg., ch. 312, Sec. 6, eff. June 7, 1985; Acts 1987, 70th Leg., ch. 947, Sec. 1, eff. Jan. 1, 1988; Acts 1991, 72nd Leg., 2nd C.S., ch. 6, Sec. 44, eff. Sept. 1, 1991; Acts 1997, 75th Leg., ch. 1040, Sec. 67, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 643, Sec. 2, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 898, Sec. 2, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1087, Sec. 1, eff. Jan. 1, 2002.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 55, Sec. 1, eff. January 1, 2008.

Sec. 26.012. DEFINITIONS. In this chapter:

(1) "Additional sales and use tax" means an additional sales and use tax imposed by:

(A) a city under Section 321.101(b);

(B) a county under Chapter 323; or

(C) a hospital district, other than a hospital district created on or after September 1, 2001, that:

(i) imposes the sales and use tax under Subchapter I, Chapter 286, Health and Safety Code; or

(ii) imposes the sales and use tax under Subchapter L, Chapter 285, Health and Safety Code.

(2) "Collection rate" means the amount, expressed as a percentage, calculated by:

(A) adding together estimates of the following amounts:

(i) the total amount of taxes to be levied in the current year and collected before July 1 of the next year,

including any penalties and interest on those taxes that will be collected during that period;

(ii) any additional taxes imposed under Chapter 23 collected between July 1 of the current year and June 30 of the following year; and

(iii) the total amount of delinquent taxes levied in any preceding year that will be collected between July 1 of the current year and June 30 of the following year, including any penalties and interest on those taxes that will be collected during that period; and

(B) dividing the amount calculated under Paragraph (A) by the total amount of taxes that will be levied in the current year.

(3) "Current debt" means debt service for the current year.

(4) "Current debt rate" means a rate expressed in dollars per \$100 of taxable value and calculated according to the following formula:

$$\text{CURRENT DEBT RATE} = \frac{(\text{CURRENT DEBT SERVICE} - \text{EXCESS COLLECTIONS}) + \text{CURRENT JUNIOR COLLEGE LEVY}}{(\text{CURRENT TOTAL VALUE} \times \text{COLLECTION RATE})}$$

(5) "Current junior college levy" means the amount of taxes the governing body proposes to dedicate in the current year to a junior college district under Section 45.105(e), Education Code.

(6) "Current total value" means the total taxable value of property listed on the appraisal roll for the current year, including all appraisal roll supplements and corrections as of the date of the calculation, less the taxable value of property exempted for the current tax year for the first time under Section 11.31, except that:

(A) the current total value for a school district excludes:

(i) the total value of homesteads that qualify for a tax limitation as provided by Section 11.26; and

(ii) new property value of property that is subject to an agreement entered into under Chapter 313; and

(B) the current total value for a county, municipality, or junior college district excludes the total value of homesteads that qualify for a tax limitation provided by Section 11.261.

(7) "Debt" means a bond, warrant, certificate of obligation, or other evidence of indebtedness owed by a taxing unit that is payable solely from property taxes in installments over a period of more than one year, not budgeted for payment from maintenance and operations funds, and secured by a pledge of property taxes, or a payment made under contract to secure indebtedness of a similar nature issued by another political subdivision on behalf of the taxing unit.

(8) "Debt service" means the total amount expended or to be expended by a taxing unit from property tax revenues to pay principal of and interest on debts or other payments required by contract to secure the debts and, if the unit is created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, payments on debts that the unit anticipates incurring in the next calendar year.

(9) "Effective maintenance and operations rate" means a rate expressed in dollars per \$100 of taxable value and calculated according to the following formula:

$$\text{EFFECTIVE MAINTENANCE AND OPERATIONS RATE} = \frac{\text{LAST YEAR'S LEVY} - \text{LAST YEAR'S JUNIOR DEBT LEVY} - \text{LAST YEAR'S COLLEGE LEVY}}{\text{(CURRENT TOTAL VALUE - NEW PROPERTY VALUE)}}$$

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

(11) "Last year's debt levy" means the total of:

(A) the amount of taxes that would be generated by multiplying the total taxable value of property on the appraisal roll for the preceding year, including all appraisal roll supplements and corrections, other than corrections made pursuant to Section 25.25(d) of this code, as of the date of calculation, by the debt rate adopted by the governing body in the preceding year

under Section 26.05(a)(1) of this code; and

(B) the amount of debt taxes refunded by the taxing unit in the preceding year for tax years before that year.

(12) "Last year's junior college levy" means the amount of taxes dedicated by the governing body in the preceding year for use of a junior college district under Section 45.105(e), Education Code.

(13) "Last year's levy" means the total of:

(A) the amount of taxes that would be generated by multiplying the total tax rate adopted by the governing body in the preceding year by the total taxable value of property on the appraisal roll for the preceding year, including:

(i) taxable value that was reduced in an appeal under Chapter 42; and

(ii) all appraisal roll supplements and corrections other than corrections made pursuant to Section 25.25(d), as of the date of the calculation, except that last year's taxable value for a school district excludes the total value of homesteads that qualified for a tax limitation as provided by Section 11.26 and last year's taxable value for a county, municipality, or junior college district excludes the total value of homesteads that qualified for a tax limitation as provided by Section 11.261; and

(B) the amount of taxes refunded by the taxing unit in the preceding year for tax years before that year.

(14) "Last year's total value" means the total taxable value of property listed on the appraisal roll for the preceding year, including all appraisal roll supplements and corrections, other than corrections made pursuant to Section 25.25(d), as of the date of the calculation, except that:

(A) last year's taxable value for a school district excludes the total value of homesteads that qualified for a tax limitation as provided by Section 11.26; and

(B) last year's taxable value for a county, municipality, or junior college district excludes the total value of homesteads that qualified for a tax limitation as provided by Section 11.261.

(15) "Lost property levy" means the amount of taxes levied in the preceding year on property value that was taxable in the preceding year but is not taxable in the current year because the property is exempt in the current year under a provision of this code other than Section 11.251 or 11.253, the property has qualified for special appraisal under Chapter 23 in the current year, or the property is located in territory that has ceased to be a part of the unit since the preceding year.

(16) "Maintenance and operations" means any lawful purpose other than debt service for which a taxing unit may spend property tax revenues.

(17) "New property value" means:

(A) the total taxable value of property added to the appraisal roll in the current year by annexation and improvements listed on the appraisal roll that were made after January 1 of the preceding tax year, including personal property located in new improvements that was brought into the unit after January 1 of the preceding tax year;

(B) property value that is included in the current total value for the tax year succeeding a tax year in which any portion of the value of the property was excluded from the total value because of the application of a tax abatement agreement to all or a portion of the property, less the value of the property that was included in the total value for the preceding tax year; and

(C) for purposes of an entity created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, property value that is included in the current total value for the tax year succeeding a tax year in which the following occurs:

(i) the subdivision of land by plat;

(ii) the installation of water, sewer, or drainage lines; or

(iii) the paving of undeveloped land.

Added by Acts 1987, 70th Leg., ch. 947, Sec. 2, eff. Jan. 1, 1988. Amended by Acts 1989, 71st Leg., ch. 2, Sec. 14.27(d)(1), 14.28(1), eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 66, Sec. 4, eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 534, Sec. 3; Acts 1993, 73rd

Leg., ch. 285, Sec. 3, eff. Aug. 30, 1993; Acts 1993, 73rd Leg., ch. 696, Sec. 1, eff. Jan. 1, 1994; Acts 1993, 73rd Leg., ch. 696, Sec. 1, eff. Jan. 1, 1994; Acts 1995, 74th Leg., ch. 506, Sec. 1 to 3, eff. Aug. 28, 1995; Acts 1997, 75th Leg., ch. 165, Sec. 6.77, 29.01, 29.02, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1070, Sec. 53, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 1290, Sec. 15, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1505, Sec. 3, eff. Jan. 1, 2002; Acts 2003, 78th Leg., ch. 396, Sec. 3, eff. Jan. 1, 2004.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 830, Sec. 2, eff. January 1, 2008.

Sec. 26.02. ASSESSMENT RATIOS PROHIBITED. The assessment of property for taxation on the basis of a percentage of its appraised value is prohibited. All property shall be assessed on the basis of 100 percent of its appraised value.

Acts 1979, 66th Leg., p. 2277, ch. 841, Sec. 1, eff. Jan. 1, 1981.

Amended by Acts 1983, 68th Leg., p. 4827, ch. 851, Sec. 18, eff. Aug. 29, 1983.

Sec. 26.03. TREATMENT OF CAPTURED APPRAISED VALUE AND TAX INCREMENT. (a) In this section, "captured appraised value," "reinvestment zone," "tax increment," and "tax increment fund" have the meanings assigned by Chapter 311.

(b) This section does not apply to a school district.

(c) The portion of the captured appraised value of real property taxable by a taxing unit that corresponds to the portion of the tax increment of the unit from that property that the unit has agreed to pay into the tax increment fund for a reinvestment zone and that is not included in the calculation of "new property value" as defined by Section 26.012 is excluded from the value of property taxable by the unit in any tax rate calculation under this chapter.

(d) The portion of the tax increment of a taxing unit that the unit has agreed to pay into the tax increment fund for a reinvestment zone is excluded from the amount of taxes imposed or collected by the unit in any tax rate calculation under this

chapter, except that the portion of the tax increment is not excluded if in the same tax rate calculation there is no portion of captured appraised value excluded from the value of property taxable by the unit under Subsection (c) for the same reinvestment zone.

Added by Acts 2001, 77th Leg., ch. 503, Sec. 1, eff. Sept. 1, 2001.
Amended by Acts 2003, 78th Leg., ch. 150, Sec. 1, eff. Jan. 1, 2004;
Acts 2003, 78th Leg., ch. 426, Sec. 1, eff. Jan. 1, 2004.

Sec. 26.04. SUBMISSION OF ROLL TO GOVERNING BODY; EFFECTIVE AND ROLLBACK TAX RATES. (a) On receipt of the appraisal roll, the assessor for a taxing unit shall determine the total appraised value, the total assessed value, and the total taxable value of property taxable by the unit. He shall also determine, using information provided by the appraisal office, the appraised, assessed, and taxable value of new property.

(b) The assessor shall submit the appraisal roll for the 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 unit by August 1 or as soon thereafter as practicable. By August 1 or as soon thereafter as practicable, the taxing unit's collector shall certify an estimate of the collection rate for the current year to the governing body. If the collector certified an anticipated collection rate in the preceding year and the actual collection rate in that year exceeded the anticipated rate, the collector shall also certify the amount of debt taxes collected in excess of the anticipated amount in the preceding year.

(c) An officer or employee designated by the governing body shall calculate the effective tax rate and the rollback tax rate for the unit, where:

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

EFFECTIVE TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY LEVY)

(CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

; and

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

$$\text{ROLLBACK TAX RATE} = \frac{\text{(EFFECTIVE MAINTENANCE AND OPERATIONS RATE} \times 1.08) + \text{CURRENT DEBT RATE}}{\text{RATE}}$$

(d) The effective tax rate for a county is the sum of the effective tax rates calculated for each type of tax the county levies and the rollback tax rate for a county is the sum of the rollback tax rates calculated for each type of tax the county levies.

(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;

(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 and, if the unit is created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, payments on debts that the unit anticipates to incur in the next calendar year;

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

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

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

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

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

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

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

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

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

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

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

(e-1) The notice requirements imposed by Subsections (e)(1)-(6) do not apply to a school district.

(f) If as a result of consolidation of taxing units a taxing

unit includes territory that was in two or more taxing units in the preceding year, the amount of taxes imposed in each in the preceding year is combined for purposes of calculating the effective and rollback tax rates under this section.

(g) A person who owns taxable property is entitled to an injunction prohibiting the taxing unit in which the property is taxable from adopting a tax rate if the assessor or designated officer or employee of the unit, as applicable, has not complied with the computation or publication requirements of this section and the failure to comply was not in good faith.

(h) For purposes of this section, the anticipated collection rate of a taxing unit is the percentage relationship that the total amount of estimated tax collections for the current year bears to the total amount of taxes imposed for the current year. The total amount of estimated tax collections for the current year is the sum of the collector's estimate of:

(1) the total amount of property taxes imposed in the current year that will be collected before July 1 of the following year, including any penalties and interest on those taxes that will be collected during that period; and

(2) the total amount of delinquent property taxes imposed in previous years that will be collected on or after July 1 of the current year and before July 1 of the following year, including any penalties and interest on those taxes that will be collected during that period.

(i) This subsection applies to a taxing unit that has agreed by written contract to transfer a distinct department, function, or activity to another taxing unit and discontinues operating that distinct department, function, or activity if the operation of that department, function, or activity in all or a majority of the territory of the taxing unit is continued by another existing taxing unit or by a new taxing unit. The rollback tax rate of a taxing unit to which this subsection applies in the first tax year in which a budget is adopted that does not allocate revenue to the discontinued department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the effective maintenance and operations rate of

the unit is reduced by the amount of maintenance and operations tax revenue spent by the taxing unit to operate the department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the unit operated the discontinued department, function, or activity. If the unit did not operate that department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the unit shall reduce last year's levy used for calculating the effective maintenance and operations rate of the unit by the amount of the revenue spent in the last full fiscal year in which the unit operated the discontinued department, function, or activity.

(j) This subsection applies to a taxing unit that had agreed by written contract to accept the transfer of a distinct department, function, or activity from another taxing unit and operates a distinct department, function, or activity if the operation of a substantially similar department, function, or activity in all or a majority of the territory of the taxing unit has been discontinued by another taxing unit, including a dissolved taxing unit. The rollback tax rate of a taxing unit to which this subsection applies in the first tax year after the other taxing unit discontinued the substantially similar department, function, or activity in which a budget is adopted that allocates revenue to the department, function, or activity is calculated as otherwise provided by this section, except that last year's levy used to calculate the effective maintenance and operations rate of the unit is increased by the amount of maintenance and operations tax revenue spent by the taxing unit that discontinued operating the substantially similar department, function, or activity to operate that department, function, or activity for the 12 months preceding the month in which the calculations required by this chapter are made and in which the unit operated the discontinued department, function, or activity. If the unit did not operate the discontinued department, function, or activity for the full 12 months preceding the month in which the calculations required by this chapter are made, the unit may increase last year's levy used to calculate the effective maintenance and operations rate by an amount not to

exceed the amount of property tax revenue spent by the discontinuing unit to operate the discontinued department, function, or activity in the last full fiscal year in which the discontinuing unit operated the department, function, or activity.

(k) to (q) Expired.

Acts 1979, 66th Leg., p. 2277, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 163, ch. 13, Sec. 116, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 2165, ch. 400, Sec. 1, eff. June 17, 1983; Acts 1983, 68th Leg., p. 5376, ch. 987, Sec. 3, eff. June 19, 1983; Acts 1983, 68th Leg., p. 5402, ch. 1001, Sec. 1, eff. Jan. 1, 1984; Acts 1985, 69th Leg., ch. 657, Sec. 1, 2, eff. June 14, 1985; Acts 1985, 69th Leg., 1st C.S., ch. 1, Sec. 2, eff. Sept. 1, 1985; Acts 1986, 69th Leg., 3rd C.S., ch. 10, art. 1, Sec. 36, eff. Jan. 1, 1987; Acts 1987, 70th Leg., ch. 699, Sec. 1, eff. June 19, 1987; Acts 1987, 70th Leg., ch. 849, Sec. 2, eff. Aug. 31, 1987; Acts 1987, 70th Leg., ch. 947, Sec. 3, eff. Jan. 1, 1988; Acts 1987, 70th Leg., ch. 988, Sec. 1, eff. June 18, 1987; Acts 1991, 72nd Leg., ch. 14, Sec. 284 (18), eff. Sept. 1, 1991; Acts 1991, 72nd Leg., 2nd C.S., ch. 6, Sec. 45, eff. Sept. 1, 1991; Acts 1993, 73rd Leg., ch. 81, Sec. 2, eff. May 4, 1993; Acts 1993, 73rd Leg., ch. 611, Sec. 1, 2, eff. Aug. 30, 1993; Acts 1997, 75th Leg., ch. 165, Sec. 29.01, 29.03, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1070, Sec. 54, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 398, Sec. 2, eff. Aug. 30, 1999; Acts 1999, 76th Leg., ch. 1358, Sec. 1, eff. Jan. 1, 2000; Acts 1999, 76th Leg., ch. 1561, Sec. 1, eff. Aug. 30, 1999.

Sec. 26.041. TAX RATE OF UNIT IMPOSING ADDITIONAL SALES AND USE TAX. (a) In the first year in which an additional sales and use tax is required to be collected, the effective tax rate and rollback tax rate for the unit are calculated according to the following formulas:

EFFECTIVE TAX RATE = $\frac{(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY})}{\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE}}$ -

(CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

SALES TAX

GAIN RATE

and

$$\text{ROLLBACK RATE} = \frac{(\text{EFFECTIVE MAINTENANCE AND OPERATIONS RATE} \times 1.08) + \text{CURRENT DEBT RATE} - \text{SALES TAX GAIN RATE}}$$

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

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

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

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

(c) In a year in which a taxing unit that has been imposing an additional sales and use tax ceases to impose an additional sales and use tax the effective tax rate and rollback tax rate for the unit are calculated according to the following formulas:

$$\text{EFFECTIVE TAX RATE} = \frac{(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY})}{(\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})} +$$

SALES TAX LOSS RATE

and

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

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

(d) In order to determine the amount of additional sales and use tax revenue for purposes of this section, the designated officer or employee shall use the sales and use tax revenue for the last preceding four quarters for which the information is available as the basis for projecting the additional sales and use tax revenue for the current tax year. If the rate of the additional sales and use tax is increased or reduced, the projection to be used for the first tax year after the effective date of the sales and use tax change shall be adjusted to exclude any revenue gained or lost because of the sales and use tax rate change. If the unit did not impose an additional sales and use tax for the last preceding four quarters, the designated officer or employee shall request the comptroller of public accounts to provide to the officer or employee a report showing the estimated amount of taxable sales and uses within the unit for the previous four quarters as compiled by the comptroller, and the comptroller shall comply with the request. The officer or employee shall prepare the estimate of the additional sales and use tax revenue for the first year of the imposition of the tax by multiplying the amount reported by the comptroller by the appropriate additional sales and use tax rate and by multiplying that product by .95.

(e) If a city that imposes an additional sales and use tax receives payments under the terms of a contract executed before January 1, 1986, in which the city agrees not to annex certain property or a certain area and the owners or lessees of the property or of property in the area agree to pay at least annually to the city

an amount determined by reference to all or a percentage of the property tax rate of the city and all or a part of the value of the property subject to the agreement or included in the area subject to the agreement, the governing body, by order adopted by a majority vote of the governing body, may direct the designated officer or employee to add to the effective and rollback tax rates the amount that, when applied to the total taxable value submitted to the governing body, would produce an amount of taxes equal to the difference between the total amount of payments for the tax year under contracts described by this subsection under the rollback tax rate calculated under this section and the total amount of payments for the tax year that would have been obligated to the city if the city had not adopted an additional sales and use tax.

(f) An estimate made by the comptroller under Subsection (d) of this section need not be adjusted to take into account any projection of additional revenue attributable to increases in the total value of items taxable under the state sales and use tax because of amendments of Chapter 151, Tax Code.

(g) If the rate of the additional sales and use tax is increased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d) of this section, of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the increase and the second projection must not take into account the increase. The officer or employee shall then subtract the amount of the result of the second projection from the amount of the result of the first projection to determine the revenue generated as a result of the increase in the additional sales and use tax. In the first year in which an additional sales and use tax is increased, the effective tax rate for the unit is the effective tax rate before the increase minus a number the numerator of which is the revenue generated as a result of the increase in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

(h) If the rate of the additional sales and use tax is decreased, the designated officer or employee shall make two

projections, in the manner provided by Subsection (d) of this section, of the revenue generated by the additional sales and use tax in the following year. The first projection must take into account the decrease and the second projection must not take into account the decrease. The officer or employee shall then subtract the amount of the result of the first projection from the amount of the result of the second projection to determine the revenue lost as a result of the decrease in the additional sales and use tax. In the first year in which an additional sales and use tax is decreased, the effective tax rate for the unit is the effective tax rate before the decrease plus a number the numerator of which is the revenue lost as a result of the decrease in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

(i) Any amount derived from the sales and use tax that is or will be distributed by a county to the recipient of an economic development grant made under Chapter 381, Local Government Code, is not considered to be sales and use tax revenue for purposes of this section.

(j) Any amount derived from the sales and use tax that is retained by the comptroller under Section 4 or 5, Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is not considered to be sales and use tax revenue for purposes of this section.

Added by Acts 1986, 69th Leg., 3rd C.S., ch. 10, art. 1, Sec. 17, eff. Jan. 1, 1987. Amended by Acts 1987, 70th Leg., ch. 11, Sec. 11, eff. April 2, 1987; Acts 1987, 70th Leg., ch. 947, Sec. 4, eff. Jan. 1, 1988; Acts 1989, 71st Leg., ch. 256, Sec. 3, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 184, Sec. 8, eff. May 24, 1991; Acts 1995, 74th Leg., ch. 1012, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 165, Sec. 29.04, eff. Sept. 1, 1997; Acts 2003, 78th Leg., ch. 814, Sec. 5.08, eff. Sept. 1, 2003.

Sec. 26.043. EFFECTIVE TAX RATE IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX. (a) In the tax year in which a city has set an election on the question of whether to impose a local sales and use tax under Subchapter H, Chapter 453, Transportation Code,

the officer or employee designated to make the calculations provided by Section 26.04 may not make those calculations until the outcome of the election is determined. If the election is determined in favor of the imposition of the tax, the representative shall subtract from the city's rollback and effective tax rates the amount that, if applied to the city's current total value, would impose an amount equal to the amount of property taxes budgeted in the current tax year to pay for expenses related to mass transit services.

(b) In a tax year to which this section applies, a reference in this chapter to the city's effective or rollback tax rate refers to that rate as adjusted under this section.

(c) For the purposes of this section, "mass transit services" does not include the construction, reconstruction, or general maintenance of municipal streets.

Added by Acts 1986, 69th Leg., 3rd C.S., ch. 10, art. 1, Sec. 35, eff. Jan. 1, 1987. Amended by Acts 1987, 70th Leg., ch. 947, Sec. 6, eff. Jan. 1, 1988; Acts 1991, 72nd Leg., ch. 736, Sec. 1, eff. June 15, 1991; Acts 1997, 75th Leg., ch. 165, Sec. 29.05, eff. Sept. 1, 1997.

Sec. 26.044. EFFECTIVE TAX RATE TO PAY FOR STATE CRIMINAL JUSTICE MANDATE. (a) The first time that a county adopts a tax rate after September 1, 1991, in which the state criminal justice mandate applies to the county, the effective maintenance and operation rate for the county is increased by the rate calculated according to the following formula:

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

(b) In the second and subsequent years that a county adopts a tax rate, if the amount spent by the county for the state criminal justice mandate increased over the previous year, the effective maintenance and operation rate for the county is increased by the rate calculated according to the following formula:

$$\frac{\text{(This Year's State Criminal Justice Mandate - Previous Year's State$$

Justice Mandate)

(Current Total Value - New Property Value)

(c) The county shall include a notice of the increase in the effective maintenance and operation rate provided by this section, including a description and amount of the state criminal justice mandate, in the information published under Section 26.04(e) and Section 26.06(b) of this code.

(d) In this section, "state criminal justice mandate" means the amount spent by the county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced to the institutional division of the Texas Department of Criminal Justice as certified by the county auditor based on information provided by the county sheriff, minus the amount received from state revenue for reimbursement of such costs.

Added by Acts 1991, 72nd Leg., 2nd C.S., ch. 10, Sec. 11.10, eff. Aug. 29, 1991.

Sec. 26.0441. TAX RATE ADJUSTMENT FOR INDIGENT HEALTH CARE. (a) In the first tax year in which a taxing unit adopts a tax rate after January 1, 2000, and in which the enhanced minimum eligibility standards for indigent health care established under Section 61.006, Health and Safety Code, apply to the taxing unit, the effective maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

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

(b) In each subsequent tax year, if the taxing unit's enhanced indigent health care expenses exceed the amount of those expenses for the preceding year, the effective maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

(Current Tax Year's

Enhanced Indigent Health

Care Expenditures -

Preceding Tax Year's

Indigent Health Care

Expenditures)

Amount of Increase = _____

(Current Total Value

- New Property Value)

(c) The taxing unit shall include a notice of the increase in its effective maintenance and operations rate provided by this section, including a brief description and the amount of the enhanced indigent health care expenditures, in the information published under Section 26.04(e) and, if applicable, Section 26.06(b).

(d) In this section, "enhanced indigent health care expenditures" for a tax year means the amount spent by the taxing unit for the maintenance and operation costs of providing indigent health care at the increased minimum eligibility standards established under Section 61.006, Health and Safety Code, effective on or after January 1, 2000, in the period beginning on July 1 of the year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is adopted, less the amount of state assistance received by the taxing unit in accordance with Chapter 61, Health and Safety Code, that is attributable to those costs.

Added by Acts 1999, 76th Leg., ch. 1377, Sec. 1.27, eff. Sept. 1, 1999.

Sec. 26.045. ROLLBACK RELIEF FOR POLLUTION CONTROL REQUIREMENTS. (a) The rollback tax rate for a political subdivision of this state is increased by the rate that, if applied to the total current value, would impose an amount of taxes equal to the amount the political subdivision will spend out of its maintenance and operation funds under Section 26.012(16) to pay for a facility, device, or method for the control of air, water, or land pollution that is necessary to meet the requirements of a permit

issued by the Texas Commission on Environmental Quality.

(b) In this section, "facility, device, or method for control of air, water, or land pollution" means any land, structure, building, installation, excavation, machinery, equipment, or device, and any attachment or addition to or reconstruction, replacement, or improvement of that property, that is used, constructed, acquired, or installed wholly or partly to meet or exceed rules or regulations adopted by any environmental protection agency of the United States or this state for the prevention, monitoring, control, or reduction of air, water, or land pollution.

(c) To receive an adjustment to the rollback tax rate under this section, a political subdivision shall present information to the executive director of the Texas Commission on Environmental Quality in a permit application or in a request for any exemption from a permit that would otherwise be required detailing:

(1) the anticipated environmental benefits from the installation of the facility, device, or method for the control of air, water, or land pollution;

(2) the estimated cost of the pollution control facility, device, or method; and

(3) the purpose of the installation of the facility, device, or method, and the proportion of the installation that is pollution control property.

(d) Following submission of the information required by Subsection (c), the executive director of the Texas Commission on Environmental Quality shall determine whether the facility, device, or method is used wholly or partly as a facility, device, or method for the control of air, water, or land pollution. If the executive director determines that the facility, device, or method is used wholly or partly to control pollution, the director shall issue a letter to the political subdivision stating that determination and the portion of the cost of the installation that is pollution control property.

(e) The Texas Commission on Environmental Quality may charge a political subdivision seeking a determination that property is pollution control property an additional fee not to

exceed its administrative costs for processing the information, making the determination, and issuing the letter required by this section. The commission may adopt rules to implement this section.

(f) The Texas Commission on Environmental Quality shall adopt rules establishing a nonexclusive list of facilities, devices, or methods for the control of air, water, or land pollution, which must include:

- (1) coal cleaning or refining facilities;
- (2) atmospheric or pressurized and bubbling or circulating fluidized bed combustion systems and gasification fluidized bed combustion combined cycle systems;
- (3) ultra-supercritical pulverized coal boilers;
- (4) flue gas recirculation components;
- (5) syngas purification systems and gas-cleanup units;
- (6) enhanced heat recovery systems;
- (7) exhaust heat recovery boilers;
- (8) heat recovery steam generators;
- (9) superheaters and evaporators;
- (10) enhanced steam turbine systems;
- (11) methanation;
- (12) coal combustion or gasification byproduct and coproduct handling, storage, or treatment facilities;
- (13) biomass cofiring storage, distribution, and firing systems;
- (14) coal cleaning or drying processes such as coal drying/moisture reduction, air jigging, precombustion decarbonization, and coal flow balancing technology;
- (15) oxy-fuel combustion technology, amine or chilled ammonia scrubbing, fuel or emission conversion through the use of catalysts, enhanced scrubbing technology, modified combustion technology such as chemical looping, and cryogenic technology;
- (16) if the United States Environmental Protection Agency adopts a final rule or regulation regulating carbon dioxide as a pollutant, property that is used, constructed, acquired, or installed wholly or partly to capture carbon dioxide from an anthropogenic source in this state that is geologically sequestered

in this state;

(17) fuel cells generating electricity using hydrogen derived from coal, biomass, petroleum coke, or solid waste; and

(18) any other equipment designed to prevent, capture, abate, or monitor nitrogen oxides, volatile organic compounds, particulate matter, mercury, carbon monoxide, or any criteria pollutant.

(g) The Texas Commission on Environmental Quality by rule shall update the list adopted under Subsection (f) at least once every three years. An item may be removed from the list if the commission finds compelling evidence to support the conclusion that the item does not render pollution control benefits.

(h) Notwithstanding the other provisions of this section, if the facility, device, or method for the control of air, water, or land pollution described in a permit application or in a request for any exemption from a permit that would otherwise be required is a facility, device, or method included on the list adopted under Subsection (f), the executive director of the Texas Commission on Environmental Quality, not later than the 30th day after the date of receipt of the information required by Subsections (c)(2) and (3) and without regard to whether the information required by Subsection (c)(1) has been submitted, shall determine that the facility, device, or method described in the permit application or in the request for an exemption from a permit that would otherwise be required is used wholly or partly as a facility, device, or method for the control of air, water, or land pollution and shall take the action that is required by Subsection (d) in the event such a determination is made.

(i) A political subdivision of the state seeking an adjustment in its rollback tax rate under this section shall provide to its tax assessor a copy of the letter issued by the executive director of the Texas Commission on Environmental Quality under Subsection (d). The tax assessor shall accept the copy of the letter from the executive director as conclusive evidence that the facility, device, or method is used wholly or partly as pollution control property and shall adjust the rollback tax rate for the political subdivision as provided for by Subsection (a).

Added by Acts 1993, 73rd Leg., ch. 285, Sec. 4, eff. Aug. 30, 1993.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1277, Sec. 5, eff. September 1, 2007.

Sec. 26.05. TAX RATE. (a) The governing body of each taxing unit, before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, shall adopt a tax rate for the current tax year and shall notify the assessor for the unit of the rate adopted. The tax rate consists of two components, each of which must be approved separately. The components are:

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

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

(b) A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget. The vote on the ordinance, resolution, or order setting a tax rate that exceeds the effective tax rate must be a record vote. A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the effective tax rate must be made in the following form: "I move that property taxes be increased by the adoption of a tax rate of (specify tax rate)." If the ordinance, resolution, or order sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the taxing unit that exceeds the amount of taxes imposed for that purpose in the preceding year, the

taxing unit must:

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

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

(B) if the tax rate exceeds the effective maintenance and operations rate, the following statement: "THE TAX RATE WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."; and

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

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

(B) if the tax rate exceeds the effective maintenance and operations rate, the following statement: "THE TAX RATE WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

(c) If the governing body of a taxing unit does not adopt a tax rate before the date required by Subsection (a), the tax rate for the taxing unit for that tax year is the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. A tax rate established by this subsection is treated as an adopted tax rate. Before the fifth day after the establishment of a tax rate by this subsection, the governing body of the taxing unit must ratify the applicable tax rate in the manner required by Subsection (b).

(d) The governing body of a taxing unit other than a school district may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate calculated as provided by this chapter until the governing body has held two public hearings on the proposed tax rate and has otherwise complied with Section 26.06 and Section 26.065. The governing body of a taxing unit shall reduce a tax rate set by law or by vote of the electorate to the lower of the rollback tax rate or the effective tax rate and may not adopt a higher rate unless it first complies with Section

26.06.

(e) A person who owns taxable property is entitled to an injunction restraining the collection of taxes by a taxing unit in which the property is taxable if the taxing unit has not complied with the requirements of this section and the failure to comply was not in good faith. An action to enjoin the collection of taxes must be filed prior to the date a taxing unit delivers substantially all of its tax bills.

(f) Except as required by the law under which an obligation was created, the governing body may not apply any tax revenues generated by the rate described in Subsection (a)(1) of this section for any purpose other than the retirement of debt.

Acts 1979, 66th Leg., p. 2268, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 164, ch. 13, Sec. 117, eff. Jan. 1, 1982; Acts 1985, 69th Leg., ch. 657, Sec. 3, eff. June 14, 1985; Acts 1987, 70th Leg., ch. 699, Sec. 2, eff. June 19, 1987; Acts 1987, 70th Leg., ch. 947, Sec. 7, eff. Jan. 1, 1988; Acts 1987, 70th Leg., ch. 988, Sec. 2, eff. June 18, 1987; Acts 1991, 72nd Leg., ch. 404, Sec. 1, eff. Jan. 1, 1992; Acts 1997, 75th Leg., ch. 165, Sec. 29.06, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1039, Sec. 27, eff. Jan. 1, 1998; Acts 1999, 76th Leg., ch. 398, Sec. 3, eff. Aug. 30, 1999; Acts 1999, 76th Leg., ch. 423, Sec. 1, eff. Jan. 1, 2000; Acts 1999, 76th Leg., ch. 1358, Sec. 2, eff. Jan. 1, 2000.

Amended by:

Acts 2005, 79th Leg., Ch. 412, Sec. 13, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1368, Sec. 1, eff. June 18, 2005.

Acts 2007, 80th Leg., R.S., Ch. 921, Sec. 14.001, eff. September 1, 2007.

Sec. 26.051. EVIDENCE OF UNRECORDED TAX RATE ADOPTION.

(a) If a taxing unit does not make a proper record of the adoption of a tax rate for a year but the tax rate can be determined by examining the tax rolls for that year, the governing body of the taxing unit may take testimony or make other inquiry to determine whether a tax rate was properly adopted for that year. If the

governing body determines that a tax rate was properly adopted, it may order that its official records for that year be amended nunc pro tunc to reflect the adoption of the rate.

(b) An amendment of the official records made under Subsection (a) of this section is prima facie evidence that the tax rate entered into the records was properly and regularly adopted for that year.

Added by Acts 1989, 71st Leg., ch. 2, Sec. 14.01(a), eff. Aug. 28, 1989.

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

(1) is 50 cents or less per \$100 of taxable value; and
(2) would impose taxes of \$500,000 or less when applied to the current total value for the taxing unit.

(b) A taxing unit to which this section applies is exempt from the notice and 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 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 public 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 public 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 public notice under Subsection (c) of the higher rate or complies with Sections

26.05(d) and 26.06, as applicable, 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, and location of the meeting of the governing body of the taxing unit at which the governing body will consider adopting the proposed tax rate; and

(3) if the proposed tax rate for the taxing unit exceeds the unit's effective tax rate calculated as provided by Section 26.04, a statement substantially identical to the following: "The proposed tax rate would increase total taxes in (name of taxing unit) by (percentage by which the proposed tax rate exceeds the effective tax rate)."

Added by Acts 1999, 76th Leg., ch. 255, Sec. 1, eff. May 28, 1999.

Sec. 26.06. NOTICE, HEARING, AND VOTE ON TAX INCREASE.

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

(b) The notice of a public hearing may not be smaller than one-quarter page of a standard-size or a tabloid-size newspaper, and the headline on the notice must be in 24-point or larger type. The notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"The (name of the taxing unit) will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax rate

calculated under this chapter) percent. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

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

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

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

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

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

"If the governing body adopts the proposed tax rate of \$ (proposed tax rate) per \$100 of taxable value, the amount of

taxes imposed this year on the average home would be \$ (tax on the average taxable value of a residence in the taxing unit for the current year disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older).

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

(c) The notice of a public hearing under this section may be delivered by mail to each property owner in the unit, or may be published in a newspaper. If the notice is published in a newspaper, it may not be in the part of the paper in which legal notices and classified advertisements appear. If the taxing unit operates an Internet website, the notice must be posted on the website from the date the notice is first published until the second public hearing is concluded.

Text of subsection as amended by Acts 2007, 80th Leg., R.S., Ch.
1105, Sec. 1

(d) At the public hearings the governing body shall announce the date, time, and place of the meeting at which it will vote on the proposed tax rate. After each hearing the governing body shall give notice of the meeting at which it will vote on the proposed tax rate and the notice shall be in the same form as prescribed by Subsections (b) and (c), except that it must state the following:

"NOTICE OF TAX REVENUE INCREASE

"The (name of the taxing unit) conducted public hearings on (date of first hearing) and (date of second hearing) on a proposal to increase the total tax revenues of the (name of the taxing unit) from properties on the tax roll in the preceding year by (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax rate calculated under this chapter) percent.

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

"The total tax revenue proposed to be raised this year at the proposed tax rate of (insert proposed tax rate) for each \$100 of

taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is (insert amount computed by multiplying proposed tax rate by the difference between current total value and new property value).

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

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

Text of subsection as amended by Acts 2007, 80th Leg., R.S., Ch.

1112, Sec. 5

(d) At the public hearings the governing body shall announce the date, time, and place of the meeting at which it will vote on the proposed tax rate. After each hearing the governing body shall give notice of the meeting at which it will vote on the proposed tax rate and the notice shall be in the same form as prescribed by Subsections (b) and (c), except that it must state the following:

"NOTICE OF TAX REVENUE INCREASE

"The (name of the taxing unit) conducted public hearings on (date of first hearing) and (date of second hearing) on a proposal to increase the total tax revenues of the (name of the taxing unit) from properties on the tax roll in the preceding year by (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax rate calculated under this chapter) percent.

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

"The total tax revenue proposed to be raised this year at the proposed tax rate of (insert proposed tax rate) for each \$100 of taxable value, excluding tax revenue to be raised from new property

added to the tax roll this year, is (insert amount computed by multiplying proposed tax rate by the difference between current total value and new property value).

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

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

(e) The meeting to vote on the tax increase may not be earlier than the third day or later than the 14th day after the date of the second public hearing. The meeting must be held inside the boundaries of the taxing unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. If the governing body does not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate by the 14th day, it must give a new notice under Subsection (d) before it may adopt a rate that exceeds the lower of the rollback tax rate or the effective tax rate.

(f) Repealed by Acts 2005, 79th Leg., Ch. 1368, Sec. 6, eff. June 18, 2005.

(g) This section does not apply to a school district. A school district shall provide notice of a public hearing on a tax increase as required by Section 44.004, Education Code.

Acts 1979, 66th Leg., p. 2278, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 164, ch. 13, Sec. 118, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 5464, ch. 1029, Sec. 1, eff. Sept. 1, 1983; Acts 1985, 69th Leg., ch. 657, Sec. 4, eff. June 14, 1985; Acts 1985, 69th Leg., 1st C.S., ch. 1, Sec. 3, eff. Sept. 1, 1986; Acts 1987, 70th Leg., ch. 456, Sec. 1, eff. Aug. 31, 1987; Acts 1987, 70th Leg., ch. 947, Sec. 8, eff. Jan. 1, 1988; Acts 1989, 71st Leg., ch. 940, Sec. 1, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., 2nd C.S., ch. 6, Sec. 46, eff. Sept. 1, 1991; Acts 1997, 75th

Leg., ch. 165, Sec. 29.07, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1039, Sec. 28, 29, eff. Jan. 1, 1998; Acts 1999, 76th Leg., ch. 398, Sec. 4, eff. Aug. 30, 1999; Acts 1999, 76th Leg., ch. 1358, Sec. 3, eff. Jan. 1, 2000.

Amended by:

Acts 2005, 79th Leg., Ch. 807, Sec. 1, eff. June 17, 2005.

Acts 2005, 79th Leg., Ch. 1368, Sec. 2, eff. June 18, 2005.

Acts 2005, 79th Leg., Ch. 1368, Sec. 6, eff. June 18, 2005.

Acts 2007, 80th Leg., R.S., Ch. 1105, Sec. 1, eff. January 1, 2008.

Acts 2007, 80th Leg., R.S., Ch. 1112, Sec. 5(a), eff. January 1, 2008.

Acts 2007, 80th Leg., R.S., Ch. 1112, Sec. 5(b), eff. January 1, 2008.

Acts 2007, 80th Leg., R.S., Ch. 1112, Sec. 5(c), eff. January 1, 2008.

Sec. 26.065. SUPPLEMENTAL NOTICE OF HEARING ON TAX RATE INCREASE. (a) In addition to the notice required under Section 26.06, the governing body of a taxing unit required to hold a public hearing by Section 26.05(d) shall give notice of the hearing in the manner provided by this section.

(b) If the taxing unit owns, operates, or controls an Internet website, the unit shall post notice of the public hearing on the website 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.

(c) If the taxing unit has free access to a television channel, the taxing unit shall request that the station carry a 60-second notice of the public hearing at least five times a day between the hours of 7 a.m. and 9 p.m. 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.

(d) The notice of the public hearing required by Subsection (b) must contain a statement that is substantially the same as the

statement required by Section 26.06(b).

(e) This section does not apply to a taxing unit if the taxing unit:

(1) is unable to comply with the requirements of this section because of the failure of an electronic or mechanical device, including a computer or server; or

(2) is unable to comply with the requirements of this section due to other circumstances beyond its control.

(f) A person who owns taxable property is not entitled to an injunction restraining the collection of taxes by a taxing unit in which the property is taxable if the taxing unit has, in good faith, attempted to comply with the requirements of this section.

Added by Acts 1999, 76th Leg., ch. 1358, Sec. 5, eff. Jan. 1, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 1368, Sec. 3, eff. June 18, 2005.

Sec. 26.07. ELECTION TO REPEAL INCREASE. (a) If the governing body of a taxing unit other than a school district adopts a tax rate that exceeds the rollback tax rate calculated as provided by this chapter, the qualified voters of the taxing unit by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate calculated as provided by this chapter.

(b) A petition is valid only if:

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

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

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

(B) 10 percent of the number of registered voters of the taxing unit according to the most recent official list of registered voters if the tax rate adopted for the current tax year

would impose taxes for maintenance and operations in an amount of less than \$5 million; and

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

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

(d) If the governing body finds that the petition is valid (or fails to act within the time allowed), it shall order that an election be held in the taxing unit on a date not less than 30 or more than 90 days after the last day on which it could have acted to approve or disapprove the petition. A state law requiring local elections to be held on a specified date does not apply to the election unless a specified date falls within the time permitted by this section. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Reducing the tax rate in (name of taxing unit) for the current year from (the rate adopted) to (the rollback tax rate calculated as provided by this chapter)."

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

(f) If the tax rate is reduced by an election called under this section after tax bills for the unit are mailed, the assessor for the unit shall prepare and mail corrected tax bills. He shall include with the bill a brief explanation of the reason for and effect of the corrected bill. The date on which the taxes become delinquent for the year is extended by a number of days equal to the number of days between the date the first tax bills were sent and the date the corrected tax bills were sent.

(g) If a property owner pays taxes calculated using the higher tax rate when the rate is reduced by an election called under

this section, the taxing unit shall refund the difference between the amount of taxes paid and the amount due under the reduced rate if the difference between the amount of taxes paid and the amount due under the reduced rate is \$1 or more. If the difference between the amount of taxes paid and the amount due under the reduced rate is less than \$1, the taxing unit shall refund the difference on request of the taxpayer. An application for a refund of less than \$1 must be made within 90 days after the date the refund becomes due or the taxpayer forfeits the right to the refund.

(h) to (j) Expired.

Acts 1979, 66th Leg., p. 2279, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 165, ch. 13, Sec. 119, eff. Jan. 1, 1982; Acts 1985, 69th Leg., 1st C.S., ch. 1, Sec. 2(a), eff. Sept. 1, 1985; Acts 1987, 70th Leg., ch. 457, Sec. 13, eff. Sept. 1, 1987; Acts 1987, 70th Leg., ch. 947, Sec. 9, eff. Jan. 1, 1988; Acts 1993, 73rd Leg., ch. 292, Sec. 1, eff. Sept. 1, 1993; Acts 1993, 73rd Leg., ch. 728, Sec. 84, eff. Sept. 1, 1993; Acts 1997, 75th Leg., ch. 165, Sec. 29.08, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 1368, Sec. 4, eff. June 18, 2005.

Sec. 26.08. ELECTION TO RATIFY SCHOOL TAXES. (a) If the governing body of a school district adopts a tax rate that exceeds the district's rollback tax rate, the registered voters of the district at an election held for that purpose must determine whether to approve the adopted tax rate. When increased expenditure of money by a school district is necessary to respond to a disaster, including a tornado, hurricane, flood, or other calamity, but not including a drought, that has impacted a school district and the governor has requested federal disaster assistance for the area in which the school district is located, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs.

(b) The governing body shall order that the election be held in the school district on a date not less than 30 or more than 90 days after the day on which it adopted the tax rate. Section 41.001, Election Code, does not apply to the election unless a date

specified by that section falls within the time permitted by this section. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of \$_____ per \$100 valuation in (name of school district) for the current year, a rate that is \$_____ higher per \$100 valuation than the school district rollback tax rate." The ballot proposition must include the adopted tax rate and the difference between that rate and the rollback tax rate in the appropriate places.

(c) If a majority of the votes cast in the election favor the proposition, the tax rate for the current year is the rate that was adopted by the governing body.

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

(e) For purposes of this section, local tax funds dedicated to a junior college district under Section 45.105(e), Education Code, shall be eliminated from the calculation of the tax rate adopted by the governing body of the school district. However, the funds dedicated to the junior college district are subject to Section 26.085.

(f) Repealed by Acts 1999, 76th Leg., ch. 396, Sec. 3.01(c), eff. Sept. 1, 1999.

(g) In a school district that received distributions from an equalization tax imposed under former Chapter 18, Education Code, 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) For purposes of this section, increases in taxable values and tax levies occurring within a reinvestment zone under Chapter 311 (Tax Increment Financing Act), in which the district is a participant, shall be eliminated from the calculation of the tax rate adopted by the governing body of the school district.

(i) For purposes of this section, the effective maintenance and operations tax rate of a school district is the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be

distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, including state funds that will be distributed to the district in that school year under Section 42.2516, Education Code, would provide the same amount of state funds distributed under Chapter 42, Education Code, including state funds distributed under Section 42.2516, Education Code, and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year.

(i-1) For purposes of Subsections (i) and (k), any change from the preceding school year to the current school year in the amount of state funds distributed to a school district under Section 42.2516, Education Code, is not considered to be a change in a funding element for Chapter 42, Education Code. The amount of state funds distributed under Chapter 42, Education Code, and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year is computed on the basis of the amount actually distributed to the district under Section 42.2516, Education Code, in the preceding school year.

(j) For purposes of Subsection (i), the amount of state funds that would have been available to a school district in the preceding year is computed using the maximum tax rate for the current year under Section 42.253(e), Education Code.

For expiration of Subsections (k), (l), and (m), see Subsection (m)

(k) For purposes of this section, for the 2006, 2007, or 2008 tax year, for a school district that is entitled to state funds under Sections 1581.1015(d), (e), and (f), Insurance Code, the effective maintenance and operations tax rate of the district is

the sum of:

(1) the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, including state funds that will be distributed to the district in that school year under Section 42.2516, Education Code, would provide the same amount of state funds distributed under Chapter 42, Education Code, including state funds distributed under Section 42.2516, Education Code, and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year; and

(2) the tax rate that, applied to the current total value for the district, would impose taxes in the amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, including state funds that will be distributed to the district in that school year under Section 42.2516, Education Code, permits the district to comply with Section 1581.052, Insurance Code.

(1) For purposes of Subsection (k), the amount of state funds that would have been available to a school district in the preceding year is computed using the maximum tax rate for the current year under Section 42.253(e), Education Code.

(m) Subsections (k) and (l) and this subsection expire January 1, 2009.

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

(1) for the 2006 tax year, the sum of the rate that is equal to 88.67 percent of the maintenance and operations tax rate adopted by the district for the 2005 tax year, the rate of \$0.04 per \$100 of taxable value, and the district's current debt rate; and

(2) for the 2007 and subsequent tax years, the lesser

of the following:

(A) the sum of the following:

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

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

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

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

(B) the sum of the following:

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

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

(iii) the district's current debt rate.

(o) For purposes of this section, the rollback tax rate of a school district whose maintenance and operations tax rate for the 2005 tax year was greater than \$1.50 per \$100 of taxable value is computed in the manner provided by Subsection (n) except that the maintenance and operations tax rate per \$100 of taxable value adopted by the district for the 2005 tax year is substituted for \$1.50 in a computation under that subsection.

Acts 1979, 66th Leg., p. 2280, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 166, ch. 13, Sec. 120, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 5377, ch. 987, Sec. 4, eff. June 19, 1983; Acts 1984, 68th Leg., 2nd C.S., ch. 28, art. II, Sec. 14, eff. Sept. 1, 1984; Acts 1987, 70th Leg., ch. 947, Sec. 10, eff. Jan. 1, 1988; Acts 1989, 71st Leg., ch. 816, Sec. 22, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 20, Sec. 20, 26, eff. Aug.

26, 1991; Acts 1993, 73rd Leg., ch. 347, Sec. 2.04, eff. May 31, 1993; Acts 1993, 73rd Leg., ch. 728, Sec. 85, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 260, Sec. 47, eff. May 30, 1995; Acts 1995, 74th Leg., ch. 506, Sec. 4, eff. Aug. 28, 1995; Acts 1995, 74th Leg., ch. 828, Sec. 4(a), eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 592, Sec. 2.03, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 396, Sec. 1.40, 3.01(c), eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1187, Sec. 2.11, eff. Sept. 1, 2001.

Amended by:

Acts 2006, 79th Leg., 3rd C.S., Ch. 5, Sec. 1.14, eff. May 31, 2006.

Sec. 26.081. PETITION SIGNATURES. (a) A voter's signature on a petition filed in connection with an election under this chapter is not required to appear exactly as the voter's name appears on the most recent official list of registered voters for the signature to be valid.

(b) If the governing body reviewing the petition is unable to verify the validity of a particular voter's signature, and the petition does not contain any reasonable means by which they might otherwise do so, such as the voter's registration number, home address, or telephone number, the governing body may then require the organizer of the petition to provide such information for that particular voter if the organizer wishes for the signature to be counted.

Added by Acts 1989, 71st Leg., ch. 319, Sec. 1, eff. Sept. 1, 1989.

Sec. 26.085. ELECTION TO LIMIT DEDICATION OF SCHOOL FUNDS TO JUNIOR COLLEGE. (a) If the percentage of the total tax levy of a school district dedicated by the governing body of the school district to a junior college district under Section 45.105(e), Education Code, exceeds the percentage of the total tax levy of the school district for the preceding year dedicated to the junior college district under that section, the qualified voters of the school district by petition may require that an election be held to determine whether to limit the percentage of the total tax levy dedicated to the junior college district to the same percentage as

the percentage of the preceding year's total tax levy dedicated to the junior college district.

(b) A petition is valid only if:

(1) it states that it is intended to require an election on the question of limiting the amount of school district tax funds to be dedicated to the junior college district for the current year;

(2) it is signed by a number of registered voters of the school district equal to at least 10 percent of the number of registered voters of the school district according to the most recent official list of registered voters; and

(3) it is submitted to the governing body on or before the 90th day after the date on which the governing body made the dedication to the junior college district.

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

(d) If the governing body finds that the petition is valid (or fails to act within the time allowed), it shall order that an election be held in the school district on a date not less than 30 or more than 90 days after the last day on which it could have acted to approve or disapprove the petition. A state law requiring local elections to be held on a specified date does not apply to the election unless a specified date falls within the time permitted by this section. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Limiting the portion of the (name of school district) tax levy dedicated to the (name of junior college district) for the current year to the same portion that was dedicated last year."

(e) If a majority of the qualified voters voting on the question in the election favor the proposition, the percentage of the total tax levy of the school district for the year to which the election applies dedicated to the junior college district is reduced to the same percentage of the total tax levy that was dedicated to the junior college district by the school district in

the preceding year. If the proposition is approved by a majority of the qualified voters voting in an election to limit the dedication to the junior college district in a year following a year in which there was no dedication of local tax funds to the junior college district under Section 45.105(e), Education Code, the school district may not dedicate any local tax funds to the junior college district in the year to which the election applies. If the proposition is not approved by a majority of the qualified voters voting in the election, the percentage of the total tax levy dedicated to the junior college district is the percentage adopted by the governing body.

Added by Acts 1983, 68th Leg., p. 5374, ch. 987, Sec. 2, eff. June 19, 1983. Amended by Acts 1993, 73rd Leg., ch. 728, Sec. 86, eff. Sept. 1, 1993; Acts 1997, 75th Leg., ch. 165, Sec. 6.78, eff. Sept. 1, 1997.

Sec. 26.09. CALCULATION OF TAX. (a) On receipt of notice of the tax rate for the current tax year, the assessor for a taxing unit other than a county shall calculate the tax imposed on each property included on the appraisal roll for the unit.

(b) The county assessor-collector shall add the properties and their values certified to him as provided by Chapter 24 of this code to the appraisal roll for county tax purposes. The county assessor-collector shall use the appraisal roll certified to him as provided by Section 26.01 with the added properties and values to calculate county taxes.

(c) The tax is calculated by:

(1) subtracting from the appraised value of a property as shown on the appraisal roll for the unit the amount of any partial exemption allowed the property owner that applies to appraised value to determine net appraised value;

(2) multiplying the net appraised value by the assessment ratio to determine assessed value;

(3) subtracting from the assessed value the amount of any partial exemption allowed the property owner to determine taxable value; and

(4) multiplying the taxable value by the tax rate.

(d) If a property is subject to taxation for a prior year in which it escaped taxation, the assessor shall calculate the tax for each year separately. In calculating the tax, he shall use the assessment ratio and tax rate in effect in the unit for the year for which back taxes are being imposed. To the amount of back taxes due, he shall add interest calculated at the rate provided by Subsection (c) of Section 33.01 of this code from the date the tax would have become delinquent had the tax been imposed in the proper tax year.

(e) The assessor shall enter the amount of tax determined as provided by this section in the appraisal roll and submit it to the governing body of the unit for approval. The appraisal roll with amounts of tax entered as approved by the governing body constitutes the unit's tax roll.

Acts 1979, 66th Leg., p. 2281, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S. p. 166, ch. 13, Sec. 121, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 4827, ch. 851, Sec. 19, eff. Aug. 29, 1983.

Sec. 26.10. PRORATING TAXES--LOSS OF EXEMPTION. (a) If the appraisal roll shows that a property is eligible for taxation for only part of a year because an exemption, other than a residence homestead exemption, applicable on January 1 of that year terminated during the year, the tax due against the property is calculated by multiplying the tax due for the entire year as determined as provided by Section 26.09 of this code by a fraction, the denominator of which is 365 and the numerator of which is the number of days the exemption is not applicable.

(b) If the appraisal roll shows that a residence homestead exemption for an individual 65 years of age or older or a residence homestead exemption for a disabled individual applicable to a property on January 1 of a year terminated during the year and if the owner qualifies a different property for one of those residence homestead exemptions during the same year, the tax due against the former residence homestead is calculated by:

(1) subtracting:

(A) the amount of the taxes that otherwise would

be imposed on the former residence homestead for the entire year had the individual qualified for the residence homestead exemption for the entire year; from

(B) the amount of the taxes that otherwise would be imposed on the former residence homestead for the entire year had the individual not qualified for the residence homestead exemption during the year;

(2) multiplying the remainder determined under Subdivision (1) by a fraction, the denominator of which is 365 and the numerator of which is the number of days that elapsed after the date the exemption terminated; and

(3) adding the product determined under Subdivision (2) and the amount described by Subdivision (1)(A).

Acts 1979, 66th Leg., p. 2282, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1983, 68th Leg., p. 5002, ch. 896, Sec. 1, eff. Jan. 1, 1984; Acts 1997, 75th Leg., ch. 1039, Sec. 30, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1059, Sec. 5, eff. Jan. 1, 1998; Acts 1999, 76th Leg., ch. 62, Sec. 16.06, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1061, Sec. 1, eff. Jan. 1, 2002; Acts 2003, 78th Leg., ch. 411, Sec. 5, eff. Jan. 1, 2004.

Sec. 26.11. PRORATING TAXES--ACQUISITION BY GOVERNMENT.

(a) If the federal government, the state, or a political subdivision of the state acquires the right to possession of taxable property under a court order issued in condemnation proceedings or acquires title to taxable property, the amount of the tax due on the property is calculated by multiplying the amount of taxes imposed on the property for the entire year as determined as provided by Section 26.09 of this code by a fraction, the denominator of which is 365 and the numerator of which is the number of days that elapsed prior to the date of the conveyance or the date of the order granting the right of possession.

(b) If the amount of taxes to be imposed on the property for the year of transfer has not been determined at the time of transfer, the assessor for each taxing unit in which the property is taxable may use the taxes imposed on the property for the preceding tax year as the basis for determining the amount of taxes to be

imposed for the current tax year.

(c) If the amount of prorated taxes determined to be due as provided by this section is tendered to the collector for the unit, the collector shall accept the tender. The payment absolves:

(1) the transferor of liability for taxes by the unit on the property for the year of the transfer; and

(2) the taxing unit of liability for a refund in connection with taxes on the property for the year of the transfer. Acts 1979, 66th Leg., p. 2282, ch. 841, Sec. 1, eff. Jan. 1, 1982.

Amended by:

Acts 2005, 79th Leg., Ch. 1126, Sec. 8, eff. September 1, 2005.

Sec. 26.111. PRORATING TAXES--ACQUISITION BY CHARITABLE ORGANIZATION. (a) If an organization acquires taxable property that qualifies for and is granted an exemption under Section 11.181(a) or 11.182(a) for the year in which the property was acquired, the amount of tax due on the property for that year is calculated by multiplying the amount of taxes imposed on the property for the entire year as provided by Section 26.09 by a fraction, the denominator of which is 365 and the numerator of which is the number of days in that year before the date the charitable organization acquired the property.

(b) If the exemption terminates during the year of acquisition, the tax due is calculated by multiplying the taxes imposed for the entire year as provided by Section 26.09 by a fraction, the denominator of which is 365 and the numerator of which is the number of days the property does not qualify for the exemption.

Acts 1993, 73rd Leg., ch. 345, Sec. 4, eff. Jan. 1, 1994. Amended by Acts 1997, 75th Leg., ch. 715, Sec. 4, eff. Jan. 1, 1998.

Sec. 26.112. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF ELDERLY OR DISABLED PERSON. (a) Except as provided by Section 26.10(b), if at any time during a tax year property is owned by an individual who qualifies for an exemption under Section 11.13(c) or (d), the amount of the tax due on the property for the tax year is

calculated as if the person qualified for the exemption on January 1 and continued to qualify for the exemption for the remainder of the tax year.

(b) If a person qualifies for an exemption under Section 11.13(c) or (d) with respect to the property after the amount of the tax due on the property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, the assessor for each taxing unit shall recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall mail a corrected tax bill to the person in whose name the property is listed on the tax roll or to the person's authorized agent. If the tax on the property has been paid, the tax collector for the taxing unit shall refund to the person who paid the tax the amount by which the payment exceeded the tax due.

Added by Acts 1997, 75th Leg., ch. 1039, Sec. 31, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1059, Sec. 6, eff. June 19, 1997. Amended by Acts 1999, 76th Leg., ch. 1481, Sec. 8, eff. Jan. 1, 2000; Acts 2001, 77th Leg., ch. 1061, Sec. 2, eff. Jan. 1, 2002; Acts 2003, 78th Leg., ch. 411, Sec. 6, eff. Jan. 1, 2004.

Sec. 26.113. PRORATING TAXES--ACQUISITION BY NONPROFIT ORGANIZATION. (a) If a person acquires taxable property that qualifies for and is granted an exemption covered by Section 11.42(d) for a portion of the year in which the property was acquired, the amount of tax due on the property for that year is computed by multiplying the amount of taxes imposed on the property for the entire year as provided by Section 26.09 by a fraction, the denominator of which is 365 and the numerator of which is the number of days in that year before the date the property qualified for the exemption.

(b) If the exemption terminates during the year of acquisition, the tax due is computed by multiplying the taxes imposed for the entire year as provided by Section 26.09 by a fraction, the denominator of which is 365 and the numerator of which is the number of days the property does not qualify for the exemption.

Added by Acts 1997, 75th Leg., ch. 1039, Sec. 31, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1155, Sec. 3, eff. Jan. 1, 1998. Amended by Acts 1999, 76th Leg., ch. 1481, Sec. 9, eff. Jan. 1, 2000.

Sec. 26.12. UNITS CREATED DURING TAX YEAR. (a) If a taxing unit is created after January 1 and before July 1, the chief appraiser shall prepare and deliver an appraisal roll for the unit as provided by Section 26.01 of this code as if the unit had existed on January 1.

(b) If the taxing unit created after January 1 and before July 1 imposes taxes for the year, it shall do so as provided by this chapter as if it had existed on January 1.

(c) If a taxing unit is created too late for observance of the deadline provided by Section 26.01 of this code for certification of the appraisal roll to the assessor for the unit, the chief appraiser shall submit the appraisal roll as provided by Section 26.01 as soon as practicable.

(d) Except as provided by Subsection (e), a taxing unit created after June 30 may not impose property taxes in the year in which the unit is created.

(e) Repealed by Acts 1993, 73rd Leg., ch. 347, Sec. 4.13(2), eff. May 31, 1993.

Acts 1979, 66th Leg., p. 2282, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1987, 70th Leg., ch. 39, Sec. 1, eff. Jan. 1, 1988; Acts 1989, 71st Leg., ch. 796, Sec. 29, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 20, Sec. 21, eff. Aug. 26, 1991; Acts 1993, 73rd Leg., ch. 347, Sec. 4.13(2), eff. May 31, 1993.

Sec. 26.13. TAXING UNIT CONSOLIDATION DURING TAX YEAR.

(a) If two or more taxing units consolidate into a single taxing unit after January 1, the governing body of the consolidated unit may elect to impose taxes for the current tax year either as if the unit as consolidated had existed on January 1 or as if the consolidation had not occurred.

(b) The chief appraiser shall prepare and deliver an appraisal roll for the unit or units in accordance with the election made by the governing body.

(c) Whatever the election, the assessor and collector for the unit, as consolidated shall assess and collect taxes on property that is taxable by the unit as consolidated.

Acts 1979, 66th Leg., p. 2283, ch. 841, Sec. 1, eff. Jan. 1, 1982.

Sec. 26.135. TAX DATES FOR CERTAIN SCHOOL DISTRICTS.

(a) A school district that before January 1, 1989, has for at least 10 years followed a practice of adopting its tax rate at a different date than as provided by this chapter and of billing for and collecting its taxes at different dates than as provided by Chapters 31 and 33 may continue to follow that practice.

(b) This section does not affect the dates provided by this title for other purposes, including those relating to the appraisal and taxability of property, the attachment of tax liens and personal liability for taxes, and administrative and judicial review under Chapters 41 and 42.

Added by Acts 1989, 71st Leg., ch. 813, Sec. 6.11, eff. Sept. 1, 1989.

Sec. 26.14. ANNEXATION OF PROPERTY DURING TAX YEAR.

(a) Except as provided by Subsection (b) of this section, a taxing unit may not impose a tax on property annexed by the unit after January 1.

(b) If a taxing unit annexes territory during a tax year that was located in another taxing unit of like kind on January 1, each unit shall impose taxes on property located within its boundaries on the date the appraisal review board approves the appraisal roll for the district. The chief appraiser shall prepare and deliver an appraisal roll for each unit in accordance with the requirements of this subsection.

(c) For purposes of this section, "taxing units of like kind" are taxing units that are authorized by the laws by or pursuant to which they are created to perform essentially the same services.

Acts 1979, 66th Leg., p. 2283, ch. 841, Sec. 1, eff. Jan. 1, 1982.

Sec. 26.15. CORRECTION OF TAX ROLL. (a) Except as

provided by Chapters 41 and 42 of this code and in this section, the tax roll for a taxing unit may not be changed after it is completed.

(b) The assessor for a unit shall enter on the tax roll the changes made in the appraisal roll as provided by Section 25.25 of this code.

(c) At any time, the governing body of a taxing unit, on motion of the assessor for the unit or of a property owner, shall direct by written order changes in the tax roll to correct errors in the mathematical computation of a tax. The assessor shall enter the corrections ordered by the governing body.

(d) Except as provided by Subsection (e) of this section, if a correction in the tax roll that changes the tax liability of a property owner is made after the tax bill is mailed, the assessor shall prepare and mail a corrected tax bill in the manner provided by Chapter 31 of this code for tax bills generally. He shall include with the bill a brief explanation of the reason for and effect of the corrected bill.

(e) If a correction that increases the tax liability of a property owner is made after the tax is paid, the assessor shall prepare and mail a supplemental tax bill in the manner provided by Chapter 31 of this code for tax bills generally. He shall include with the supplemental bill a brief explanation of the reason for and effect of the supplemental bill. The additional tax is due on receipt of the supplemental bill and becomes delinquent if not paid before the delinquency date prescribed by Chapter 31 of this code or before the first day of the next month after the date of the mailing that will provide at least 21 days for payment of the tax, whichever is later.

(f) If a correction decreases the tax liability of a property owner after the owner has paid the tax, the taxing unit shall refund to the property owner the difference between the tax paid and the tax legally due, except as provided by Section 25.25(n).

(g) A taxing unit that determines a taxpayer is delinquent in ad valorem tax payments on property other than the property for which liability for a refund arises may apply the amount of an overpayment to the payment of the delinquent taxes if the taxpayer

was the sole owner of the property:

(1) for which the refund is sought on January 1 of the tax year in which those taxes were assessed; and

(2) on which the taxes are delinquent on January 1 of the tax year for which those taxes were assessed.

Acts 1979, 66th Leg., p. 2283, ch. 841, Sec. 1, eff. Jan. 1, 1982.

Amended by Acts 1991, 72nd Leg., ch. 418, Sec. 1, eff. Aug. 26,

1991; Acts 1993, 73rd Leg., ch. 198, Sec. 2, eff. Sept. 1, 1993;

Acts 2001, 77th Leg., ch. 1430, Sec. 7, eff. Sept. 1, 2001.