

SUBJECT: Notification requirements for tax rate and school budget meetings

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 6 ayes — J. Keffer, Villarreal, Paxton, Ritter, Smithee, Woolley

0 nays

3 absent — Edwards, Grusendorf, Luna

SENATE VOTE: On final passage, April 22 — 28-0

WITNESSES: None

BACKGROUND: Under the Tax Code, the governing body of a taxing unit, such as a school district or municipality, is required to hold a public hearing if adopting a tax rate between 3 percent and 8 percent higher than the effective rate. The governing body is required to post notice of the public hearing by mail or in a local newspaper and must include certain information, including the previous year's tax rate, the proposed tax rate, and other relevant information.

School boards, under the Education Code, also are required to hold a meeting of the board of trustees to adopt a budget for the succeeding fiscal year. The meeting is open to the public, and boards must post notice with certain financial and other information before the meeting.

DIGEST: SB 567 would add budget and appraisal value information to the notification that must be provided by a school board and by the governing body of other taxing units. Specifically, the notice would have to include the annual difference, expressed as a percent increase or decrease, in the amount budgeted for maintenance and operations, debt service, and total expenditures. It also would have to include the total appraised value and taxable value of all property and all new property within the taxing unit.

The new notice requirements would take effect for the 2006 tax year unless a tax rate already had been adopted, in which case the requirements would take effect for the 2007 tax year.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.