

BILL ANALYSIS

Senate Research Center

H.B. 954
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Engrossed

DIGEST

Current law requires a public hearing every time a taxing entity's rate change results in the imposition of a tax that, if applied to the total taxable value, would exceed the previous year's levy. This procedure can result in numerous public hearings and be very costly. H.B. 954 would establish conditions relating to the notice and public hearing requirements for a taxing unit to increase the unit's tax rate.

PURPOSE

As proposed, H.B. 954 establishes conditions relating to the notice and public hearing requirements for a taxing unit to increase the unit's tax rate.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 26.04(e), Tax Code, to require a designated officer or employee to deliver by mail to each property owner in the unit or to publish in a newspaper in the form prescribed by the comptroller certain conditions regarding certain financial information regarding the district including 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. Makes conforming changes.

SECTION 2. Amends Section 26.05(d), Tax Code, to prohibit the governing body from adopting a tax rate that exceeds the lower of the rollback tax rate or 103 percent of the effective tax rate calculated until the governing body has held a public hearing on the proposed tax rate and has otherwise complied with Sections 26.06 and 26.065. Requires the governing body of a taxing unit to reduce a tax rate set by the law or by vote of the electorate to the lower of the rollback tax rate or 103 percent of the effective tax rate and may not adopt a higher rate unless it first complies with Section 26.06. Deletes text regarding the imposition of a certain amount of taxes. Makes nonsubstantive change.

SECTION 3. Amends Sections 26.06(a), (b), (d), and (e), Tax Code, to make conforming and nonsubstantive changes.

SECTION 4. Amends Section 25.19(b), Tax Code, to make conforming changes.

SECTION 5. Amends Chapter 26, Tax Code, by adding Section 26.065, as follows:

Sec. 26.065. SUPPLEMENTAL NOTICE OF HEARING ON TAX RATE INCREASE. Requires the governing body of a taxing unit required to hold a public hearing to give notice of the hearing in a prescribed manner, in addition to the notice required in Section 26.06. Sets forth requirements for the taxing unit regarding the notice of a public hearing on an Internet website owned, operated, or controlled by the taxing unit, or if the taxing unit has free access to a television channel, to post a 60-second notice regarding the proposed tax rate increase at least seven days prior to the vote. Provides information required in the notice. Provides that this section does not apply to a taxing unit if the taxing unit is unable to fulfill certain conditions. Provides that a person who owns a 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 requirements of this section.

SECTION 6. (a) Effective date: January 1, 2000, except as provided by Subsection (b).

(b) Effective date of Section 26.065, Tax Code: January 1, 2001.

(c) Makes application of this Act prospective.

SECTION 7. Emergency clause.