

Legislative Changes

2019 Amendments to Property Tax Code

§ 1.04

S.B. 1943

Author: Kirk Watson

Effective: September 1, 2019

SECTION 1. Section 1.04, Tax Code, is amended by adding Subdivisions (20) and (21) to read as follows:

(20) "Heir property" means real property:

(A) owned by one or more individuals, at least one of whom claims the property as the individual's residence homestead; and

(B) acquired by the owner or owners by will, transfer on death deed, or intestacy, regardless of whether the interests of the owners are recorded in the real property records of the county in which the property is located.

(21) "Heir property owner" means an owner of heir property who claims the property as the individual's residence homestead.

§ 1.045

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 2. Chapter 1, Tax Code, is amended by adding Section 1.045 to read as follows:

Sec. 1.045. REFERENCE TO CERTAIN TERMS IN LAW. Unless the context indicates otherwise:

(1) a reference in law to a taxing unit's effective maintenance and operations rate is a reference to the taxing unit's no-new-revenue maintenance and operations rate, as defined by Chapter 26;

(2) a reference in law to a taxing unit's effective tax rate is a reference to the taxing unit's no-new-revenue tax rate, as defined by Chapter 26; and

(3) a reference in law to a taxing unit's rollback tax rate is a reference to the taxing unit's voter-approval tax rate, as defined by Chapter 26.

§ 1.07(a)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 3. Section 1.07(a), Tax Code, is amended to read as follows:

(a) An official or agency required by this title to deliver a notice to a property owner may deliver the notice by regular first-class mail, with postage prepaid, unless this section or another provision of this title requires or authorizes a different method of delivery or the parties agree that the notice must be delivered as provided by Section 1.085 or 1.086.

§ 1.071

S.B. 1856

Author: Angela Paxton

Effective: September 1, 2019

SECTION 1. Chapter 1, Tax Code, is amended by adding Section 1.071 to read as follows:

Sec. 1.071. DELIVERY OF REFUND. (a) A collector or taxing unit required by this title to deliver a refund to a person shall send the refund to the person's mailing address as listed on the appraisal roll.

(b) Notwithstanding Subsection (a), if a person files a written request with the collector or taxing unit that a refund owed to the person be sent to a particular address, the collector or taxing unit shall send the refund to the address stated in the request.

§ 1.085(a)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 4. Section 1.085(a), Tax Code, is amended to read as follows:

(a) Notwithstanding any other provision in this title and except as provided by this section, any notice, rendition, application form, or completed application, or information requested under Section 41.461(a)(2), that is required or permitted by this title to be delivered between a chief appraiser, an appraisal district, an appraisal review board, or any combination of those persons and a property owner or ~~[between a chief appraiser, an appraisal district, an appraisal review board, or any combination of those persons and]~~ a person designated by a property owner under Section 1.111(f) may be delivered in an electronic format if the chief appraiser and the property owner or person designated by the owner agree under this section.

§ 1.085(m)

H.B. 1060

Author: Cecil Bell, Jr.

Effective: September 1, 2019

SECTION 1. Section 1.085, Tax Code, is amended by adding Subsection (m) to read as follows:

(m) Notwithstanding any other provision of this section, a property owner need not enter into an agreement under this section to be entitled to electronic delivery of a notice of a protest hearing under Section 41.46.

§ 1.086

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 5. Chapter 1, Tax Code, is amended by adding Section 1.086 to read as follows:

Sec. 1.086. DELIVERY OF CERTAIN NOTICES BY E-MAIL. (a) On the written request of the owner of a residential property that is occupied by the owner as the owner's principal residence, the chief appraiser of the appraisal district in which the property is located shall send each notice required by this title related to the following to the e-mail address of the owner:

(1) a change in value of the property;

(2) the eligibility of the property for an exemption; or

(3) the grant, denial, cancellation, or other change in the status of an exemption or exemption application applicable to the property.

(b) A property owner must provide the e-mail address to which the chief appraiser must send the notices described by Subsection (a) in a request made under that subsection.

(c) A chief appraiser who delivers a notice electronically under this section is not required to mail the same notice to the property owner.

(d) A request made under this section remains in effect until revoked by the property owner in a written revocation filed with the chief appraiser.

(e) After a property owner makes a request under this section and before a chief appraiser may deliver a notice electronically under this section, the chief appraiser must send an e-mail to the address provided by the property owner confirming the owner's request to receive notices electronically.

(f) The chief appraiser of an appraisal district that maintains an Internet website shall provide a form on the website that a property owner may use to electronically make a request under this section.

§ 5.01

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 6. Chapter 5, Tax Code, is amended by adding Section 5.01 to read as follows:

Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD. (a) The comptroller shall appoint the property tax administration advisory board to advise the comptroller with respect to the division or divisions within the office of the comptroller with primary responsibility for state administration of property taxation and state oversight of appraisal districts. The advisory board may make recommendations to the comptroller regarding improving the effectiveness and efficiency of the property tax system, best practices, and complaint resolution procedures.

(b) The advisory board is composed of at least six members appointed by the comptroller. The members of the board should include:

(1) representatives of property tax payers, appraisal districts, assessors, and school districts; and

(2) a person who has knowledge or experience in conducting ratio studies.

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

(d) Any advice to the comptroller relating to a matter described by Subsection (a) that is provided by a member of the advisory board must be provided at a meeting called by the comptroller.

(e) Chapter 2110, Government Code, does not apply to the advisory board.

§ 5.041(b), (c), (e-1), (e-3)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 7. Sections 5.041(b), (c), (e-1), and (e-3), Tax Code, are amended to read as follows:

(b) A member of the appraisal review board established for an appraisal district must complete the course established under Subsection (a). The course must provide at least eight hours of classroom training and education. A member of the appraisal review board may not participate

in a hearing conducted by the board unless the person has completed the course established under Subsection (a) and received a certificate of course completion.

(c) The comptroller may contract with service providers to assist with the duties imposed under Subsection (a), but the course required may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training course, but the fee may not exceed \$50 for each ~~per~~ person trained. If the training is provided to an individual other than a member of an appraisal review board, the comptroller may assess a fee not to exceed \$50 for each person trained.

(e-1) In addition to the course established under Subsection (a), the comptroller shall approve curricula and provide materials for use in a continuing education course for members of an appraisal review board. The course must provide at least four hours of classroom training and education. The curricula and materials must include information regarding:

- (1) the cost, income, and market data comparison methods of appraising property;
- (2) the appraisal of business personal property;
- (3) the determination of capitalization rates for property appraisal purposes;
- (4) the duties of an appraisal review board;
- (5) the requirements regarding the independence of an appraisal review board from the board of directors and the chief appraiser and other employees of the appraisal district;
- (6) the prohibitions against ex parte communications applicable to appraisal review board members;
- (7) the Uniform Standards of Professional Appraisal Practice;
- (8) the duty of the appraisal district to substantiate the district's determination of the value of property;
- (9) the requirements regarding the equal and uniform appraisal of property;
- (10) the right of a property owner to protest the appraisal of the property as provided by Chapter 41; and
- (11) a detailed explanation of each of the actions described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413, 41.42, and 41.43 so that members are fully aware of each of the grounds on which a property appraisal can be appealed.

(e-3) The comptroller may contract with service providers to assist with the duties imposed under Subsection (e-1), but the course required by that subsection may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the continuing education course, but the fee may not exceed \$50 for each person trained. If the training is provided to an individual other than a member of an appraisal review board, the comptroller may assess a fee not to exceed \$50 for each person trained.

SECTION 93. Section 5.041, Tax Code, as amended by this Act, applies only to an appraisal review board member appointed to serve a term of office that begins on or after January 1, 2020.

§ 5.043

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 8. Chapter 5, Tax Code, is amended by adding Section 5.043 to read as follows:

Sec. 5.043. TRAINING OF ARBITRATORS. (a) This section applies only to persons who have agreed to serve as arbitrators under Chapter 41A.

(b) The comptroller shall:

(1) approve curricula and provide an arbitration manual and other materials for use in training and educating arbitrators;

(2) make all materials for use in training and educating arbitrators freely available online; and

(3) establish and supervise a training program on property tax law for the training and education of arbitrators.

(c) The training program must:

(1) emphasize the requirements regarding the equal and uniform appraisal of property; and

(2) be at least four hours in length.

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

(e) The comptroller may contract with service providers to assist with the duties imposed under Subsection (b), but the training program may not be provided by an appraisal district, the

chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training program, but the fee may not exceed \$50 for each person trained. If the training is provided to a person other than a person who has agreed to serve as an arbitrator under Chapter 41A, the comptroller may assess a fee not to exceed \$50 for each person trained.

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

SECTION 94. The comptroller of public accounts shall implement Section 5.043, Tax Code, as added by this Act, as soon as practicable after January 1, 2020.

§ 5.05

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 9. Section 5.05, Tax Code, is amended by adding Subsections (c-1) and (c-2) to read as follows:

(c-1) An appraisal district shall appraise property in accordance with any appraisal manuals required by law to be prepared and issued by the comptroller.

(c-2) Appraisal manuals required by law to be prepared and issued by the comptroller for the purpose of determining the market value of property shall be prepared based on generally accepted appraisal methods and techniques.

SECTION 95. Sections 5.05, 5.102, 5.13, and 23.01, Tax Code, as amended by this Act, apply only to the appraisal of property for ad valorem tax purposes for a tax year beginning on or after January 1, 2020.

§ 5.061

S.B. 1943

Author: Kirk Watson

Effective: September 1, 2019

SECTION 2. Chapter 5, Tax Code, is amended by adding Section 5.061 to read as follows:

Sec. 5.061. EXPLANATION OF INFORMATION RELATED TO HEIR PROPERTY. The comptroller shall prepare and electronically publish a pamphlet that provides information to

assist heir property owners in applying for a residence homestead exemption authorized by Chapter 11. The pamphlet must include:

(1) a list of the residence homestead exemptions authorized by Chapter 11;

(2) a description of the process for applying for an exemption as prescribed by Section 11.43;

(3) a description of the documents an owner is required by Section 11.43(o) to submit with an application to demonstrate the owner's ownership of an interest in heir property;

(4) contact information for the division of the State Bar of Texas from which a person may obtain a listing of individuals and organizations available to provide free or reduced-fee legal assistance; and

(5) a general description of the process by which an owner may record the owner's interest in heir property in the real property records of the county in which the property is located.

§ 5.07

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 10. Section 5.07, Tax Code, is amended by adding Subsections (f), (g), (h), (i), and (j) to read as follows:

(f) The comptroller shall prescribe tax rate calculation forms to be used by the designated officer or employee of each:

(1) taxing unit other than a school district to calculate and submit the no-new-revenue tax rate and the voter-approval tax rate for the taxing unit as required by Chapter 26; and

(2) school district to:

(A) calculate and submit the no-new-revenue tax rate and the voter-approval tax rate for the district as required by Chapter 26; and

(B) submit the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year as required by Chapter 26.

(g) The forms described by Subsection (f) must be in an electronic format and:

(1) have blanks that can be filled in electronically;

(2) be capable of being certified by the designated officer or employee after completion as accurately calculating the applicable tax rates and using values that are the same as the values shown in, as applicable:

(A) the taxing unit's certified appraisal roll; or

(B) the certified estimate of taxable value of property in the taxing unit prepared under Section 26.01(a-1); and

(3) be capable of being electronically incorporated into the property tax database maintained by each appraisal district under Section 26.17 and submitted electronically to the county assessor-collector of each county in which all or part of the territory of the taxing unit is located.

(h) For purposes of Subsections (f) and (g), the comptroller shall use the forms published on the comptroller's Internet website as of January 1, 2019, modified as necessary to comply with the requirements of this section. The comptroller shall update the forms as necessary to reflect formatting or other nonsubstantive changes.

(i) The comptroller may revise the forms to reflect substantive changes other than those described by Subsection (h) or on receipt of a request in writing. A revision under this subsection must be approved by the agreement of a majority of the members of a committee selected by the comptroller who are present at a committee meeting at which a quorum is present. The members of the committee must represent, equally, taxpayers, taxing units or persons designated by taxing units, and assessors. In the case of a revision for which the comptroller receives a request in writing, the person requesting the revision shall pay the costs of mediation if the comptroller determines that mediation is required.

(j) A meeting of the committee held under Subsection (i) is not subject to the requirements of Chapter 551, Government Code.

SECTION 96. (a) The comptroller of public accounts shall comply with Sections 5.07(f), (g), (h), and (i), Tax Code, as added by this Act, as soon as practicable after January 1, 2020.

§ 5.09

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 11. Section 5.09, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The comptroller shall prepare a biennial report of the total appraised values and taxable values of taxable property by category and the tax rates of each county, municipality, special district, and school district in effect for the two years preceding the year in which the report is prepared.

(a-1) The comptroller shall:

(1) prescribe the format by which an appraisal district or taxing unit must submit information under this section to the comptroller;

(2) collect and review in detail the information submitted that relates to each county, municipality, and school district; and

(3) collect and review the information submitted that relates to each special district.

SECTION 97. Section 5.09, Tax Code, as amended by this Act, applies only to information submitted to the comptroller of public accounts that relates to a tax year beginning on or after January 1, 2020.

§ 5.091

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 12. Section 5.091, Tax Code, is amended to read as follows:

Sec. 5.091. STATEWIDE LIST OF TAX RATES. (a) Each year the comptroller shall prepare a list that includes the total tax rate imposed by each taxing unit in this state, ~~as [other than a school district, if the tax rate is]~~ reported to the comptroller by each appraisal district, for the year ~~[preceding the year]~~ in which the list is prepared. The comptroller shall:

(1) prescribe the manner in which and deadline by which appraisal districts are required to submit the tax rates to the comptroller; and

(2) list the tax rates alphabetically according to:

(A) the county or counties in which each taxing unit is located; and

(B) the name of each taxing unit ~~[in descending order]~~.

(b) Not later than January 1 ~~[December 31]~~ of the following [each] year, the comptroller shall publish on the comptroller's Internet website the list required by Subsection (a).

SECTION 96. (b) The comptroller of public accounts shall comply with Section 5.091, Tax Code, as amended by this Act, not later than:

(1) January 1, 2022, with regard to tax rate information related to a taxing unit located wholly or partly in a county with a population of 120,000 or more; and

(2) January 1, 2023, with regard to tax rate information related to a taxing unit located wholly in a county with a population of less than 120,000.

§ 5.102

H.B. 3384

Author: Hugh D. Shine

Effective: June 7, 2019

SECTION 1. Section 5.102, Tax Code, is amended by amending Subsection (a) and adding Subsections (a-1) and (a-2) to read as follows:

(a) At least once every two years, the comptroller shall review the governance of each appraisal district, the taxpayer assistance provided by each appraisal district, and the operating and appraisal standards, procedures, and methodology used by each appraisal district, to determine compliance with generally accepted standards, procedures, and methodology.

(a-1) The comptroller may conduct a limited-scope review in place of the review required by Subsection (a) if:

(1) the appraisal district is established in a county located wholly or partly in an area declared by the governor to be a disaster area during the tax year in which the review is required;

(2) the chief appraiser of the appraisal district requests that the review conducted be a limited-scope review; and

(3) the comptroller determines that one of the following circumstances exists and was caused by the disaster:

(A) a building used by the appraisal district to conduct business is destroyed or is inaccessible or damaged to the extent that it is unusable for at least 30 days;

(B) the appraisal district's records are destroyed or are unusable for at least 30 days;

(C) the appraisal district's computer system is destroyed or is unusable for at least 30 days; or

(D) due to extraordinary circumstances, the appraisal district does not have the resources to undergo a review under this section unless the review is limited in scope.

(a-2) After consultation with the advisory committee created under Section 403.302, Government Code, the comptroller by rule may establish procedures and standards for conducting and scoring a [the] review under this section.

§ 5.102(a) and (c)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 13. Sections 5.102(a) and (c), Tax Code, are amended to read as follows:

(a) At least once every two years, the comptroller shall review the governance of each appraisal district, the taxpayer assistance provided by each appraisal district, and the operating and appraisal standards, procedures, and methodology used by each appraisal district, to determine compliance with generally accepted standards, procedures, and methodology, including compliance with standards, procedures, and methodology prescribed by any appraisal manuals required by law to be prepared and issued by the comptroller. After consultation with the property tax administration advisory board [~~committee created under Section 403.302, Government Code~~], the comptroller by rule may establish procedures and standards for conducting and scoring the review.

(c) At the conclusion of the review, the comptroller shall, in writing, notify the appraisal district concerning its performance in the review. If the review results in a finding that an appraisal district is not in compliance with generally accepted standards, procedures, and methodology, including compliance with standards, procedures, and methodology prescribed by any appraisal manuals required by law to be prepared and issued by the comptroller, the comptroller shall deliver a report that details the comptroller's findings and recommendations for improvement to:

(1) the appraisal district's chief appraiser and board of directors; and

(2) the superintendent and board of trustees of each school district participating in the appraisal district.

SECTION 95. Sections 5.05, 5.102, 5.13, and 23.01, Tax Code, as amended by this Act, apply only to the appraisal of property for ad valorem tax purposes for a tax year beginning on or after January 1, 2020.

§ 5.102(d) and (e)

H.B. 4170

Author: Jeff Leach

Effective: September 1, 2019

SECTION 14.001. Sections 5.102(d) and (e), Tax Code, are amended to conform to Chapter 450 (H.B. 2447), Acts of the 81st Legislature, Regular Session, 2009, to read as follows:

(d) If the appraisal district fails to comply with the recommendations in the report and the comptroller finds that the board of directors of the appraisal district failed to take remedial action reasonably designed to ensure substantial compliance with each recommendation in the report before the first anniversary of the date the report was issued, the comptroller shall notify the Texas

Department of Licensing and Regulation [~~Board of Tax Professional Examiners~~], or a successor to the department [~~board~~], which shall take action necessary to ensure that the recommendations in the report are implemented as soon as practicable.

(e) Before February 1 of the year following the year in which the Texas Department of Licensing and Regulation [~~Board of Tax Professional Examiners~~], or its successor, takes action under Subsection (d), and with the assistance of the comptroller, the department [~~board~~] shall determine whether the recommendations in the most recent report have been substantially implemented. The executive director [~~presiding officer~~] of the department [~~board~~] shall notify the chief appraiser and the board of directors of the appraisal district in writing of the department's [~~board's~~] determination.

§ 5.103(e) and (f)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 91. The following provisions are repealed:

(4) Sections 5.103(e) and (f), 6.412(e), 22.23(c), 25.19(b-2), and 41A.06(c), Tax Code;

§ 5.104

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 14. Chapter 5, Tax Code, is amended by adding Section 5.104 to read as follows:

Sec. 5.104. APPRAISAL REVIEW BOARD SURVEY; REPORT. (a) The comptroller shall:

(1) prepare an appraisal review board survey that allows an individual described by Subsection (b) to submit comments and suggestions to the comptroller regarding an appraisal review board;

(2) prepare instructions for completing and submitting the survey; and

(3) implement and maintain a method that allows an individual described by Subsection (b) to electronically complete and submit the survey through a uniform resource locator (URL) address.

(b) The following individuals who attend a hearing in person or by telephone conference call on a motion filed under Section 25.25 to correct the appraisal roll or a protest under Chapter 41 may complete and submit a survey under this section:

(1) a property owner whose property is the subject of the motion or protest;

(2) the designated agent of the owner; or

(3) a designated representative of the appraisal district in which the motion or protest is filed.

(c) The survey must allow an individual to submit comments and suggestions regarding:

(1) the matters listed in Section 5.103(b); and

(2) any other matter related to the fairness and efficiency of the appraisal review board.

(d) An appraisal district must provide to each property owner or designated agent of the owner who is authorized to submit a survey under this section a notice that states that the owner or agent:

(1) is entitled to complete and submit the survey;

(2) may submit the survey to the comptroller;

(A) in person;

(B) by mail;

(C) by electronic mail; or

(D) through the uniform resource locator (URL) address described by Subsection (a)(3); and

(3) may obtain a paper copy of the survey and instructions for completing the survey at the appraisal office.

(e) The notice described by Subsection (d) must include the uniform resource locator (URL) address described by Subsection (a)(3).

(f) An appraisal district must provide the notice described by Subsection (d) to a property owner or the designated agent of the owner:

(1) at or before the first hearing on the motion or protest described by Subsection (b) by the appraisal review board established for the appraisal district or by a panel of the board; and

(2) with each order under Section 25.25 or 41.47 determining a motion or protest, as applicable, delivered by the board or a panel of the board.

(g) At or before the first hearing on the motion or protest described by Subsection (b) by the appraisal review board established for the appraisal district or by a panel of the board, the board or panel must provide verbal notice to the property owner or designated agent of the owner of the owner or agent's right to complete and submit the survey.

(h) Notwithstanding Subsections (d), (f), and (g), if an appraisal district provides the notice described by Subsection (d), or an appraisal review board provides the verbal notice required by Subsection (g), to a property owner or the designated agent of the owner at or before a hearing on a motion or protest described by Subsection (b), the appraisal district or board, as applicable, is not required to provide another notice in the same manner to the owner or agent at or before another hearing on a motion or protest held on the same day.

(i) An individual who elects to submit the survey must submit the survey to the comptroller as provided by this section. An individual may submit only one survey for each hearing.

(j) The comptroller shall allow an individual to submit a survey to the comptroller in the following manner:

(1) in person;

(2) by mail;

(3) by electronic mail; or

(4) through the uniform resource locator (URL) address described by Subsection (a)(3).

(k) An appraisal district may not require a property owner or the designated agent of the owner to complete a survey at the appraisal office.

(l) The comptroller shall issue an annual report that summarizes the information included in the surveys submitted during the preceding tax year. The report may not disclose the identity of an individual who submitted a survey.

(m) The comptroller may adopt rules necessary to implement this section.

SECTION 98. The comptroller of public accounts shall prepare and make available the survey and instructions for completing and submitting the survey required by Section 5.104, Tax Code, as added by this Act, as soon as practicable after January 1, 2020. An appraisal district is not required to provide the survey or instructions under a requirement of that section until the survey and instructions are prepared and made available by the comptroller of public accounts.

§ 5.13(d)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 15. Section 5.13(d), Tax Code, is amended to read as follows:

(d) In conducting a general audit, the comptroller shall consider and report on:

(1) the extent to which the district complies with applicable law or generally accepted standards of appraisal or other relevant practice, including appraisal standards and practices prescribed by any appraisal manuals required by law to be prepared and issued by the comptroller;

(2) the uniformity and level of appraisal of major kinds of property and the cause of any significant deviations from ideal uniformity and equality of appraisal of major kinds of property;

(3) duplication of effort and efficiency of operation;

(4) the general efficiency, quality of service, and qualification of appraisal district personnel; and

(5) except as otherwise provided by Subsection (b) [~~of this section~~], any other matter included in the request for the audit.

SECTION 95. Sections 5.05, 5.102, 5.13, and 23.01, Tax Code, as amended by this Act, apply only to the appraisal of property for ad valorem tax purposes for a tax year beginning on or after January 1, 2020.

§ 6.035(a-1)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 16. Section 6.035(a-1), Tax Code, is amended to read as follows:

(a-1) An individual is ineligible to serve on an appraisal district board of directors if the individual has engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district at any time during the preceding three [~~five~~] years.

§ 6.054

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 17. Subchapter A, Chapter 6, Tax Code, is amended by adding Section 6.054 to read as follows:

Sec. 6.054. RESTRICTION ON EMPLOYMENT BY APPRAISAL DISTRICT. An individual may not be employed by an appraisal district if the individual is:

- (1) an officer of a taxing unit that participates in the appraisal district; or
- (2) an employee of a taxing unit that participates in the appraisal district.

§ 6.15

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 18. Section 6.15, Tax Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) Subsections (a) and (b) do not prohibit a member of the board of directors of an appraisal district from transmitting to the chief appraiser without comment a complaint by a property owner or taxing unit about the appraisal of a specific property, provided that the transmission is in writing.

§ 6.16

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 19. Subchapter A, Chapter 6, Tax Code, is amended by adding Section 6.16 to read as follows:

Sec. 6.16. RESIDENTIAL PROPERTY OWNER ASSISTANCE. (a) The chief appraiser of an appraisal district may maintain a list of the following individuals who have designated themselves as an individual who will provide free assistance to an owner of residential property that is occupied by the owner as the owner's principal residence:

(1) a real estate broker or sales agent licensed under Chapter 1101, Occupations
Code;

(2) a real estate appraiser licensed or certified under Chapter 1103, Occupations
Code; or

(3) a property tax consultant registered under Chapter 1152, Occupations Code.

(b) On the request of an owner described by Subsection (a), a chief appraiser who maintains a list under this section shall provide to the owner a copy of the list.

(c) A list must:

(1) be organized by county;

(2) be available on the appraisal district's Internet website, if the appraisal district maintains a website; and

(3) provide the name, contact information, and job title of each individual who will provide free assistance.

(d) A person must designate himself or herself as an individual who will provide free assistance by completing a form prescribed by the chief appraiser and submitting the form to the chief appraiser.

§ 6.41

S.B. 2

Author: Paul Bettencourt

Effective: September 1, 2020

SECTION 20. Section 6.41, Tax Code, is amended by amending Subsections (b) and (d-9) and adding Subsections (b-1), (b-2), and (d-10) to read as follows:

(b) Except as provided by Subsection (b-1) or (b-2), an appraisal review [The] board consists of three members.

(b-1) An appraisal [However, the] district board of directors by resolution of a majority of the board's [its] members may increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate.

(b-2) An appraisal district board of directors for a district established in a county with a population of one million or more by resolution of a majority of the board's members shall increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate to manage the duties of the appraisal review board, including the duties of each special panel established under Section 6.425.

(d-9) In selecting individuals who are to serve as members of the appraisal review board for an appraisal district described by Subsection (b-2), the local administrative district judge shall select an adequate number of qualified individuals to permit the chairman of the appraisal review board to fill the positions on each special panel established under Section 6.425.

(d-10) Upon selection of the individuals who are to serve as members of the appraisal review board, the local administrative district judge shall enter an appropriate order designating such members and setting each member's respective term of office, as provided elsewhere in this section.

SECTION 99. Section 6.41(d-9), Tax Code, as amended by this Act, applies only to the appointment of appraisal review board members to terms beginning on or after January 1, 2021.

§ 6.41(f) and (i)

H.B. 2179

Author: John Wray

Effective: June 10, 2019

SECTION 1. Sections 6.41(f) and (i), Tax Code, are amended to read as follows:

(f) A member of the board may be removed from the board by a majority vote of the appraisal district board of directors, or by the local administrative district judge or the judge's designee, as applicable, that appointed the member. Grounds for removal are:

(1) a violation of Section 6.412, 6.413, 41.66(f), or 41.69;

(2) good cause relating to the attendance of members at called meetings of the board as established by written policy adopted by a majority of the appraisal district board of directors; or

(3) ~~clear and convincing~~ evidence of repeated bias or misconduct.

(i) This subsection applies only to an appraisal district described by Subsection (d-1). A chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, a member of the board of directors of the appraisal district, a property tax consultant, or an agent of a property owner commits an offense if the person communicates with the local administrative district judge regarding the appointment of appraisal review board members. This subsection does not apply to:

(1) a communication between a member of the appraisal review board and the local administrative district judge regarding the member's reappointment to the board;

(2) a communication between the taxpayer liaison officer for the appraisal district and the local administrative district judge in the course of the performance of the officer's clerical duties so long as the officer does not offer an opinion or comment regarding the appointment of appraisal review board members;

(3) a communication between a chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, or a member of the board of directors of the appraisal district and the local administrative district judge

regarding information relating to or described by Subsection (d-1), (d-5), or (f) of this section or Section 411.1296, Government Code; ~~or~~

(4) a communication between a property tax consultant or a property owner or an agent of the property owner and the taxpayer liaison officer for the appraisal district regarding information relating to or described by Subsection (f). The taxpayer liaison officer for the appraisal district shall report the contents of the communication relating to or described by Subsection (f) to the local administrative district judge; or

(5) a communication between a property tax consultant or a property owner or an agent of the property owner and the local administrative district judge regarding information relating to or described by Subsection (f).

SECTION 2. (a) Section 6.41(f), Tax Code, as amended by this Act, applies only to a proceeding to remove an appraisal review board member that begins on or after the effective date of this Act. A proceeding to remove an appraisal review board member that began before the effective date of this Act is governed by that subsection as it existed on the date the proceeding to remove the board member began, and the former law is continued in effect for that purpose.

(b) The change in law made by this Act to Section 6.41(i), Tax Code, applies only to an offense committed under that subsection before, on, or after the effective date of this Act, except that a final conviction for an offense committed under that subsection before the effective date of this Act is unaffected by this Act.

§ 6.412(a) and (d)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 21. Sections 6.412(a) and (d), Tax Code, are amended to read as follows:

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

(1) is related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to an individual who is engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district for which the appraisal review board is established;

(2) owns property on which delinquent taxes have been owed to a taxing unit for more than 60 days after the date the individual knew or should have known of the delinquency unless:

(A) the delinquent taxes and any penalties and interest are being paid under an installment payment agreement under Section 33.02; or

(B) a suit to collect the delinquent taxes is deferred or abated under Section 33.06 or 33.065; or

(3) is related within the third degree by consanguinity or within the second degree by affinity, as determined under Chapter 573, Government Code, to a member of:

(A) the appraisal district's board of directors; or

(B) the appraisal review board.

(d) A person is ineligible to serve on the appraisal review board of an appraisal district established for a county described by Section 6.41(d-1) [~~having a population of more than 100,000~~] if the person:

(1) is a former member of the board of directors, former officer, or former employee of the appraisal district;

(2) served as a member of the governing body or officer of a taxing unit for which the appraisal district appraises property, until the fourth anniversary of the date the person ceased to be a member or officer; [~~or~~]

(3) appeared before the appraisal review board for compensation during the two-year period preceding the date the person is appointed; or

(4) served for all or part of three previous terms as a board member or auxiliary board member on the appraisal review board.

SECTION 100. Section 6.412, Tax Code, as amended by this Act, does not affect the eligibility of a person serving on an appraisal review board immediately before January 1, 2020, to continue to serve on the board for the term to which the member was appointed.

§ 6.412(e)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 91. The following provisions are repealed:

(4) Sections 5.103(e) and (f), 6.412(e), 22.23(c), 25.19(b-2), and 41A.06(c), Tax Code;

§ 6.414(d)

S.B. 2

Author: Paul Bettencourt

Effective: September 1, 2020

SECTION 22. Section 6.414(d), Tax Code, is amended to read as follows:

(d) An auxiliary board member may hear taxpayer protests before the appraisal review board. An auxiliary board member may not hear taxpayer protests before a special panel established under Section 6.425 unless the member is eligible to be appointed to the special panel. If one or more auxiliary board members sit on a panel established under Section 6.425 or 41.45 to conduct a protest hearing, the number of regular appraisal review board members required by that section to constitute the panel is reduced by the number of auxiliary board members sitting. An auxiliary board member sitting on a panel is considered a regular board member for all purposes related to the conduct of the hearing.

§ 6.42

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 23. Section 6.42, Tax Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) A majority of the appraisal review board constitutes a quorum. The local administrative district judge under Subchapter D, Chapter 74, Government Code, in the county in which ~~[board of directors of]~~ the appraisal district is established ~~[by resolution]~~ shall select a chairman and a secretary from among the members of the appraisal review board. The judge ~~[board of directors of the appraisal district]~~ is encouraged to select as chairman ~~[of the appraisal review board]~~ a member of the appraisal review board, if any, who has a background in law and property appraisal.

(d) The concurrence of a majority of the members of the appraisal review board present at a meeting of the board is sufficient for a recommendation, determination, decision, or other action by the board. The concurrence of a majority of the members of a panel of the board present at a meeting of the panel is sufficient for a recommendation by the panel. The concurrence of more than a majority of the members of the board or panel may not be required.

SECTION 101. Section 6.42(d), Tax Code, as added by this Act, applies only to a recommendation, determination, decision, or other action by an appraisal review board or a panel of such a board on or after January 1, 2020. A recommendation, determination, decision, or other action by an appraisal review board or a panel of such a board before January 1, 2020, is governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.

§ 6.425

S.B. 2

Author: Paul Bettencourt

Effective: September 1, 2020

SECTION 24. Subchapter C, Chapter 6, Tax Code, is amended by adding Section 6.425 to read as follows:

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

(b) The appraisal review board shall establish special panels to conduct protest hearings under Chapter 41 relating to property that:

(1) has an appraised value as determined by the appraisal district equal to or greater than the minimum eligibility amount determined as provided by Subsection (g); and

(2) is included in one of the following classifications:

(A) commercial real and personal property;

(B) real and personal property of utilities;

(C) industrial and manufacturing real and personal property; and

(D) multifamily residential real property.

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

(d) To be eligible to be appointed to a special panel described by this section, a member of the appraisal review board must:

(1) hold a juris doctor or equivalent degree;

(2) hold a master of business administration degree;

(3) be licensed as a certified public accountant under Chapter 901, Occupations

Code;

(4) be accredited by the American Society of Appraisers as an accredited senior

appraiser;

(5) possess an MAI professional designation from the Appraisal Institute;

(6) possess a Certified Assessment Evaluator (CAE) professional designation from the International Association of Assessing Officers;

(7) have at least 10 years of experience in property tax appraisal or consulting; or

(8) be licensed as a real estate broker or sales agent under Chapter 1101, Occupations Code.

(e) Notwithstanding Subsection (d), the chairman of the appraisal review board may appoint to a special panel described by this section a member of the appraisal review board who does not meet the qualifications prescribed by that subsection if:

(1) the number of persons appointed to the board by the local administrative district judge who meet those qualifications is not sufficient to fill the positions on each special panel; and

(2) the board member being appointed to the panel holds a bachelor's degree in any field.

(f) In addition to conducting protest hearings relating to property described by Subsection (b) of this section, a special panel may conduct protest hearings under Chapter 41 relating to property not described by Subsection (b) of this section as assigned by the chairman of the appraisal review board.

(g) By February 1 or as soon thereafter as practicable, the comptroller shall determine the minimum eligibility amount for the current tax year for purposes of Subsection (b)(1) and publish that amount in the Texas Register. The minimum eligibility amount for the 2020 tax year is \$50 million. For each succeeding tax year, the minimum eligibility amount is equal to the minimum eligibility amount for the preceding tax year as adjusted by the comptroller to reflect the inflation rate.

(h) In this section:

(1) "Consumer price index" means the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, published by the Bureau of Labor Statistics of the United States Department of Labor.

(2) "Inflation rate" means the amount, expressed in decimal form rounded to the nearest thousandth, computed by determining the percentage change in the consumer price index for the preceding calendar year as compared to the consumer price index for the calendar year preceding that calendar year.

§ 11.13(h)

H.B. 2441

Author: John Wray

Effective: January 1, 2020

SECTION 1. Section 11.13(h), Tax Code, is amended to read as follows:

(h) Joint, community, or successive owners may not each receive the same exemption provided by or pursuant to this section for the same residence homestead in the same year. An eligible disabled person who is 65 or older may not receive both a disabled and an elderly residence homestead exemption from the same taxing unit in the same year but may choose either if a taxing unit has adopted both. An eligible disabled person who is 65 or older may receive both a disabled and an elderly residence homestead exemption in the same year if the person receives the exemptions with respect to taxes levied by different taxing units. A person may not receive an exemption under this section for more than one residence homestead in the same year.

§ 11.13(h)

S.B. 1943

Author: Kirk Watson

Effective: September 1, 2019

SECTION 3. Section 11.13(h), Tax Code, is amended to read as follows:

(h) Joint, community, or successive owners may not each receive the same exemption provided by or pursuant to this section for the same residence homestead in the same year. An eligible disabled person who is 65 or older may not receive both a disabled and an elderly residence homestead exemption but may choose either. A person may not receive an exemption under this section for more than one residence homestead in the same year. An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole recipient of any exemption granted to the owner for the residence homestead by or pursuant to this section.

§ 11.135

S.B. 443

Author: Kelly G. Hancock

Effective: June 4, 2019

SECTION 1. Section 11.135, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) If a qualified residential structure for which the owner receives an exemption under Section 11.13 is rendered uninhabitable or unusable by a casualty or by wind or water damage, the owner may continue to receive the exemption for the structure and the land and improvements used in the residential occupancy of the structure while the owner constructs a replacement qualified residential structure on the land if the owner does not establish a different principal

residence for which the owner receives an exemption under Section 11.13 during that period and intends to return and occupy the structure as the owner's principal residence. To continue to receive the exemption, the owner must begin active construction of the replacement qualified residential structure or other physical preparation of the site on which the structure is to be located not later than the first anniversary, or the fifth anniversary for a property described by Subsection (a-1)(1), of the date the owner ceases to occupy the former qualified residential structure as the owner's principal residence.

(a-1) An [The] owner may not receive an [the] exemption under Section 11.13 for [that] property under the circumstances described by Subsection (a) [this subsection] for more than:

(1) five years if:

(A) the property is located in an area declared to be a disaster area by the governor following a disaster; and

(B) the residential structure located on the property is rendered uninhabitable or unusable as a result of the disaster; or

(2) two years if Subdivision (1) does not apply.

§ 11.141

H.B. 2859

Author: Giovanni Capriglione

Effective: January 1, 2020¹

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.141 to read as follows:

Sec. 11.141. PRECIOUS METAL HELD IN PRECIOUS METAL DEPOSITORY. (a) For purposes of this section:

(1) "Precious metal" has the meaning assigned by Section 2116.001, Government Code.

(2) "Precious metal depository" means a depository that:

(A) is primarily engaged in the business of providing precious metal storage to the general public; and

(B) maintains sufficient insurance to cover precious metal deposited in the depository.

¹ This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to exempt from ad valorem taxation precious metal held in a precious metal depository located in this state is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

(b) A person is entitled to an exemption from taxation of the precious metal that the person owns and that is held in a precious metal depository located in this state, regardless of whether the precious metal is held or used by the person for the production of income.

(c) Notwithstanding Section 11.14(c), the governing body of a taxing unit may not provide for the taxation of precious metal exempted from taxation under Subsection (b).

SECTION 4. Section 11.141, Tax Code, as added by this Act, applies only to a tax year beginning on or after January 1, 2020.

§ 11.161

H.B. 1526

Author: Cecil Bell, Jr.

Effective: January 1, 2020

SECTION 1. Section 11.161, Tax Code, is amended to read as follows:

Sec. 11.161. IMPLEMENTS OF HUSBANDRY. (a) Machinery and equipment items that are used in the production of farm or ranch products or of timber, regardless of their primary design, are considered to be implements of husbandry and are exempt from ad valorem taxation.

(b) For purposes of Subsection (a), a nursery stock weather protection unit, as defined by Section 71.041, Agriculture Code, is considered to be an implement of husbandry.

SECTION 2. This Act applies only to an ad valorem tax year that begins on or after the effective date of this Act.

§ 11.24

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 25. Section 11.24, Tax Code, is amended to read as follows:

Sec. 11.24. HISTORIC SITES. (a) The governing body of a taxing unit by official action of the body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or archeological site, if the structure or archeological site is:

(1) designated as a Recorded Texas Historic Landmark under Chapter 442, Government Code, or a state archeological landmark under Chapter 191, Natural Resources Code, by the Texas Historical Commission; or

(2) designated as a historically or archeologically significant site in need of tax relief to encourage its preservation pursuant to an ordinance or other law adopted by the governing body of the taxing unit.

(b) The governing body of a taxing unit may not repeal or reduce the amount of an exemption granted under Subsection (a) for a property that otherwise qualifies for the exemption unless:

(1) the owner of the property consents to the repeal or reduction; or

(2) the taxing unit provides written notice of the repeal or reduction to the owner not later than five years before the date the governing body repeals or reduces the exemption.

SECTION 102. Section 11.24, Tax Code, as amended by this Act, applies only to an exemption authorized by that section that is repealed or reduced on or after January 1, 2020.

§ 11.252

S.B. 58

Author: Judith Zaffirini

Effective: September 1, 2019

SECTION 1. The heading to Section 11.252, Tax Code, is amended to read as follows:

Sec. 11.252. MOTOR VEHICLES LEASED FOR ~~[PERSONAL]~~ USE OTHER THAN PRODUCTION OF INCOME.

SECTION 2. Sections 11.252(b), (d), and (e), Tax Code, are amended to read as follows:

(b) For purposes of this section, a motor vehicle is presumed to be used primarily for activities that do not involve the production of income if:

(1) 50 percent or more of the miles the motor vehicle is driven in a year are for non-income producing purposes;

(2) the motor vehicle is leased to this state or a political subdivision of this state;

or

(3) the motor vehicle:

(A) is leased to an organization that is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code; and

(B) would be exempt from taxation if the vehicle were owned by the organization.

(d) In connection with the requirements and procedures under Subsection (c), the comptroller by rule shall adopt a form to be completed by the lessee of a motor vehicle for which the owner of the vehicle may apply for an exemption under Subsection (a). The form shall require a [the] lessee who is an individual to provide the lessee's name, address, and driver's license or personal identification certificate number. The form shall require a lessee that is an entity described by Subsection (b) to provide the lessee's name, address, and, if applicable, federal tax identification number. The form shall require a lessee who is an individual, or the authorized representative of a lessee that is an entity described by Subsection (b), [and] to certify under oath that the lessee does not hold the vehicle for the production of income and that the vehicle is used primarily for activities that do not involve the production of income. The comptroller shall include on the form a notice of the penalties prescribed by Section 37.10, Penal Code, for making a false statement on the form.

(e) The owner of a motor vehicle that is subject to a lease shall maintain the form, an electronic image of the form, or a certified copy of the form completed by the lessee of the vehicle and make the form, electronic image, or certified copy available for inspection and copying by the chief appraiser of the applicable appraisal district at all reasonable times. If the owner does not maintain a completed form, electronic image of the completed form, or certified copy of the completed form relating to the vehicle, the owner:

(1) must render the vehicle for taxation in the applicable rendition statement or property report filed by the owner under Chapter 22; and

(2) may not file an application for an exemption under Subsection (a) for the vehicle.

SECTION 3. The changes in law made by this Act apply only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act.

§ 11.26

H.B. 1313

Author: Phil S. King

Effective: January 1, 2020

SECTION 1. Section 11.26, Tax Code, is amended by amending Subsection (i) and adding Subsection (i-1) to read as follows:

(i) If an individual who qualifies for the exemption provided by Section 11.13(c) [~~for an individual 65 years of age or older~~] dies, the surviving spouse of the individual is entitled to the limitation applicable to the residence homestead of the individual if:

(1) the surviving spouse is 55 years of age or older when the individual dies; and

(2) the residence homestead of the individual:

(A) is the residence homestead of the surviving spouse on the date that the individual dies; and

(B) remains the residence homestead of the surviving spouse.

(i-1) A limitation under Subsection (i) applicable to the residence homestead of the surviving spouse of an individual who was disabled and who died before January 1, 2020, is calculated as if the surviving spouse was entitled to the limitation when the individual died.

SECTION 4. This Act applies only to a tax year beginning on or after the effective date of this Act.

§ 11.26(p)

S.B. 1943

Author: Kirk Watson

Effective: September 1, 2019

SECTION 4. Section 11.26, Tax Code, is amended by adding Subsection (p) to read as follows:

(p) An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole owner of the property for the purposes of this section.

§ 11.261

S.B. 1943

Author: Kirk Watson

Effective: September 1, 2019

SECTION 5. Section 11.261, Tax Code, is amended by adding Subsection (n) to read as follows:

(n) An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole owner of the property for the purposes of this section.

§ 11.35

H.B. 492

Author: Hugh D. Shine

Effective: January 1, 2020²

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.35 to read as follows:

² This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

Sec. 11.35. TEMPORARY EXEMPTION FOR QUALIFIED PROPERTY DAMAGED BY DISASTER. (a) In this section, "qualified property" means property that:

(1) consists of:

(A) tangible personal property used for the production of income;

(B) an improvement to real property; or

(C) a manufactured home as that term is defined by Section 1201.003, Occupations Code, that is used as a dwelling, regardless of whether the owner of the manufactured home elects to treat the manufactured home as real property under Section 1201.2055, Occupations Code;

(2) is located in an area declared by the governor to be a disaster area following a disaster;

(3) is at least 15 percent damaged by the disaster, as determined by the chief appraiser under this section; and

(4) for property described by Subdivision (1)(A), is the subject of a rendition statement or property report filed by the property owner under Section 22.01 that demonstrates that the property had taxable situs in the disaster area for the tax year in which the disaster occurred.

(b) A person is entitled to an exemption from taxation by a taxing unit of a portion of the appraised value of qualified property that the person owns in an amount determined under Subsection (h).

(c) Notwithstanding Subsection (b), if the governor first declares territory in a taxing unit to be a disaster area as a result of a disaster on or after the date a taxing unit adopts a tax rate for the tax year in which the declaration is issued, a person is not entitled to the exemption for that tax year unless the governing body of the taxing unit adopts the exemption in the manner provided by law for official action by the body.

(d) An exemption adopted by the governing body of a taxing unit under Subsection (c) must:

(1) specify the disaster to which the exemption pertains; and

(2) be adopted not later than the 60th day after the date the governor first declares territory in the taxing unit to be a disaster area as a result of the disaster.

(e) A taxing unit the governing body of which adopts an exemption under Subsection (c) shall, not later than the seventh day after the date the governing body adopts the exemption, notify the chief appraiser of each appraisal district in which the taxing unit participates, the assessor for the taxing unit, and the comptroller of the adoption of the exemption.

(f) On receipt of an application for the exemption authorized by this section, the chief appraiser shall determine whether any item of qualified property that is the subject of the application is at least 15 percent damaged by the disaster and assign to each such item of qualified property a damage assessment rating of Level I, Level II, Level III, or Level IV, as appropriate, as provided by Subsection (g). In determining the appropriate damage assessment rating, the chief appraiser may rely on information provided by a county emergency management authority, the Federal Emergency Management Agency, or any other source the chief appraiser considers appropriate.

(g) The chief appraiser shall assign to an item of qualified property:

(1) a Level I damage assessment rating if the property is at least 15 percent, but less than 30 percent, damaged, meaning that the property suffered minimal damage and may continue to be used as intended;

(2) a Level II damage assessment rating if the property is at least 30 percent, but less than 60 percent, damaged, which, for qualified property described by Subsection (a)(1)(B) or (C), means that the property has suffered only nonstructural damage, including nonstructural damage to the roof, walls, foundation, or mechanical components, and the waterline, if any, is less than 18 inches above the floor;

(3) a Level III damage assessment rating if the property is at least 60 percent damaged but is not a total loss, which, for qualified property described by Subsection (a)(1)(B) or (C), means that the property has suffered significant structural damage requiring extensive repair due to the failure or partial failure of structural elements, wall elements, or the foundation, or the waterline is at least 18 inches above the floor; or

(4) a Level IV damage assessment rating if the property is a total loss, meaning that repair of the property is not feasible.

(h) Subject to Subsection (i), the amount of the exemption authorized by this section for an item of qualified property is determined by multiplying the appraised value, determined for the tax year in which the disaster occurred, of the property by:

(1) 15 percent, if the property is assigned a Level I damage assessment rating;

(2) 30 percent, if the property is assigned a Level II damage assessment rating;

(3) 60 percent, if the property is assigned a Level III damage assessment rating; or

(4) 100 percent, if the property is assigned a Level IV damage assessment rating.

(i) If a person qualifies for the exemption authorized by this section after the beginning of the tax year, the amount of the exemption is calculated by multiplying the amount determined under Subsection (h) by a fraction, the denominator of which is 365 and the numerator of which

is the number of days remaining in the tax year after the day on which the governor first declares the area in which the person's qualified property is located to be a disaster area, including the day on which the governor makes the declaration.

(j) If a person qualifies for the exemption authorized by this section after the amount of the tax due on the qualified 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 applicable 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. No interest is due on an amount refunded under this subsection.

(k) The exemption authorized by this section expires as to an item of qualified property on January 1 of the first tax year in which the property is reappraised under Section 25.18.

SECTION 11. Section 11.35, Tax Code, as added by this Act, applies only to ad valorem taxes imposed for a tax year that begins on or after the effective date of this Act.

§ 11.41

S.B. 1943

Author: Kirk Watson

Effective: September 1, 2019

SECTION 6. Section 11.41, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole owner of the property for the purposes of this section.

§ 11.42(b)

H.B. 2859

Author: Giovanni Capriglione

Effective: January 1, 2020³

SECTION 2. Section 11.42(b), Tax Code, is amended to read as follows:

(b) An exemption authorized by Section 11.11 or 11.141 is effective immediately on qualification for the exemption.

³ This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to exempt from ad valorem taxation precious metal held in a precious metal depository located in this state is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

§ 11.42(e)

H.B. 492

Author: Hugh D. Shine

Effective: January 1, 2020⁴

SECTION 2. Section 11.42(e), Tax Code, is amended to read as follows:

(e) A person who qualifies for an exemption under Section 11.131 or 11.35 after January 1 of a tax year may receive the exemption for the applicable portion of that tax year immediately on qualification for the exemption.

§ 11.43(a)

H.B. 2859

Author: Giovanni Capriglione

Effective: January 1, 2020⁵

SECTION 3. Section 11.43(a), Tax Code, is amended to read as follows:

(a) To receive an exemption, a person claiming the exemption, other than an exemption authorized by Section 11.11, 11.12, 11.14, 11.141, 11.145, 11.146, 11.15, 11.16, 11.161, or 11.25 [~~of this code~~], must apply for the exemption. To apply for an exemption, a person must file an exemption application form with the chief appraiser for each appraisal district in which the property subject to the claimed exemption has situs.

§ 11.43(c) and (s)

H.B. 492

Author: Hugh D. Shine

Effective: January 1, 2020⁶

SECTION 3. Section 11.43, Tax Code, is amended by amending Subsection (c) and adding Subsection (s) to read as follows:

(c) An exemption provided by Section 11.13, 11.131, 11.132, 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,

⁴ This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

⁵ This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to exempt from ad valorem taxation precious metal held in a precious metal depository located in this state is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

⁶ This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

11.254, 11.27, 11.271, 11.29, 11.30, 11.31, ~~[or]~~ 11.315, or 11.35, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, except as provided by Subsection (r), the chief appraiser may require a person allowed one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption. If the person previously allowed the exemption is 65 years of age or older, the chief appraiser may not cancel the exemption due to the person's failure to file the new application unless the chief appraiser complies with the requirements of Subsection (q), if applicable.

(s) A person who qualifies for an exemption under Section 11.35(b) must apply for the exemption not later than the 105th day after the date the governor declares the area in which the person's qualified property is located to be a disaster area. A person who qualifies for an exemption under Section 11.35(c) must apply for the exemption not later than the 45th day after the date the governing body of the taxing unit adopts the exemption. The chief appraiser may extend the deadlines prescribed by this subsection for good cause shown.

§ 11.43(o), (o-1), and (o-2)

S.B. 1943

Author: Kirk Watson

Effective: September 1, 2019

SECTION 7. Section 11.43, Tax Code, is amended by amending Subsection (o) and adding Subsections (o-1) and (o-2) to read as follows:

(o) The application form for a residence homestead ~~[an]~~ exemption ~~[authorized by Section 11.13]~~ must require an applicant ~~[for an exemption under Subsection (c) or (d) of that section]~~ who is not specifically identified on a deed or other appropriate instrument recorded in the ~~[applicable]~~ real property records of the county in which the property is located as an owner of the residence homestead, including an heir property owner, to provide:

(1) an affidavit ~~[or other compelling evidence]~~ establishing the applicant's ownership of an interest in the property;

(2) a copy of the death certificate of the prior owner of the property, if the applicant is an heir property owner;

(3) a copy of the most recent utility bill for the property, if the applicant is an heir property owner; and

(4) a citation of any court record relating to the applicant's ownership of the property if available ~~[homestead]~~.

(o-1) The application form for a residence homestead exemption may not require an heir property owner to provide a copy of an instrument recorded in the real property records of the county in which the property is located.

(o-2) The application form for a residence homestead exemption must require:

(1) an applicant who is an heir property owner to state that the property for which the application is submitted is heir property; and

(2) each owner of an interest in heir property who occupies the property as the owner's principal residence, other than the applicant, to provide an affidavit that authorizes the submission of the application.

§ 11.431(b)

S.B. 1856

Author: Angela Paxton

Effective: September 1, 2019

SECTION 2. Section 11.431(b), Tax Code, is amended to read as follows:

(b) If a late application is approved after approval of the appraisal records by the appraisal review board, the chief appraiser shall notify the collector for each unit in which the residence is located not later than the 30th day after the date the late application is approved. The collector shall deduct from the person's tax bill the amount of tax imposed on the exempted amount if the tax has not been paid. If the tax has been paid, the collector shall refund to the person who was the owner of the property on the date the tax was paid the amount of tax imposed on the exempted amount. The collector shall pay the refund not later than the 60th day after the date the chief appraiser notifies the collector of the approval of the exemption. A person is not required to apply for a refund under this subsection to receive the refund.

§ 11.439(b)

S.B. 1856

Author: Angela Paxton

Effective: September 1, 2019

SECTION 3. Section 11.439(b), Tax Code, is amended to read as follows:

(b) If a late application is approved after approval of the appraisal records for the year for which the exemption is granted, the chief appraiser shall notify the collector for each taxing unit in which the property was taxable in that year not later than the 30th day after the date the late application is approved. The collector shall correct the taxing unit's tax roll to reflect the amount of tax imposed on the property after applying the exemption and shall deduct from the person's tax bill the amount of tax imposed on the exempted portion of the property for that year. If the tax and any related penalties and interest have been paid, the collector shall pay to the person who was the owner of the property on the date the tax was paid a refund of the tax imposed on the exempted

portion of the property and the corresponding portion of any related penalties and interest paid. The collector shall pay the refund not later than the 60th day after the date the chief appraiser notifies the collector of the approval of the exemption.

§ 11.4391(a)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 26. Section 11.4391(a), Tax Code, is amended to read as follows:

(a) The chief appraiser shall accept and approve or deny an application for an exemption for freeport goods under Section 11.251 after the deadline for filing it has passed if it is filed on or before the [not] later of:

(1) ~~than~~ June 15; or

(2) if applicable, the 60th day after the date on which the chief appraiser delivers notice to the property owner under Section 22.22.

SECTION 103. Sections 11.4391(a) and 22.23(d), Tax Code, as amended by this Act, apply only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2020.

§ 11.45

H.B. 492

Author: Hugh D. Shine

Effective: January 1, 2020⁷

SECTION 4. Section 11.45, Tax Code, is amended by adding Subsection (e) to read as follows:

(e) If the chief appraiser approves, modifies, or denies an application for an exemption under Section 11.35, the chief appraiser shall deliver a written notice of the approval, modification, or denial to the applicant not later than the fifth day after the date the chief appraiser makes the determination. The notice must include the damage assessment rating assigned by the chief appraiser to each item of qualified property that is the subject of the application and a brief explanation of the procedures for protesting the chief appraiser's determination. The notice required under this subsection is in lieu of any notice that would otherwise be required under Subsection (d).

⁷ This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

§ 11.49

S.B. 1943

Author: Kirk Watson

Effective: September 1, 2019

SECTION 8. Subchapter C, Chapter 11, Tax Code, is amended by adding Section 11.49 to read as follows:

Sec. 11.49. LEGAL TITLE NOT AFFECTED. (a) The grant or denial of an application by an heir property owner for a residence homestead exemption under this chapter does not affect the legal title of the property subject to the application and does not operate to transfer title to that property.

(b) An appraisal district, chief appraiser, appraisal review board, or county assessor-collector may not be made a party to a proceeding to adjudicate ownership of property described by Subsection (a) except as prescribed by this title.

§ 21.01

H.B. 3

Author: Dan Huberty

Effective: September 1, 2019

SECTION 3.089. Section 21.01, Tax Code, is amended to read as follows:

Sec. 21.01. REAL PROPERTY. Real property is taxable by a taxing unit if located in the unit on January 1, except as provided by Chapter 49 [41], Education Code.

§ 21.02(b) and (c)

H.B. 3

Author: Dan Huberty

Effective: September 1, 2019

SECTION 3.090. Sections 21.02(b) and (c), Tax Code, are amended to read as follows:

(b) Tangible personal property having taxable situs at the same location as real property detached from a school district and annexed by another school district under Chapter 49 [41], Education Code, is taxable in the tax year in which the detachment and annexation occurs by the same school district by which the real property is taxable in that tax year under Chapter 49 [41], Education Code. For purposes of this subsection and Chapter 49 [41], Education Code, tangible personal property has taxable situs at the same location as real property detached and annexed under Chapter 49 [41], Education Code, if the detachment and annexation of the real property, had it occurred before January 1 of the tax year, would have changed the taxable situs of the tangible personal property determined as provided by Subsection (a) from the school district from which the real property was detached to the school district to which the real property was annexed.

(c) Tangible personal property has taxable situs in a school district that is the result of a consolidation under Chapter 49 [41], Education Code, in the year in which the consolidation occurs if the property would have had taxable situs in the consolidated district in that year had the consolidation occurred before January 1 of that year.

§ 21.09(b)

H.B. 1815

Author: Scott Sanford

Effective: January 1, 2020

SECTION 1. Section 21.09(b), Tax Code, is amended to read as follows:

(b) A person claiming an allocation must apply for the allocation each year the person claims the allocation. A person claiming an allocation must file a completed allocation application form before May [April] 1 and must provide the information required by the form. If the property was not on the appraisal roll in the preceding year, the deadline for filing the allocation application form is extended to the 30th day after the date of receipt of the notice of appraised value required by Section 25.19(a)(3). For good cause shown, the chief appraiser shall extend the deadline for filing an allocation application form by written order for a period not to exceed 30 days.

SECTION 2. This Act applies only to the allocation of the value of property for ad valorem tax purposes for a tax year beginning on or after the effective date of this Act.

§ 22.23(c)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 91. The following provisions are repealed:

(4) Sections 5.103(e) and (f), 6.412(e), 22.23(c), 25.19(b-2), and 41A.06(c), Tax Code;

§ 22.23(d)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 27. Section 22.23(d), Tax Code, is amended to read as follows:

(d) Notwithstanding any other provision of this section, rendition statements and property reports required to be filed by a property owner [for property] regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission must be delivered to the chief appraiser not later than April 30, except as provided by Section 22.02. On written request by the property owner,

the [The] chief appraiser shall extend the filing deadline to May 15. The chief appraiser may further extend the [filing] deadline an additional 15 days for good cause shown in writing by the property owner.

SECTION 103. Sections 11.4391(a) and 22.23(d), Tax Code, as amended by this Act, apply only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2020.

§ 23.01(e)

H.B. 1313

Author: Phil S. King

Effective: January 1, 2020

SECTION 2. Section 23.01(e), Tax Code, is amended to read as follows:

(e) Notwithstanding any provision of this subchapter to the contrary, if the appraised value of property in a tax year is lowered under Subtitle F, the appraised value of the property as finally determined under that subtitle is considered to be the appraised value of the property for that tax year. In the next [following] tax year in which the property is appraised, the chief appraiser may not increase the appraised value of the property unless the increase by the chief appraiser is reasonably supported by clear and convincing [substantial] evidence when all of the reliable and probative evidence in the record is considered as a whole. If the appraised value is finally determined in a protest under Section 41.41(a)(2) or an appeal under Section 42.26, the chief appraiser may satisfy the requirement to reasonably support by clear and convincing [substantial] evidence an increase in the appraised value of the property in the next [following] tax year in which the property is appraised by presenting evidence showing that the inequality in the appraisal of property has been corrected with regard to the properties that were considered in determining the value of the subject property. The burden of proof is on the chief appraiser to support an increase in the appraised value of property under the circumstances described by this subsection.

SECTION 4. This Act applies only to a tax year beginning on or after the effective date of this Act.

§ 23.01(h)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 28. Section 23.01, Tax Code, is amended by adding Subsection (h) to read as follows:

(h) Appraisal methods and techniques included in the most recent versions of the following are considered generally accepted appraisal methods and techniques for the purposes of this title:

(1) the Appraisal of Real Estate published by the Appraisal Institute;

(2) the Dictionary of Real Estate Appraisal published by the Appraisal Institute;

(3) the Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation; and

(4) a publication that includes information related to mass appraisal.

SECTION 95. Sections 5.05, 5.102, 5.13, and 23.01, Tax Code, as amended by this Act, apply only to the appraisal of property for ad valorem tax purposes for a tax year beginning on or after January 1, 2020.

§ 23.02

H.B. 492

Author: Hugh D. Shine

Effective: January 1, 2020⁸

SECTION 10. Section 23.02, Tax Code, is repealed.

§ 23.23(g)

S.B. 812

Author: Eddie Lucio, Jr.

Effective: May 7, 2019

SECTION 1. Section 23.23(g), Tax Code, is amended to read as follows:

(g) In this subsection, "disaster recovery program" means the disaster recovery program administered by the General Land Office or by a political subdivision of this state that is funded with community development block grant disaster recovery money authorized by federal law [~~the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub. L. No. 110-329) and the Consolidated and Further Continuing Appropriations Act, 2012 (Pub. L. No. 112-55)~~]. Notwithstanding Subsection (f)(2), and only to the extent necessary to satisfy the requirements of the disaster recovery program, a replacement structure described by that subdivision is not considered to be a new improvement if to satisfy the requirements of the disaster recovery program it was necessary that:

(1) the square footage of the replacement structure exceed that of the replaced structure as that structure existed before the casualty or damage occurred; or

(2) the exterior of the replacement structure be of higher quality construction and composition than that of the replaced structure.

⁸ This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

SECTION 2. (a) As soon as practicable after the effective date of this Act, but not later than the 14th day after that date, the General Land Office and each political subdivision that administers a disaster recovery program described by Section 23.23(g), Tax Code, as amended by this Act, shall:

(1) prepare a list of each replacement structure described by Section 23.23(g), Tax Code, that has been constructed since January 1, 2018, under a disaster recovery program administered by the entity; and

(2) provide a list to the chief appraiser of each appraisal district of the property on the list described by Subdivision (1) of this subsection that is located in that appraisal district.

(b) As soon as practicable, but not later than the 60th day after the date the chief appraiser of an appraisal district receives a list under Subsection (a)(2) of this section:

(1) the chief appraiser shall, if necessary, take the following actions regarding each affected property on the list:

(A) correct or supplement, as appropriate, the appraisal records for the appraisal district to indicate the correct appraised value for the affected property for the current tax year;

(B) deliver a corrected notice of appraised value to the owner of the affected property if a notice of appraised value for that property was previously sent to the property owner for the current tax year; and

(C) notify the assessor and collector for each taxing unit in which the affected property is located of the correction or supplementation of the appraisal records for the appraisal district if the appraisal records have been approved for the current tax year;

(2) the assessor for each taxing unit all or part of the territory of which is located in the appraisal district shall deliver a corrected tax bill to each owner of property for which the chief appraiser corrected the appraised value under Subdivision (1)(A) of this subsection if the taxing unit previously delivered a bill for the taxes on the property for the current tax year and the taxes on the property have not been paid; and

(3) the collector for each taxing unit all or part of the territory of which is located in the appraisal district shall refund to each owner of property for which the chief appraiser corrected the appraised value under Subdivision (1)(A) of this subsection the amount by which the taxes paid exceeded the amount of taxes due if the taxing unit previously delivered a bill for the taxes on the property for the current tax year and the taxes on the property have been paid.

SECTION 3. This Act applies only to the appraisal of a residence homestead for ad valorem tax purposes for a tax year that begins on or after January 1, 2019.

§ 23.42(a)

H.B. 1254

Author: Jim Murphy

Effective: January 1, 2020

SECTION 1. Section 23.42(a), Tax Code, is amended to read as follows:

(a) An [~~Except as provided by Subsection (a-1), an~~] individual is entitled to have land he owns designated for agricultural use if, on January 1:

(1) the land has been devoted exclusively to or developed continuously for agriculture for the three years preceding the current year;

(2) the individual is using and intends to use the land for agriculture as an occupation or a business venture for profit during the current year; and

(3) agriculture is the individual's primary occupation and primary source of income.

§ 23.42(a-1)

H.B. 1254

Author: Jim Murphy

Effective: January 1, 2020

SECTION 2. Section 23.42(a-1), Tax Code, is repealed.

§ 23.426

H.B. 3348

Author: Ryan Guillen

Effective: May 21, 2019

SECTION 1. Subchapter C, Chapter 23, Tax Code, is amended by adding Section 23.426 to read as follows:

Sec. 23.426. TEMPORARY CESSATION OF AGRICULTURAL USE DUE TO QUARANTINE FOR TICKS. (a) The entitlement of an individual to have land the individual owns designated for agricultural use under this subchapter does not end because the individual ceases exclusively or continuously using the land for agriculture as an occupation or a business venture for profit for the period prescribed by Subsection (b) if the land:

(1) is subject to a temporary quarantine established at any time during the tax year by the Texas Animal Health Commission for the purpose of regulating the handling of livestock and eradicating ticks or exposure to ticks under Chapter 167, Agriculture Code; and

(2) otherwise continues to qualify for the designation under Section 23.42.

(b) Subsection (a) applies to land eligible for appraisal under this subchapter only during the period that begins on the date the land is designated as a tick eradication area and that ends on the date the land is released from quarantine by the Texas Animal Health Commission.

(c) The owner of land to which this section applies must, not later than the 30th day after the date the land is designated as a tick eradication area, notify in writing the chief appraiser for each appraisal district in which the land is located that the land is located in a tick eradication area.

(d) The owner of land to which this section applies must, not later than the 30th day after the date the land is released from quarantine by the Texas Animal Health Commission, notify in writing the chief appraiser for each appraisal district in which the land is located that the land has been released from quarantine by the Texas Animal Health Commission.

SECTION 3. The change in law made by this Act does not affect an additional tax imposed as a result of a change of use of land appraised under Subchapter C or D, Chapter 23, Tax Code, that occurred before the effective date of this Act.

§ 23.51(1)

H.B. 639

Author: Drew Springer, Jr.

Effective: January 1, 2021

SECTION 1. Section 23.51(1), Tax Code, is amended to read as follows:

(1) "Qualified open-space land" means land that is currently devoted principally to agricultural use to the degree of intensity generally accepted in the area and that has been devoted principally to agricultural use or to production of timber or forest products for five of the preceding seven years or land that is used principally as an ecological laboratory by a public or private college or university and that has been used principally in that manner by a college or university for five of the preceding seven years. Qualified open-space land includes all appurtenances to the land. For the purposes of this subdivision, appurtenances to the land means private roads, dams, reservoirs, water wells, canals, ditches, terraces, and other reshapings of the soil, fences, and riparian water rights. Notwithstanding the other provisions of this subdivision, land that is currently devoted principally to wildlife management as defined by Subdivision (7)(B) or (C) to the degree of intensity generally accepted in the area qualifies for appraisal as qualified open-space land under this subchapter regardless of the manner in which the land was used in any preceding year.

SECTION 2. (a) Except as provided by Subsection (b) of this section, the change in law made by this Act applies beginning with the tax year that begins January 1, 2021.

(b) This subsection applies only to land that first qualified for appraisal under Subchapter D, Chapter 23, Tax Code, on the basis of its use as an ecological laboratory in the 2014, 2015, 2016, 2017, 2018, 2019, or 2020 tax year. The change in law made by this Act applies to land to which this subsection applies beginning with the tax year that begins January 1, 2027. For the 2021,

2022, 2023, 2024, 2025, and 2026 tax years, the qualification of land to which this subsection applies for appraisal under Subchapter D, Chapter 23, Tax Code, on the basis of its use as an ecological laboratory is governed by the law as it existed immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

§ 23.524

H.B. 4170

Author: Jeff Leach

Effective: September 1, 2019

SECTION 21.001. The following provisions of enacted codes are redesignated to eliminate duplicate citations:

(43) Section 23.524, Tax Code, as added by Chapter 365 (H.B. 3198), Acts of the 85th Legislature, Regular Session, 2017, is redesignated as Section 23.525, Tax Code.

§ 23.525

H.B. 4170

Author: Jeff Leach

Effective: September 1, 2019

SECTION 21.001. The following provisions of enacted codes are redesignated to eliminate duplicate citations:

(43) Section 23.524, Tax Code, as added by Chapter 365 (H.B. 3198), Acts of the 85th Legislature, Regular Session, 2017, is redesignated as Section 23.525, Tax Code.

§ 23.526

H.B. 3348

Author: Ryan Guillen

Effective: May 21, 2019

SECTION 2. Subchapter D, Chapter 23, Tax Code, is amended by adding Section 23.526 to read as follows:

Sec. 23.526. TEMPORARY CESSATION OF AGRICULTURAL USE DUE TO QUARANTINE FOR TICKS. (a) The eligibility of land for appraisal under this subchapter does not end because the land ceases to be devoted principally to agricultural use to the degree of intensity generally accepted in the area for the period prescribed by Subsection (b) if the land:

(1) is subject to a temporary quarantine established at any time during the tax year by the Texas Animal Health Commission for the purpose of regulating the handling of livestock and eradicating ticks or exposure to ticks under Chapter 167, Agriculture Code;

(2) is appraised under this subchapter primarily on the basis of the livestock located in the area subject to quarantine in the tax year; and

(3) otherwise continues to qualify for appraisal under this subchapter.

(b) Subsection (a) applies to land eligible for appraisal under this subchapter only during the period that begins on the date the land is designated as a tick eradication area and that ends on the date the land is released from quarantine by the Texas Animal Health Commission.

(c) The owner of land to which this section applies must, not later than the 30th day after the date the land is designated as a tick eradication area, notify in writing the chief appraiser for each appraisal district in which the land is located that the land is located in a tick eradication area.

(d) The owner of land to which this section applies must, not later than the 30th day after the date the land is released from quarantine by the Texas Animal Health Commission, notify in writing the chief appraiser for each appraisal district in which the land is located that the land has been released from quarantine by the Texas Animal Health Commission.

SECTION 3. The change in law made by this Act does not affect an additional tax imposed as a result of a change of use of land appraised under Subchapter C or D, Chapter 23, Tax Code, that occurred before the effective date of this Act.

§ 23.55(a)

H.B. 1743

Author: Tracy O. King

Effective: September 1, 2019

SECTION 1. Section 23.55(a), Tax Code, is amended to read as follows:

(a) If the use of land that has been appraised as provided by this subchapter changes, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the three [~~five~~] years preceding the year in which the change of use occurs that the land was appraised as provided by this subchapter and the tax that would have been imposed had the land been taxed on the basis of market value in each of those years, plus interest at an annual rate of five [~~seven~~] percent calculated from the dates on which the differences would have become due. For purposes of this subsection, the chief appraiser may not consider any period during which land is owned by the state in determining whether a change in the use of the land has occurred.

SECTION 3. The changes in law made by this Act apply only to a change of use of land appraised under Subchapter D or E, Chapter 23, Tax Code, that occurs on or after the effective date of this Act. A change in the use of land appraised under Subchapter D or E, Chapter 23, Tax Code, that occurs before the effective date of this Act is governed by the law in effect on the date the change of use occurred, and the former law is continued in effect for that purpose.

§ 23.72

H.B. 1409

Author: Trent Ashby

Effective: September 1, 2019

SECTION 1. Section 23.72, Tax Code, is amended to read as follows:

Sec. 23.72. QUALIFICATION FOR PRODUCTIVITY APPRAISAL. (a) Land qualifies for appraisal as provided by this subchapter if it is currently and actively devoted principally to production of timber or forest products to the degree of intensity generally accepted in the area with intent to produce income and has been devoted principally to production of timber or forest products or to agricultural use that would qualify the land for appraisal under Subchapter C or D [~~of this chapter~~] for five of the preceding seven years.

(b) In determining whether land is currently and actively devoted principally to the production of timber or forest products to the degree of intensity generally accepted in an area, a chief appraiser may not consider the purpose for which a portion of a parcel of land is used if the portion is:

(1) used for the production of timber or forest products, including a road, right-of-way, buffer area, or firebreak; or

(2) subject to a right-of-way that was taken through the exercise of the power of eminent domain.

(c) For the purpose of the appraisal of land under this subchapter, a portion of a parcel of land described by Subsection (b) is considered land that qualifies for appraisal under this subchapter if the remainder of the parcel of land qualifies for appraisal under this subchapter.

SECTION 5. (a) Sections 23.72 and 23.9802, Tax Code, as amended by this Act, apply only to the appraisal of land for ad valorem tax purposes for a tax year that begins on or after the effective date of this Act.

§ 23.76(a)

H.B. 1743

Author: Tracy O. King

Effective: September 1, 2019

SECTION 2. Section 23.76(a), Tax Code, is amended to read as follows:

(a) If the use of land that has been appraised as provided by this subchapter changes, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the three [~~five~~] years preceding the year in which the change of use occurs that the land was appraised as provided by this subchapter and the tax that would have been imposed had the

land been taxed on the basis of market value in each of those years, plus interest at an annual rate of five [~~seven~~] percent calculated from the dates on which the differences would have become due.

SECTION 3. The changes in law made by this Act apply only to a change of use of land appraised under Subchapter D or E, Chapter 23, Tax Code, that occurs on or after the effective date of this Act. A change in the use of land appraised under Subchapter D or E, Chapter 23, Tax Code, that occurs before the effective date of this Act is governed by the law in effect on the date the change of use occurred, and the former law is continued in effect for that purpose.

§ 23.765

H.B. 1409

Author: Trent Ashby

Effective: September 1, 2019

SECTION 2. Subchapter E, Chapter 23, Tax Code, is amended by adding Section 23.765 to read as follows:

Sec. 23.765. OIL AND GAS OPERATIONS ON LAND. The eligibility of land for appraisal under this subchapter does not end because a lessee under an oil and gas lease begins conducting oil and gas operations over which the Railroad Commission of Texas has jurisdiction on the land if the portion of the land on which oil and gas operations are not being conducted otherwise continues to qualify for appraisal under this subchapter.

SECTION 5. (b) Sections 23.765 and 23.9808, Tax Code, as added by this Act, do not affect an additional tax imposed as a result of a change of use of land appraised under Subchapter E or H, Chapter 23, Tax Code, that occurred before the effective date of this Act.

§ 23.9802

H.B. 1409

Author: Trent Ashby

Effective: September 1, 2019

SECTION 3. Section 23.9802, Tax Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) In determining whether land qualifies for appraisal as provided by this subchapter, a chief appraiser may not consider the purpose for which a portion of a parcel of land is used if the portion is:

(1) used for the production of timber or forest products, including a road, right-of-way, buffer area, or firebreak; or

(2) subject to a right-of-way that was taken through the exercise of the power of eminent domain.

(e) For the purpose of the appraisal of land under this subchapter, a portion of a parcel of land described by Subsection (d) is considered land that qualifies for appraisal under this subchapter if the remainder of the parcel of land qualifies for appraisal under this subchapter.

SECTION 5. (a) Sections 23.72 and 23.9802, Tax Code, as amended by this Act, apply only to the appraisal of land for ad valorem tax purposes for a tax year that begins on or after the effective date of this Act.

§ 23.9808

H.B. 1409

Author: Trent Ashby

Effective: September 1, 2019

SECTION 4. Subchapter H, Chapter 23, Tax Code, is amended by adding Section 23.9808 to read as follows:

Sec. 23.9808. OIL AND GAS OPERATIONS ON LAND. The eligibility of land for appraisal under this subchapter does not end because a lessee under an oil and gas lease begins conducting oil and gas operations over which the Railroad Commission of Texas has jurisdiction on the land if the portion of the land on which oil and gas operations are not being conducted otherwise continues to qualify for appraisal under this subchapter.

SECTION 5. (b) Sections 23.765 and 23.9808, Tax Code, as added by this Act, do not affect an additional tax imposed as a result of a change of use of land appraised under Subchapter E or H, Chapter 23, Tax Code, that occurred before the effective date of this Act.

§ 25.025(a)

H.B. 2446

Author: Valoree Swanson

Effective: June 14, 2019

SECTION 8. Section 25.025(a), Tax Code, as amended by Chapters 34 (S.B. 1576), 41 (S.B. 256), 193 (S.B. 510), 1006 (H.B. 1278), and 1145 (H.B. 457), Acts of the 85th Legislature, Regular Session, 2017, is reenacted and amended to read as follows:

(a) This section applies only to:

(1) a current or former peace officer as defined by Article 2.12, Code of Criminal Procedure, and the spouse or surviving spouse of the peace officer;

(2) the adult child of a current peace officer as defined by Article 2.12, Code of Criminal Procedure;

(3) a county jailer as defined by Section 1701.001, Occupations Code;

(4) an employee of the Texas Department of Criminal Justice;

(5) a commissioned security officer as defined by Section 1702.002, Occupations Code;

(6) an individual who shows that the individual, the individual's child, or another person in the individual's household is a victim of family violence as defined by Section 71.004, Family Code, by providing:

(A) a copy of a protective order issued under Chapter 85, Family Code, or a magistrate's order for emergency protection issued under Article 17.292, Code of Criminal Procedure; or

(B) other independent documentary evidence necessary to show that the individual, the individual's child, or another person in the individual's household is a victim of family violence;

(7) [~~(6)~~] an individual who shows that the individual, the individual's child, or another person in the individual's household is a victim of sexual assault or abuse, stalking, or trafficking of persons by providing:

(A) a copy of a protective order issued under Chapter 7A or Article 6.09, Code of Criminal Procedure, or a magistrate's order for emergency protection issued under Article 17.292, Code of Criminal Procedure; or

(B) other independent documentary evidence necessary to show that the individual, the individual's child, or another person in the individual's household is a victim of sexual assault or abuse, stalking, or trafficking of persons;

(8) [~~(7)~~] a participant in the address confidentiality program administered by the attorney general under Subchapter C, Chapter 56, Code of Criminal Procedure, who provides proof of certification under Article 56.84, Code of Criminal Procedure;

(9) [~~(8)~~] a federal judge, a state judge, or the spouse of a federal judge or state judge;

(10) a current or former district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters;

(11) [~~(9)~~] a current or former employee of a district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters;

(12) ~~[(10)]~~ an officer or employee of a community supervision and corrections department established under Chapter 76, Government Code, who performs a duty described by Section 76.004(b) of that code;

(13) ~~[(11)]~~ a criminal investigator of the United States as described by Article 2.122(a), Code of Criminal Procedure;

(14) ~~[(12)]~~ a police officer or inspector of the United States Federal Protective Service;

(15) ~~[(13)]~~ a current or former United States attorney or assistant United States attorney and the spouse and child of the attorney;

(16) ~~[(14)]~~ a current or former employee of the office of the attorney general who is or was assigned to a division of that office the duties of which involve law enforcement;

(17) ~~[(15)]~~ a medical examiner or person who performs forensic analysis or testing who is employed by this state or one or more political subdivisions of this state;

(18) ~~[(16)]~~ a current or former member of the United States armed forces who has served in an area that the president of the United States by executive order designates for purposes of 26 U.S.C. Section 112 as an area in which armed forces of the United States are or have engaged in combat;

(19) ~~[(17)]~~ a current or former employee of the Texas Juvenile Justice Department or of the predecessors in function of the department;

(20) ~~[(18)]~~ a current or former juvenile probation or supervision officer certified by the Texas Juvenile Justice Department, or the predecessors in function of the department, under Title 12, Human Resources Code;

(21) ~~[(19)]~~ a current or former employee of a juvenile justice program or facility, as those terms are defined by Section 261.405, Family Code; ~~and~~

(22) ~~[(18)]~~ a current or former employee of the Texas Civil Commitment Office or of the predecessor in function of the office or a division of the office;

(23) ~~[(18)]~~ a current or former employee of a federal judge or state judge; and

(24) a firefighter or volunteer firefighter or emergency medical services personnel as defined by Section 773.003, Health and Safety Code.

SECTION 9. The changes in law made by this Act apply only to a request for information that is received by a governmental body or an officer on or after the effective date of this Act. A request for information that was received before the effective date of this Act is governed by the law in

effect on the date the request was received, and the former law is continued in effect for that purpose.

SECTION 10. To the extent of any conflict, this Act prevails over another Act of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes.

§ 25.025(a)

H.B. 4170

Author: Jeff Leach

Effective: September 1, 2019

SECTION 14.002. Section 25.025(a), Tax Code, as amended by Chapters 34 (S.B. 1576), 41 (S.B. 256), 193 (S.B. 510), 1006 (H.B. 1278), and 1145 (H.B. 457), Acts of the 85th Legislature, Regular Session, 2017, is reenacted and amended to read as follows:

(a) This section applies only to:

(1) a current or former peace officer as defined by Article 2.12, Code of Criminal Procedure, and the spouse or surviving spouse of the peace officer;

(2) the adult child of a current peace officer as defined by Article 2.12, Code of Criminal Procedure;

(3) a county jailer as defined by Section 1701.001, Occupations Code;

(4) an employee of the Texas Department of Criminal Justice;

(5) a commissioned security officer as defined by Section 1702.002, Occupations Code;

(6) an individual who shows that the individual, the individual's child, or another person in the individual's household is a victim of family violence as defined by Section 71.004, Family Code, by providing:

(A) a copy of a protective order issued under Chapter 85, Family Code, or a magistrate's order for emergency protection issued under Article 17.292, Code of Criminal Procedure; or

(B) other independent documentary evidence necessary to show that the individual, the individual's child, or another person in the individual's household is a victim of family violence;

(7) ~~(6)~~ an individual who shows that the individual, the individual's child, or another person in the individual's household is a victim of sexual assault or abuse, stalking, or trafficking of persons by providing:

(A) a copy of a protective order issued under Chapter 7A or Article 6.09, Code of Criminal Procedure, or a magistrate's order for emergency protection issued under Article 17.292, Code of Criminal Procedure; or

(B) other independent documentary evidence necessary to show that the individual, the individual's child, or another person in the individual's household is a victim of sexual assault or abuse, stalking, or trafficking of persons;

(8) [~~(7)~~] a participant in the address confidentiality program administered by the attorney general under Subchapter C, Chapter 56, Code of Criminal Procedure, who provides proof of certification under Article 56.84, Code of Criminal Procedure;

(9) [~~(8)~~] a federal judge, a state judge, or the spouse of a federal judge or state judge;

(10) a current or former district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters;

(11) [~~(9)~~] a current or former employee of a district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters;

(12) [~~(10)~~] an officer or employee of a community supervision and corrections department established under Chapter 76, Government Code, who performs a duty described by Section 76.004(b) of that code;

(13) [~~(11)~~] a criminal investigator of the United States as described by Article 2.122(a), Code of Criminal Procedure;

(14) [~~(12)~~] a police officer or inspector of the United States Federal Protective Service;

(15) [~~(13)~~] a current or former United States attorney or assistant United States attorney and the spouse and child of the attorney;

(16) [~~(14)~~] a current or former employee of the office of the attorney general who is or was assigned to a division of that office the duties of which involve law enforcement;

(17) [~~(15)~~] a medical examiner or person who performs forensic analysis or testing who is employed by this state or one or more political subdivisions of this state;

(18) [~~(16)~~] a current or former member of the United States armed forces who has served in an area that the president of the United States by executive order designates for purposes

of 26 U.S.C. Section 112 as an area in which armed forces of the United States are or have engaged in combat;

(19) [(17)] a current or former employee of the Texas Juvenile Justice Department or of the predecessors in function of the department;

(20) [(18)] a current or former juvenile probation or supervision officer certified by the Texas Juvenile Justice Department, or the predecessors in function of the department, under Title 12, Human Resources Code;

(21) [(19)] a current or former employee of a juvenile justice program or facility, as those terms are defined by Section 261.405, Family Code; [and]

(22) [(18)] a current or former employee of the Texas Civil Commitment Office or of the predecessor in function of the office or a division of the office; and

(23) [(18)] a current or former employee of a federal judge or state judge.

§ 25.025(a)

S.B. 662

Author: Donna Campbell, M.D.

Effective: June 14, 2019

SECTION 4. Section 25.025(a), Tax Code, as amended by Chapters 34 (S.B. 1576), 41 (S.B. 256), 193 (S.B. 510), 1006 (H.B. 1278), and 1145 (H.B. 457), Acts of the 85th Legislature, Regular Session, 2017, is reenacted and amended to read as follows:

(a) This section applies only to:

(1) a current or former peace officer as defined by Article 2.12, Code of Criminal Procedure, and the spouse or surviving spouse of the peace officer;

(2) the adult child of a current peace officer as defined by Article 2.12, Code of Criminal Procedure;

(3) a county jailer as defined by Section 1701.001, Occupations Code;

(4) an employee of the Texas Department of Criminal Justice;

(5) a commissioned security officer as defined by Section 1702.002, Occupations Code;

(6) an individual who shows that the individual, the individual's child, or another person in the individual's household is a victim of family violence as defined by Section 71.004, Family Code, by providing:

(A) a copy of a protective order issued under Chapter 85, Family Code, or a magistrate's order for emergency protection issued under Article 17.292, Code of Criminal Procedure; or

(B) other independent documentary evidence necessary to show that the individual, the individual's child, or another person in the individual's household is a victim of family violence;

(7) [~~(6)~~] an individual who shows that the individual, the individual's child, or another person in the individual's household is a victim of sexual assault or abuse, stalking, or trafficking of persons by providing:

(A) a copy of a protective order issued under Chapter 7A or Article 6.09, Code of Criminal Procedure, or a magistrate's order for emergency protection issued under Article 17.292, Code of Criminal Procedure; or

(B) other independent documentary evidence necessary to show that the individual, the individual's child, or another person in the individual's household is a victim of sexual assault or abuse, stalking, or trafficking of persons;

(8) [~~(7)~~] a participant in the address confidentiality program administered by the attorney general under Subchapter C, Chapter 56, Code of Criminal Procedure, who provides proof of certification under Article 56.84, Code of Criminal Procedure;

(9) [~~(8)~~] a federal judge, a state judge, or the spouse of a federal judge or state judge;

(10) a current or former district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters;

(11) [~~(9)~~] a current or former employee of a district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters;

(12) [~~(10)~~] an officer or employee of a community supervision and corrections department established under Chapter 76, Government Code, who performs a duty described by Section 76.004(b) of that code;

(13) [~~(11)~~] a criminal investigator of the United States as described by Article 2.122(a), Code of Criminal Procedure;

(14) [~~(12)~~] a police officer or inspector of the United States Federal Protective Service;

(15) [(13)] a current or former United States attorney or assistant United States attorney and the spouse and child of the attorney;

(16) [(14)] a current or former employee of the office of the attorney general who is or was assigned to a division of that office the duties of which involve law enforcement;

(17) [(15)] a medical examiner or person who performs forensic analysis or testing who is employed by this state or one or more political subdivisions of this state;

(18) [(16)] a current or former member of the United States armed forces who has served in an area that the president of the United States by executive order designates for purposes of 26 U.S.C. Section 112 as an area in which armed forces of the United States are or have engaged in combat;

(19) [(17)] a current or former employee of the Texas Juvenile Justice Department or of the predecessors in function of the department;

(20) [(18)] a current or former juvenile probation or supervision officer certified by the Texas Juvenile Justice Department, or the predecessors in function of the department, under Title 12, Human Resources Code;

(21) [(19)] a current or former employee of a juvenile justice program or facility, as those terms are defined by Section 261.405, Family Code; ~~and~~

(22) [(18)] a current or former employee of the Texas Civil Commitment Office or of the predecessor in function of the office or a division of the office;

(23) [(18)] a current or former employee of a federal judge or state judge; and

(24) a state officer elected statewide or a member of the legislature.

SECTION 5. The changes in law made by this Act to Sections 552.117 and 552.1175, Government Code, and Section 25.025, Tax Code, apply only to a request for information that is received by a governmental body or an officer on or after the effective date of this Act. A request for information that was received before the effective date of this Act is governed by the law in effect on the date the request was received, and the former law is continued in effect for that purpose.

SECTION 6. To the extent of any conflict, this Act prevails over another Act of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes.

§ 25.025(a)

S.B. 1494

Author: Angela Paxton

Effective: June 10, 2019

SECTION 4. Section 25.025(a), Tax Code, as amended by Chapters 34 (S.B. 1576), 41 (S.B. 256), 193 (S.B. 510), 1006 (H.B. 1278), and 1145 (H.B. 457), Acts of the 85th Legislature, Regular Session, 2017, is reenacted and amended to read as follows:

(a) This section applies only to:

(1) a current or former peace officer as defined by Article 2.12, Code of Criminal Procedure, and the spouse or surviving spouse of the peace officer;

(2) the adult child of a current peace officer as defined by Article 2.12, Code of Criminal Procedure;

(3) a county jailer as defined by Section 1701.001, Occupations Code;

(4) an employee of the Texas Department of Criminal Justice;

(5) a commissioned security officer as defined by Section 1702.002, Occupations Code;

(6) an individual who shows that the individual, the individual's child, or another person in the individual's household is a victim of family violence as defined by Section 71.004, Family Code, by providing:

(A) a copy of a protective order issued under Chapter 85, Family Code, or a magistrate's order for emergency protection issued under Article 17.292, Code of Criminal Procedure; or

(B) other independent documentary evidence necessary to show that the individual, the individual's child, or another person in the individual's household is a victim of family violence;

(7) ~~[(6)]~~ an individual who shows that the individual, the individual's child, or another person in the individual's household is a victim of sexual assault or abuse, stalking, or trafficking of persons by providing:

(A) a copy of a protective order issued under Chapter 7A or Article 6.09, Code of Criminal Procedure, or a magistrate's order for emergency protection issued under Article 17.292, Code of Criminal Procedure; or

(B) other independent documentary evidence necessary to show that the individual, the individual's child, or another person in the individual's household is a victim of sexual assault or abuse, stalking, or trafficking of persons;

(8) [(7)] a participant in the address confidentiality program administered by the attorney general under Subchapter C, Chapter 56, Code of Criminal Procedure, who provides proof of certification under Article 56.84, Code of Criminal Procedure;

(9) [(8)] a federal judge, a state judge, or the spouse of a federal judge or state judge;

(10) a current or former district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters;

(11) [(9)] a current or former employee of a district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters;

(12) [(10)] an officer or employee of a community supervision and corrections department established under Chapter 76, Government Code, who performs a duty described by Section 76.004(b) of that code;

(13) [(11)] a criminal investigator of the United States as described by Article 2.122(a), Code of Criminal Procedure;

(14) [(12)] a police officer or inspector of the United States Federal Protective Service;

(15) [(13)] a current or former United States attorney or assistant United States attorney and the spouse and child of the attorney;

(16) [(14)] a current or former employee of the office of the attorney general who is or was assigned to a division of that office the duties of which involve law enforcement;

(17) [(15)] a medical examiner or person who performs forensic analysis or testing who is employed by this state or one or more political subdivisions of this state;

(18) [(16)] a current or former member of the United States armed forces who has served in an area that the president of the United States by executive order designates for purposes of 26 U.S.C. Section 112 as an area in which armed forces of the United States are or have engaged in combat;

(19) [(17)] a current or former employee of the Texas Juvenile Justice Department or of the predecessors in function of the department;

(20) [(18)] a current or former juvenile probation or supervision officer certified by the Texas Juvenile Justice Department, or the predecessors in function of the department, under Title 12, Human Resources Code;

(21) [(19)] a current or former employee of a juvenile justice program or facility, as those terms are defined by Section 261.405, Family Code; [and]

(22) [(18)] a current or former employee of the Texas Civil Commitment Office or of the predecessor in function of the office or a division of the office;

(23) [(18)] a current or former employee of a federal judge or state judge;

(24) a current or former child protective services caseworker, adult protective services caseworker, or investigator for the Department of Family and Protective Services or a current or former employee of a department contractor performing child protective services caseworker, adult protective services caseworker, or investigator functions for the contractor on behalf of the department; and

(25) a state officer elected statewide or a member of the legislature.

SECTION 5. The changes in law made by this Act to Sections 552.117 and 552.1175, Government Code, and Section 25.025, Tax Code, apply only to a request for information that is received by a governmental body or an officer for public information on or after the effective date of this Act. A request for information that was received before the effective date of this Act is governed by the law in effect on the date the request was received, and the former law is continued in effect for that purpose.

SECTION 6. To the extent of any conflict, this Act prevails over another Act of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes.

§ 25.025(b)

S.B. 73⁹

Author: Jane Nelson

Effective: September 1, 2019

SECTION 2. Section 25.025(b), Tax Code, is amended to read as follows:

(b) Information in appraisal records under Section 25.02 is confidential and is available only for the official use of the appraisal district, this state, the comptroller, and taxing units and political subdivisions of this state if:

(1) the information identifies the home address of a named individual to whom this section applies; and

⁹ Identical to S.B. 489, Judith Zaffirini, Effective September 1, 2019

(2) the individual:

(A) chooses to restrict public access to the information on the form prescribed for that purpose by the comptroller under Section 5.07; or

(B) is a federal or state judge [~~as defined by Section 572.002, Government Code~~], or the spouse of a federal or state judge, beginning on the date the Office of Court Administration of the Texas Judicial System notifies the appraisal district of the judge's qualification for the judge's office.

§ 25.19(b), (b-3), (b-4), and (i)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2021 (Sections 25.19(b-3) and (b-4)); January 1, 2022 (Sections 25.19(b) and (i))

SECTION 29. Section 25.19, Tax Code, is amended by amending Subsections (b) and (i) and adding Subsections (b-3) and (b-4) to read as follows:

(b) The chief appraiser shall separate real from personal property and include in the notice for each:

(1) a list of the taxing units in which the property is taxable;

(2) the appraised value of the property in the preceding year;

(3) the taxable value of the property in the preceding year for each taxing unit taxing the property;

(4) the appraised value of the property for the current year, the kind and amount of each exemption and partial exemption, if any, approved for the property for the current year and for the preceding year, and, if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year, the amount of the exemption or partial exemption canceled or reduced;

(5) [~~if the appraised value is greater than it was in the preceding year, the amount of tax that would be imposed on the property on the basis of the tax rate for the preceding year;~~

~~[(6)]~~ in italic typeface, the following statement: "The Texas Legislature does not set the amount of your local taxes. Your property tax burden is decided by your locally elected officials, and all inquiries concerning your taxes should be directed to those officials";

~~(6)~~ [~~(7)~~] a detailed explanation of the time and procedure for protesting the value;

(7) [(8)] the date and place the appraisal review board will begin hearing protests;
and

(8) [(9)] a brief explanation that the governing body of each taxing unit decides whether or not taxes on the property will increase and the appraisal district only determines the value of the property.

(b-3) This subsection applies only to an appraisal district described by Section 6.41(b-2). In addition to the information required by Subsection (b), the chief appraiser shall state in a notice of appraised value of property described by Section 6.425(b) that the property owner has the right to have a protest relating to the property heard by a special panel of the appraisal review board.

(b-4) Subsection (b)(5) applies only to a notice of appraised value required to be delivered by the chief appraiser of an appraisal district established in a county with a population of less than 120,000. This subsection expires January 1, 2022.

(i) Delivery with a notice required by Subsection (a) or (g) of a copy of the pamphlet published by the comptroller under Section 5.06 or a copy of the notice published by the chief appraiser under Section 41.70 is sufficient to comply with the requirement that the notice include the information specified by Subsection (b)(6) [(b)(7)] or (g)(3), as applicable.

§ 25.19(b-2)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 91. The following provisions are repealed:

(4) Sections 5.103(e) and (f), 6.412(e), 22.23(c), 25.19(b-2), and 41A.06(c), Tax Code;

§ 25.19(1)

S.B. 2060

Author: Jose Menendez

Effective: January 1, 2020

SECTION 1. Section 25.19, Tax Code, is amended by adding Subsection (l) to read as follows:

(l) In addition to the information required by Subsection (b), the chief appraiser shall include with a notice required by Subsection (a) a brief explanation of each total or partial exemption of property from taxation required or authorized by this title that is available to:

(1) a disabled veteran or the veteran's surviving spouse or child;

(2) an individual who is 65 years of age or older or the individual's surviving spouse;

(3) an individual who is disabled or the individual's surviving spouse;

(4) the surviving spouse of a member of the armed services of the United States who is killed in action; or

(5) the surviving spouse of a first responder who is killed or fatally injured in the line of duty.

SECTION 2. The change in law made by this Act applies only to a notice of appraised value for a tax year beginning on or after the effective date of this Act. A notice of appraised value for a tax year beginning before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

§ 25.192

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 30. Chapter 25, Tax Code, is amended by adding Sections 25.192 and 25.193 to read as follows:

Sec. 25.192. NOTICE OF RESIDENCE HOMESTEAD EXEMPTION ELIGIBILITY.

(a) This section applies only to residential property that has not qualified for a residence homestead exemption in the current tax year.

(b) If the records of the appraisal district indicate that the address of the property is also the address of the owner of the property, the chief appraiser must send to the property owner a notice that contains:

(1) the following statement in boldfaced 18-point type at the top of the first page of the notice: "NOTICE: A residence homestead exemption from ad valorem taxation is NOT currently being allowed on the property listed below. However, our records show that this property may qualify for a residence homestead exemption, which will reduce your taxes.";

(2) following the statement described by Subdivision (1), the following statement in 12-point type: "According to the records of the appraisal district, the property described in this notice may be your primary residence and may qualify for a residence homestead exemption from ad valorem taxation. If the property is your home and you occupy it as your primary residence, the property likely qualifies for one or more residence homestead exemptions, which will reduce the amount of taxes imposed on the property. The form needed to apply for a residence homestead exemption is enclosed. Although the form may state that the deadline for filing an application for a residence homestead exemption is April 30, a late application for a residence homestead exemption will be accepted if filed before February 1, (insert year application must be filed). There

is no fee or charge for filing an application or a late application for a residence homestead exemption."; and

(3) following the statement described by Subdivision (2), the address to which the notice is sent.

(c) The notice required by this section must be accompanied by an application form for a residence homestead exemption.

(d) If a property owner has elected to receive notices by e-mail as provided by Section 1.086, the notice required by this section must be sent in that manner separately from any other notice sent to the property owner by the chief appraiser.

SECTION 104. Sections 25.192 and 25.193, Tax Code, as added by this Act, apply only to a notice for a tax year beginning on or after January 1, 2020.

§ 25.193

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 30. Chapter 25, Tax Code, is amended by adding Sections 25.192 and 25.193 to read as follows:

Sec. 25.193. NOTICE OF CERTAIN CANCELED OR REDUCED EXEMPTIONS.

(a) By April 1 or as soon thereafter as practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with residential property that does not qualify for an exemption under Section 11.13, the chief appraiser shall deliver a clear and understandable written notice to a property owner if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year.

(b) If a property owner has elected to receive notices by e-mail as provided by Section 1.086, for property described by that section, the notice required by this section must be sent in that manner regardless of whether the information was also included in a notice under Section 25.19 and must be sent separately from any other notice sent to the property owner by the chief appraiser.

SECTION 104. Sections 25.192 and 25.193, Tax Code, as added by this Act, apply only to a notice for a tax year beginning on or after January 1, 2020.

§ 25.25

H.B. 2159

Author: Morgan Meyer

Effective: June 14, 2019

SECTION 1. Section 25.25, Tax Code, is amended by amending Subsection (d) and adding Subsection (d-1) to read as follows:

(d) At any time prior to the date the taxes become delinquent, a property owner or the chief appraiser may file a motion with the appraisal review board to change the appraisal roll to correct an error that resulted in an incorrect appraised value for the owner's property. However, the error may not be corrected unless it resulted in an appraised value that exceeds by more than:

(1) one-fourth the correct appraised value, in the case of property that qualifies as the owner's residence homestead under Section 11.13; or

(2) one-third the correct appraised value, in the case of property that does not qualify as the owner's residence homestead under Section 11.13.

(d-1) If the appraisal roll is changed under Subsection (d) [this subsection], the property owner must pay to each affected taxing unit a late-correction penalty equal to 10 percent of the amount of taxes as calculated on the basis of the corrected appraised value. Payment of the late-correction penalty is secured by the lien that attaches to the property under Section 32.01 and is subject to enforced collection under Chapter 33. The roll may not be changed under Subsection (d) [this subsection] if:

(1) the property was the subject of a protest brought by the property owner under Chapter 41, a hearing on the protest was conducted in which the property owner offered evidence or argument, and the appraisal review board made a determination of the protest on the merits; or

(2) the appraised value of the property was established as a result of a written agreement between the property owner or the owner's agent and the appraisal district.

SECTION 2. The change in law made by this Act applies only to a motion to correct an appraisal roll filed on or after the effective date of this Act. A motion to correct an appraisal roll filed before the effective date of this Act is governed by the law in effect on the date the motion was filed, and the former law is continued in effect for that purpose.

§ 25.25(k)

H.B. 3

Author: Dan Huberty

Effective: September 1, 2019

SECTION 3.091. Section 25.25(k), Tax Code, is amended to read as follows:

(k) The chief appraiser shall change the appraisal records and school district appraisal rolls promptly to reflect the detachment and annexation of property among school districts under Subchapter C or G, Chapter 49 [4+], Education Code.

§ 26.01

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 31. Section 26.01, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) If by July 20 the appraisal review board for an appraisal district has not approved the appraisal records for the district as required under Section 41.12, the chief appraiser shall not later than July 25 prepare and certify to the assessor for each taxing unit participating in the district an estimate of the taxable value of property in that taxing unit.

§ 26.012

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 32. Section 26.012, Tax Code, is amended by adding Subdivisions (8-a) and (19) and amending Subdivisions (10) and (13) to read as follows:

(8-a) "De minimis rate" means the rate equal to the sum of:

(A) a taxing unit's no-new-revenue maintenance and operations rate;

(B) the rate that, when applied to a taxing unit's current total value, will impose an amount of taxes equal to \$500,000; and

(C) a taxing unit's current debt rate.

(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 voter-approval tax [rollback] rate, as certified by the collector under Section 26.04(b) [~~of this 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:

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

(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

(iii) the portion of taxable value of property that is the subject of an appeal under Chapter 42 on July 25 that is not in dispute; and

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

(19) "Special taxing unit" means:

(A) a taxing unit, other than a school district, for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value;

(B) a junior college district; or

(C) a hospital district.

§ 26.012(9)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 33. Section 26.012(9), Tax Code, is redesignated as Section 26.012(18), Tax Code, and amended to read as follows:

(18) "No-new-revenue [~~(9)~~ "Effective] maintenance and operations rate" means a rate expressed in dollars per \$100 of taxable value and calculated according to the following formula:

NO-NEW-REVENUE [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE = (LAST YEAR'S LEVY - LAST YEAR'S DEBT LEVY - LAST YEAR'S JUNIOR COLLEGE LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

§ 26.012(15)

H.B. 492

Author: Hugh D. Shine

Effective: January 1, 2020¹⁰

SECTION 5. Section 26.012(15), Tax Code, is amended to read as follows:

(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, or 11.35, 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 taxing unit since the preceding year.

§ 26.013

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 34. Chapter 26, Tax Code, is amended by adding Section 26.013 to read as follows:

Sec. 26.013. UNUSED INCREMENT RATE. (a) In this section:

(1) "Actual tax rate" means a taxing unit's actual tax rate used to levy taxes in the applicable preceding tax year.

(2) "Voter-approval tax rate" means a taxing unit's voter-approval tax rate in the applicable preceding tax year less the unused increment rate for that preceding tax year.

(3) "Year 1" means the third tax year preceding the current tax year.

(4) "Year 2" means the second tax year preceding the current tax year.

(5) "Year 3" means the tax year preceding the current tax year.

(b) In this chapter, "unused increment rate" means the greater of:

(1) zero; or

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

¹⁰ This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

$$\frac{\text{UNUSED INCREMENT RATE} = (\text{YEAR 1 VOTER-APPROVAL TAX RATE} - \text{YEAR 1 ACTUAL TAX RATE}) + (\text{YEAR 2 VOTER-APPROVAL TAX RATE} - \text{YEAR 2 ACTUAL TAX RATE}) + (\text{YEAR 3 VOTER-APPROVAL TAX RATE} - \text{YEAR 3 ACTUAL TAX RATE})}{3}$$

(c) Notwithstanding Subsection (b)(2), for each tax year before the 2020 tax year, the difference between the taxing unit's voter-approval tax rate and actual tax rate is considered to be zero. This subsection expires December 31, 2022.

§ 26.04

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020 (Sections 26.04(b), (c), (c-1), (c-2), (d), (e), (e-2), (e-3), (e-4), (f), (h-1), (h-2), (i), and (j)); January 1, 2021 (Sections 26.04(d-1), (d-2), (d-3), (e-1), (e-5), and (g))

SECTION 35. The heading to Section 26.04, Tax Code, is amended to read as follows:

Sec. 26.04. SUBMISSION OF ROLL TO GOVERNING BODY; NO-NEW-REVENUE [~~EFFECTIVE~~] AND VOTER-APPROVAL [~~ROLLBACK~~] TAX RATES.

SECTION 36. Section 26.04, Tax Code, is amended by amending Subsections (b), (c), (d), (e), (e-1), (f), (g), (i), and (j) and adding Subsections (c-1), (c-2), (d-1), (d-2), (d-3), (e-2), (e-3), (e-4), (e-5), (h-1), and (h-2) to read as follows:

(b) The assessor shall submit the appraisal roll for the taxing unit showing the total appraised, assessed, and taxable values of all property and the total taxable value of new property to the governing body of the taxing unit by 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 anticipated collection rate as calculated under Subsections (h), (h-1), and (h-2) 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) After the assessor for the taxing unit submits the appraisal roll for the taxing unit to the governing body of the taxing unit as required by Subsection (b), an [~~As~~] officer or employee designated by the governing body shall calculate the no-new-revenue [~~effective~~] tax rate and the voter-approval [~~rollback~~] tax rate for the taxing unit, where:

(1) "No-new-revenue [~~Effective~~] tax rate" means a rate expressed in dollars per \$100 of taxable value calculated according to the following formula:

NO-NEW-REVENUE [EFFECTIVE] TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)

; and

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

(A) for a special taxing unit:

VOTER-APPROVAL [ROLLBACK] TAX RATE = (NO-NEW-REVENUE [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE

; or

(B) for a taxing unit other than a special taxing unit:

VOTER-APPROVAL TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.035) + (CURRENT DEBT RATE + UNUSED INCREMENT RATE)

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a special taxing unit may direct the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the voter-approval tax rate in the manner provided by this subsection until the earlier of:

(1) the second tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or

(2) the third tax year after the tax year in which the disaster occurred.

(c-2) Notwithstanding any other provision of this section, if the assessor for a taxing unit receives a certified estimate of the taxable value of property in the taxing unit under Section 26.01(a-1), the officer or employee designated by the governing body of the taxing unit shall calculate the no-new-revenue tax rate and voter-approval tax rate using the certified estimate of taxable value.

(d) The no-new-revenue [effective] tax rate for a county is the sum of the no-new-revenue [effective] tax rates calculated for each type of tax the county levies and the voter-approval

~~rollback~~ tax rate for a county is the sum of the voter-approval ~~rollback~~ tax rates calculated for each type of tax the county levies.

(d-1) The designated officer or employee shall use the tax rate calculation forms prescribed by the comptroller under Section 5.07 in calculating the no-new-revenue tax rate and the voter-approval tax rate.

(d-2) The designated officer or employee may not submit the no-new-revenue tax rate and the voter-approval tax rate to the governing body of the taxing unit and the taxing unit may not adopt a tax rate until the designated officer or employee certifies on the tax rate calculation forms that the designated officer or employee has accurately calculated the tax rates and has used values that are the same as the values shown in the taxing unit's certified appraisal roll in performing the calculations.

(d-3) As soon as practicable after the designated officer or employee calculates the no-new-revenue tax rate and the voter-approval tax rate of the taxing unit, the designated officer or employee shall submit the tax rate calculation forms used in calculating the rates to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located.

(e) By August 7 or as soon thereafter as practicable, the designated officer or employee shall submit the rates to the governing body. The designated officer or employee [He] shall post prominently on the home page of the taxing unit's Internet website [deliver by mail to each property owner in the unit or publish in a newspaper] in the form prescribed by the comptroller:

(1) the no-new-revenue ~~effective~~ tax rate, the voter-approval ~~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; and

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

(A) the amount of principal and interest that will be paid to service the taxing 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 taxing unit by another political subdivision and, if the taxing unit is created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, payments on debts that the taxing 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 taxing 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 tax rate certification requirements imposed by Subsection (d-2) and the notice requirements imposed by Subsections (e)(1)-(3) [(e)(1)-(6)] do not apply to a school district.

(e-2) By August 7 or as soon thereafter as practicable, the chief appraiser of each appraisal district shall deliver by regular mail or e-mail to each owner of property located in the appraisal district a notice that the estimated amount of taxes to be imposed on the owner's property by each taxing unit in which the property is located may be found in the property tax database maintained by the appraisal district under Section 26.17. The notice must include:

(1) a statement directing the property owner to an Internet website from which the owner may access information related to the actions taken or proposed to be taken by each taxing unit in which the property is located that may affect the taxes imposed on the owner's property;

(2) a statement that the property owner may request from the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Section 6.24(b), contact information for the assessor for each taxing unit in which the property is located, who must provide the information described by this subsection to the owner on request; and

(3) the name, address, and telephone number of the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Section 6.24(b).

(e-3) The statement described by Subsection (e-2)(1) must include a heading that is in bold, capital letters in type larger than that used in the other provisions of the notice.

(e-4) The comptroller:

(1) with the advice of the property tax administration advisory board, shall adopt rules prescribing the form of the notice required by Subsection (e-2); and

(2) may adopt rules regarding the format and delivery of the notice.

(e-5) The governing body of a taxing unit shall include as an appendix to the taxing unit's budget for a fiscal year the tax rate calculation forms used by the designated officer or employee of the taxing unit to calculate the no-new-revenue tax rate and the voter-approval tax rate of the taxing unit for the tax year in which the fiscal year begins.

(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 no-new-revenue [effective] and voter-approval [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 taxing unit, the chief appraiser of the applicable appraisal district, or the taxing unit, as applicable, has not complied with the computation, [or] publication, or posting requirements of this section or Section 26.16, 26.17, or 26.18 [and the failure to comply was not in good faith]. It is a defense in an action for an injunction under this subsection that the failure to comply was in good faith.

(h-1) Notwithstanding Subsection (h), if the anticipated collection rate of a taxing unit as calculated under that subsection is lower than the lowest actual collection rate of the taxing unit for any of the preceding three years, the anticipated collection rate of the taxing unit for purposes

of this section is equal to the lowest actual collection rate of the taxing unit for any of the preceding three years.

(h-2) The anticipated collection rate of a taxing unit for purposes of this section is the rate calculated under Subsection (h) as modified by Subsection (h-1), if applicable, regardless of whether that rate exceeds 100 percent.

(i) 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 voter-approval [~~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 no-new-revenue [~~effective~~] maintenance and operations rate of the taxing 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 taxing unit operated the discontinued department, function, or activity. If the taxing 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 taxing unit shall reduce last year's levy used for calculating the no-new-revenue [~~effective~~] maintenance and operations rate of the taxing unit by the amount of the revenue spent in the last full fiscal year in which the taxing 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 voter-approval [~~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 no-new-revenue [~~effective~~] maintenance and operations rate of the taxing 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 taxing unit operated the discontinued department, function, or activity. If the taxing 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 taxing unit may increase last year's levy used to calculate the no-new-revenue [~~effective~~] maintenance and operations rate by an amount not to exceed the amount of property tax revenue spent by the discontinuing taxing unit to operate the discontinued department, function, or activity in the last full fiscal year in which the discontinuing taxing unit operated the department, function, or activity.

SECTION 105. (a) An appraisal district established in a county with a population of 200,000 or more and each taxing unit located wholly or primarily in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2020 tax year.

(b) An appraisal district established in a county with a population of less than 200,000 and each taxing unit located wholly or primarily in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2021 tax year.

§ 26.041

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 37. Section 26.041, Tax Code, is amended by amending Subsections (a), (b), (c), (e), (g), and (h) and adding Subsection (c-1) to read as follows:

(a) In the first year in which an additional sales and use tax is required to be collected, the no-new-revenue ~~[effective]~~ tax rate and voter-approval ~~[rollback]~~ tax rate for the taxing unit are calculated according to the following formulas:

$$\text{NO-NEW-REVENUE } \text{[EFFECTIVE]} \text{ TAX RATE} = [(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] - \text{SALES TAX GAIN RATE}$$

and

$$\text{VOTER-APPROVAL TAX } \text{[ROLLBACK]} \text{ RATE FOR SPECIAL TAXING UNIT} = (\text{NO-NEW-REVENUE } \text{[EFFECTIVE]} \text{ MAINTENANCE AND OPERATIONS RATE} \times 1.08) + (\text{CURRENT DEBT RATE} - \text{SALES TAX GAIN RATE})$$

or

$$\text{VOTER-APPROVAL TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT} = (\text{NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE} \times 1.035) + (\text{CURRENT DEBT RATE} + \text{UNUSED INCREMENT RATE} - \text{SALES TAX GAIN RATE})$$

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 voter-approval ~~[rollback]~~ tax rate for the

taxing unit is calculated according to the following formula, regardless of whether the taxing unit levied a property tax in the preceding year:

$$\text{VOTER-APPROVAL TAX [ROLLBACK] RATE FOR SPECIAL TAXING UNIT} = \frac{[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.08) / (\text{[TOTAL] CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + (\text{CURRENT DEBT RATE} - \text{SALES TAX REVENUE RATE})}{1}$$

or

$$\text{VOTER-APPROVAL TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT} = \frac{[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.035) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + (\text{CURRENT DEBT RATE} + \text{UNUSED INCREMENT RATE} - \text{SALES TAX REVENUE RATE})}{1}$$

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 no-new-revenue [~~effective~~] tax rate and voter-approval [~~rollback~~] tax rate for the taxing unit are calculated according to the following formulas:

$$\text{NO-NEW-REVENUE [EFFECTIVE] TAX RATE} = \frac{(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE}) + \text{SALES TAX LOSS RATE}}{1}$$

and

$$\text{VOTER-APPROVAL [ROLLBACK] TAX RATE FOR SPECIAL TAXING UNIT} = \frac{[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.08) / (\text{[TOTAL] CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + \text{CURRENT DEBT RATE}}{1}$$

or

$$\text{VOTER-APPROVAL TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT} = \frac{[(\text{LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE} \times 1.035) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})] + (\text{CURRENT DEBT RATE} + \text{UNUSED INCREMENT RATE})}{1}$$

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.

(c-1) Notwithstanding any other provision of this section, the governing body of a taxing unit other than a special taxing unit may direct the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the governor or by the president of the United States. The designated officer or employee shall continue calculating the voter-approval tax rate in the manner provided by this subsection until the earlier of:

(1) the second tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or

(2) the third tax year after the tax year in which the disaster occurred.

(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 no-new-revenue [effective] and voter-approval [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 voter-approval [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.

(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 designated 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 no-new-revenue [effective] tax rate for the taxing unit is the no-new-revenue [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 designated 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 no-new-revenue [~~effective~~] tax rate for the taxing unit is the no-new-revenue [~~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.

§ 26.043

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 38. The heading to Section 26.043, Tax Code, is amended to read as follows:

Sec. 26.043. VOTER-APPROVAL AND NO-NEW-REVENUE [~~EFFECTIVE~~] TAX RATES [~~RATE~~] IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

SECTION 39. Sections 26.043(a) and (b), Tax Code, are amended to read as follows:

(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 designated officer or employee [~~representative~~] shall subtract from the city's voter-approval [~~rollback~~] and no-new-revenue [~~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 no-new-revenue [~~effective~~] or voter-approval [~~rollback~~] tax rate refers to that rate as adjusted under this section.

§ 26.044

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 40. The heading to Section 26.044, Tax Code, is amended to read as follows:

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

SECTION 41. Sections 26.044(a), (b), and (c), Tax Code, are amended to read as follows:

(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 no-new-revenue [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 no-new-revenue [effective] maintenance and operation rate for the county is increased by the rate calculated according to the following formula:

$$\frac{\text{(This Year's State Criminal Justice Mandate - Previous Year's State Criminal Justice Mandate)}}{\text{(Current Total Value - New Property Value)}}$$

(c) The county shall include a notice of the increase in the no-new-revenue [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, as applicable, in the notice prescribed by Section 26.06 or 26.061 [~~26.06(b) of this code~~].

§ 26.0441

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 42. Sections 26.0441(a), (b), and (c), Tax Code, are amended to read as follows:

(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 no-new-revenue [effective] maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

Amount of Increase = Enhanced Indigent Health Care Expenditures /
(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 no-new-revenue [effective] maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

Amount of Increase = (Current Tax Year's Enhanced Indigent Health Care Expenditures - Preceding Tax Year's Indigent Health Care Expenditures) / (Current Total Value - New Property Value)

(c) The taxing unit shall include a notice of the increase in its no-new-revenue [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, as [if] applicable, in the notice prescribed by Section 26.06 or 26.061 [26.06(b)].

§ 26.0442

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 43. Chapter 26, Tax Code, is amended by adding Sections 26.0442 and 26.0443 to read as follows:

Sec. 26.0442. TAX RATE ADJUSTMENT FOR COUNTY INDIGENT DEFENSE COMPENSATION EXPENDITURES. (a) In this section, "indigent defense compensation expenditures" for a tax year means the amount paid by a county to provide appointed counsel for indigent individuals in criminal or civil proceedings in accordance with the schedule of fees adopted under Article 26.05, Code of Criminal Procedure, in the period beginning on July 1 of the tax 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 any state grants received by the county during that period for the same purpose.

(b) If a county's indigent defense compensation expenditures exceed the amount of those expenditures for the preceding tax year, the no-new-revenue maintenance and operations rate for the county is increased by the lesser of the rates computed according to the following formulas:

(Current Tax Year's Indigent Defense Compensation Expenditures -
Preceding Tax Year's Indigent Defense Compensation Expenditures) / (Current
Total Value - New Property Value)

or

(Preceding Tax Year's Indigent Defense Compensation Expenditures x 0.05) / (Current Total Value - New Property Value)

(c) The county shall include a notice of the increase in the no-new-revenue maintenance and operations rate provided by this section, including a description and the amount of indigent defense compensation expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

§ 26.0443

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 43. Chapter 26, Tax Code, is amended by adding Sections 26.0442 and 26.0443 to read as follows:

Sec. 26.0443. TAX RATE ADJUSTMENT FOR ELIGIBLE COUNTY HOSPITAL EXPENDITURES. (a) In this section:

(1) "Eligible county hospital" means a hospital that:

(A) is:

(i) owned or leased by a county and operated in accordance with Chapter 263, Health and Safety Code; or

(ii) owned or leased jointly by a municipality and a county and operated in accordance with Chapter 265, Health and Safety Code; and

(B) is located in an area not served by a hospital district created under Sections 4 through 11, Article IX, Texas Constitution.

(2) "Eligible county hospital expenditures" for a tax year means the amount paid by a county or municipality in the period beginning on July 1 of the tax 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 to maintain and operate an eligible county hospital.

(b) If a county's or municipality's eligible county hospital expenditures exceed the amount of those expenditures for the preceding tax year, the no-new-revenue maintenance and operations rate for the county or municipality, as applicable, is increased by the lesser of the rates computed according to the following formulas:

(Current Tax Year's Eligible County Hospital Expenditures - Preceding Tax Year's Eligible County Hospital Expenditures) / (Current Total Value - New Property Value)

or

(Preceding Tax Year's Eligible County Hospital Expenditures x 0.08) /
(Current Total Value - New Property Value)

(c) The county or municipality shall include a notice of the increase in the no-new-revenue maintenance and operations rate provided by this section, including a description and amount of eligible county hospital expenditures, in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

§ 26.045

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 44. The heading to Section 26.045, Tax Code, is amended to read as follows:

Sec. 26.045. VOTER-APPROVAL TAX RATE ~~[ROLLBACK]~~ RELIEF FOR POLLUTION CONTROL REQUIREMENTS.

SECTION 45. Sections 26.045(a), (c), and (i), Tax Code, are amended to read as follows:

(a) The voter-approval ~~[rollback]~~ tax rate for a political subdivision of this state is increased by the rate that, if applied to the ~~[total]~~ current total 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.

(c) To receive an adjustment to the voter-approval ~~[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.

(i) A political subdivision of the state seeking an adjustment in its voter-approval ~~[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 voter-approval [~~rollback~~] tax rate for the political subdivision as provided for by Subsection (a).

§ 26.05

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020 (Sections 26.05(a), (b), (c), (d), (g), (d-1), (d-2), and (e-1));

January 1, 2021 (Section 26.05(e))

SECTION 46. Section 26.05, Tax Code, is amended by amending Subsections (a), (b), (c), (d), (e), and (g) and adding Subsections (d-1), (d-2), and (e-1) to read as follows:

(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 taxing unit of the rate adopted. The governing body must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, except that the governing body must adopt a tax rate that exceeds the voter-approval tax rate not later than the 71st day before the next uniform election date prescribed by Section 41.001, Election Code, that occurs in November of that year. 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 described by [~~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 calculated 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 taxing 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. For a taxing unit other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue [~~effective~~] tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. For a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the sum of the no-new-revenue [~~effective~~] maintenance and operations tax rate of the district as determined under Section 26.08(i) and the district's current debt rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue [~~effective~~] tax rate must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds

the no-new-revenue [effective] tax rate) percent increase in the 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 no-new-revenue [effective] maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."; and

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

(A) the following statement: "(Insert name of taxing 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 no-new-revenue [effective] maintenance and operations rate, the following statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE [EFFECTIVE] MAINTENANCE AND OPERATIONS RATE) PERCENT AND 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 no-new-revenue [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 voter-approval [~~rollback~~] tax rate or the no-new-revenue [effective] tax rate calculated as provided by this chapter until the governing body has held a public hearing [~~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 voter-approval [~~rollback~~] tax rate or the no-new-

revenue [~~effective~~] tax rate and may not adopt a higher rate unless it first complies with Section 26.06.

(d-1) The governing body of a taxing unit other than a school district may not hold a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the fifth day after the date the chief appraiser of each appraisal district in which the taxing unit participates has:

(1) delivered the notice required by Section 26.04(e-2); and

(2) complied with Section 26.17(f).

(d-2) Notwithstanding Subsection (a), the governing body of a taxing unit other than a school district may not adopt a tax rate until the chief appraiser of each appraisal district in which the taxing unit participates has complied with Subsection (d-1).

(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 or Section 26.04 [~~and the failure to comply was not in good faith~~]. It is a defense in an action for an injunction under this subsection that the failure to comply was in good faith. An action to enjoin the collection of taxes must be filed not later than the 15th day after the date the taxing unit adopts a tax rate. A property owner is not required to pay the taxes imposed by a taxing unit on the owner's property while an action filed by the property owner to enjoin the collection of taxes imposed by the taxing unit on the owner's property is pending. If the property owner pays the taxes and subsequently prevails in the action, the property owner is entitled to a refund of the taxes paid, together with reasonable attorney's fees and court costs. The property owner is not required to apply to the collector for the taxing unit to receive the refund [~~prior to the date a taxing unit delivers substantially all of its tax bills~~].

(e-1) The governing body of a taxing unit that imposes an additional sales and use tax may not adopt the component of the tax rate of the taxing unit described by Subsection (a)(1) of this section until the chief financial officer or the auditor for the taxing unit submits to the governing body of the taxing unit a written certification that the amount of additional sales and use tax revenue that will be used to pay debt service has been deducted from the total amount described by Section 26.04(e)(3)(C) as required by Subsection (a)(1) of this section. The comptroller shall prescribe the form of the certification required by this subsection and the manner in which it is required to be submitted.

(g) Notwithstanding Subsection (a), the governing body of a school district that elects to adopt a tax rate before the adoption of a budget for the fiscal year that begins in the current tax year may adopt a tax rate for the current tax year before receipt of the certified appraisal roll for the school district if the chief appraiser of the appraisal district in which the school district participates has certified to the assessor for the school district an estimate of the taxable value of property in the school district as provided by Section 26.01(e). If a school district adopts a tax rate under this subsection, the no-new-revenue [~~effective~~] tax rate and the voter-approval [~~rollback~~] tax rate of the district shall be calculated based on the certified estimate of taxable value.

SECTION 105. (a) An appraisal district established in a county with a population of 200,000 or more and each taxing unit located wholly or primarily in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2020 tax year.

(b) An appraisal district established in a county with a population of less than 200,000 and each taxing unit located wholly or primarily in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2021 tax year.

SECTION 107. A taxing unit that does not own, operate, or control an Internet website is not required to comply with Sections 26.05(b)(2) and 26.065(b), Tax Code, as amended by this Act, until the first tax year in which the taxing unit is required by law to maintain or have access to an Internet website.

§ 26.052

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 47. Section 26.052, Tax Code, is amended by amending Subsection (e) and adding Subsection (f) to read as follows:

(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 taxing unit's no-new-revenue [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 no-new-revenue [effective] tax rate)."

(f) A taxing unit to which this section applies that elects to provide public notice of its proposed tax rate under Subsection (c)(2) must also provide public notice of its proposed tax rate by posting notice of the proposed tax rate, including the information prescribed by Subsection (e), prominently on the home page of the Internet website of the taxing unit.

§ 26.06

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 48. Section 26.06, Tax Code, is amended by amending Subsections (a), (b), (c), (d), and (e) and adding Subsections (b-1), (b-2), (b-3), and (b-4) to read as follows:

(a) A public hearing required by Section 26.05 may not be held before the fifth ~~[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. The ~~[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 hearing ~~[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."]~~

(b-1) If the proposed tax rate exceeds the no-new-revenue tax rate and the voter-approval tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE \$ _____ per \$100

"NO-NEW-REVENUE TAX RATE \$ _____ per \$100

"VOTER-APPROVAL TAX RATE \$ _____ per \$100

"The no-new-revenue tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The voter-approval tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek voter approval of the rate.

"The proposed tax rate is greater than the no-new-revenue tax rate. This means that (name of taxing unit) is proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is also greater than the voter-approval tax rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate. If a majority of the voters reject the proposed tax rate, the tax rate of the (name of taxing unit) will be the voter-approval tax rate. The election will be held on (date of election). You may contact the (name of office responsible for

administering the election) for information about voting locations. The hours of voting on election day are (voting hours).

"Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(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 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."

(b-2) If the proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE \$ _____ per \$100

"NO-NEW-REVENUE TAX RATE \$ _____ per \$100

"VOTER-APPROVAL TAX RATE \$ _____ per \$100

"The no-new-revenue tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The voter-approval tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek voter approval of the rate.

"The proposed tax rate is greater than the no-new-revenue tax rate. This means that (name of taxing unit) is proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is not greater than the voter-approval tax rate. As a result, (name of taxing unit) is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public hearing mentioned above.

"Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(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 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."

(b-3) If the proposed tax rate does not exceed the no-new-revenue tax rate but exceeds the voter-approval tax rate of the taxing unit, the notice must contain a statement in the following form:

"NOTICE OF PUBLIC HEARING ON TAX RATE

"PROPOSED TAX RATE \$ _____ per \$100

"NO-NEW-REVENUE TAX RATE \$ _____ per \$100

"VOTER-APPROVAL TAX RATE \$ _____ per \$100

"The no-new-revenue tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The voter-approval tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek voter approval of the rate.

"The proposed tax rate is not greater than the no-new-revenue tax rate. This means that (name of taxing unit) is not proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is greater than the voter-approval tax rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate. If a majority of the voters reject the proposed tax rate, the tax rate of the (name of taxing unit) will be the voter-approval tax rate. The election will be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).

"Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

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

"The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."

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

(c) The notice of a public hearing under this section may be delivered by mail to each property owner in the taxing 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 publishes the notice in a newspaper [~~operates an Internet website~~], the taxing unit must also post the notice prominently on the home page of the Internet website of the taxing unit [~~must be posted on the website~~] from the date the notice is first published until the [~~second~~] public hearing is concluded.

(d) The governing body may vote on the proposed tax rate at the public hearing. If the governing body does not vote on the proposed tax rate at the public hearing, [At the public hearings] the governing body shall announce at the public hearing 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)."~~

~~["The (governing body of the taxing unit) proposes to use the increase in total tax revenue for the purpose of (description of purpose of increase)."]~~

(e) ~~A [The] meeting to vote on the tax increase may not be held [earlier than the third day~~ of ~~later than the seventh [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.]~~

§ 26.061

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 49. Chapter 26, Tax Code, is amended by adding Sections 26.061, 26.062, and 26.063 to read as follows:

Sec. 26.061. NOTICE OF MEETING TO VOTE ON PROPOSED TAX RATE THAT DOES NOT EXCEED LOWER OF NO-NEW-REVENUE OR VOTER-APPROVAL TAX RATE. (a) This section applies only to the governing body of a taxing unit other than a school district that proposes to adopt a tax rate that does not exceed the lower of the no-new-revenue tax rate or the voter-approval tax rate calculated as provided by this chapter.

(b) The notice of the meeting at which the governing body of the taxing unit will vote on the proposed tax rate must contain a statement in the following form:

"NOTICE OF MEETING TO VOTE ON TAX RATE

"PROPOSED TAX RATE \$ _____ per \$100

"NO-NEW-REVENUE TAX RATE \$ _____ per \$100

"VOTER-APPROVAL TAX RATE \$ _____ per \$100

"The no-new-revenue tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The voter-approval tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek voter approval of the rate.

"The proposed tax rate is not greater than the no-new-revenue tax rate. This means that (name of taxing unit) is not proposing to increase property taxes for the (current tax year) tax year.

"A public meeting to vote on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is also not greater than the voter-approval tax rate. As a result, (name of taxing unit) is not required to hold an election to seek voter approval of the rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public meeting mentioned above.

"Your taxes owed under any of the above rates can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

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

"The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state."

(c) In addition to including the information described by Subsection (b), the notice must include the information described by Section 26.062.

(d) The notice required under this section must be provided in the manner required under Section 26.06(c).

§ 26.062

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 49. Chapter 26, Tax Code, is amended by adding Sections 26.061, 26.062, and 26.063 to read as follows:

Sec. 26.062. ADDITIONAL INFORMATION TO BE INCLUDED IN TAX RATE NOTICE. (a) In addition to the information described by Section 26.06(b-1), (b-2), or (b-3) or 26.061, as applicable, a notice required by that provision must include at the end of the notice:

(1) a statement in the following form:

"The following table compares the taxes imposed on the average residence homestead by (name of taxing unit) last year to the taxes proposed to be imposed on the average residence homestead by (name of taxing unit) this year:";

(2) a table in the form required by this section following the statement described by Subdivision (1); and

(3) a statement in the following form following the table:

(A) if the tax assessor for the taxing unit maintains an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address), or visit (Internet website address) for more information.";
or

(B) if the tax assessor for the taxing unit does not maintain an Internet website: "For assistance with tax calculations, please contact the tax assessor for (name of taxing unit) at (telephone number) or (e-mail address)."

(b) The table must contain five rows and four columns.

(c) The first row must appear as follows:

(1) the first column of the first row must be left blank;

(2) the second column of the first row must state the year corresponding to the preceding tax year;

(3) the third column of the first row must state the year corresponding to the current tax year; and

(4) the fourth column of the first row must be entitled "Change".

(d) The second row must appear as follows:

(1) the first column of the second row must be entitled "Total tax rate (per \$100 of value)";

(2) the second column of the second row must state the adopted tax rate for the preceding tax year;

(3) the third column of the second row must state the proposed tax rate for the current tax year; and

(4) the fourth column of the second row must state the nominal and percentage difference between the adopted tax rate for the preceding tax year and the proposed tax rate for the current tax year as follows: "(increase or decrease, as applicable) of (nominal difference between tax rate stated in second column of second row and tax rate stated in third column of second row) per \$100, or (percentage difference between tax rate stated in second column of second row and tax rate stated in third column of second row)%".

(e) The third row must appear as follows:

(1) the first column of the third row must be entitled "Average homestead taxable value":

(2) the second column of the third row must state the average taxable value of a residence homestead in the taxing unit for the preceding tax year;

(3) the third column of the third row must state the average taxable value of a residence homestead in the taxing unit for the current tax year; and

(4) the fourth column of the third row must state the percentage difference between the average taxable value of a residence homestead in the taxing unit for the preceding tax year and the average taxable value of a residence homestead in the taxing unit for the current tax year as follows: "(increase or decrease, as applicable) of (percentage difference between amount stated in second column of third row and amount stated in third column of third row)%".

(f) The fourth row must appear as follows:

(1) the first column of the fourth row must be entitled "Tax on average homestead":

(2) the second column of the fourth row must state the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the preceding tax year;

(3) the third column of the fourth row must state the amount of taxes that would be imposed by the taxing unit in the current tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate; and

(4) the fourth column of the fourth row must state the nominal and percentage difference between the amount of taxes imposed by the taxing unit in the preceding tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the preceding tax year and the amount of taxes that would be imposed by the taxing unit in the current tax year on a residence homestead with a taxable value equal to the average taxable value of a residence homestead in the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate, as follows: "(increase or decrease, as applicable) of (nominal difference between amount stated in second column of fourth row and amount stated in third column of fourth row), or (percentage difference between amount stated in second column of fourth row and amount stated in third column of fourth row)%".

(g) The fifth row must appear as follows:

(1) the first column of the fifth row must be entitled "Total tax levy on all properties":

(2) the second column of the fifth row must state the amount equal to last year's levy;

(3) the third column of the fifth row must state the amount computed by multiplying the proposed tax rate by the current total value and dividing the product by 100; and

(4) the fourth column of the fifth row must state the nominal and percentage difference between the total amount of taxes imposed by the taxing unit in the preceding tax year and the amount that would be imposed by the taxing unit in the current tax year if the taxing unit adopted the proposed tax rate, as follows: "(increase or decrease, as applicable) of (nominal difference between amount stated in second column of fifth row and amount stated in third column of fifth row), or (percentage difference between amount stated in second column of fifth row and amount stated in third column of fifth row)%".

(h) In calculating the average taxable value of a residence homestead in the taxing unit for the preceding tax year and the current tax year for purposes of Subsections (e) and (f), any residence homestead exemption available only to disabled persons, persons 65 years of age or older, or their surviving spouses must be disregarded.

§ 26.063

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 49. Chapter 26, Tax Code, is amended by adding Sections 26.061, 26.062, and 26.063 to read as follows:

Sec. 26.063. ALTERNATE PROVISIONS FOR TAX RATE NOTICE WHEN DE MINIMIS RATE EXCEEDS VOTER-APPROVAL TAX RATE. (a) This section applies only to a taxing unit:

(1) that is:

(A) a taxing unit other than a special taxing unit; or

(B) a municipality with a population of less than 30,000, regardless of whether it is a special taxing unit;

(2) that is required to provide notice under Section 26.06(b-1) or (b-3); and

(3) for which the de minimis rate exceeds the voter-approval tax rate.

(b) This subsection applies only to a taxing unit that is required to hold an election under Section 26.07. In the notice required to be provided by the taxing unit under Section 26.06(b-1) or (b-3), as applicable, the taxing unit shall:

(1) add the following to the end of the list of rates included in the notice:

"DE MINIMIS RATE \$ _____ per \$100":

(2) substitute the following for the definition of "voter-approval tax rate": "The voter-approval tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek voter approval of the rate, unless the de minimis rate for (name of taxing unit) exceeds the voter-approval tax rate for (name of taxing unit).":

(3) add the following definition of "de minimis rate": "The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for (name of taxing unit), the rate that will raise \$500,000, and the current debt rate for (name of taxing unit)."; and

(4) substitute the following for the provision that provides notice that an election is required: "The proposed tax rate is greater than the voter-approval tax rate and the de minimis rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that the voters may accept or reject the proposed tax rate. If a majority of the voters reject the proposed tax rate, the tax rate of the (name of taxing unit) will be the voter-approval tax rate of the (name of taxing unit). The election will be held on (date of election). You may contact the (name of office responsible for administering the election) for information about voting locations. The hours of voting on election day are (voting hours).":

(c) This subsection applies only to a taxing unit for which the qualified voters of the taxing unit may petition to hold an election under Section 26.075. In the notice required to be provided by the taxing unit under Section 26.06(b-1) or (b-3), as applicable, the taxing unit shall:

(1) add the following to the end of the list of rates included in the notice:

"DE MINIMIS RATE \$ _____ per \$100":

(2) substitute the following for the definition of "voter-approval tax rate": "The voter-approval tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to seek voter approval of the rate, unless the de minimis rate for (name of taxing unit) exceeds the voter-approval tax rate for (name of taxing unit).":

(3) add the following definition of "de minimis rate": "The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for (name of taxing unit), the rate that will raise \$500,000, and the current debt rate for (name of taxing unit)."; and

(4) substitute the following for the provision that provides notice that an election is required: "The proposed tax rate is greater than the voter-approval tax rate but not greater than the de minimis rate. However, the proposed tax rate exceeds the rate that allows voters to petition for an election under Section 26.075, Tax Code. If (name of taxing unit) adopts the proposed tax rate, the qualified voters of the (name of taxing unit) may petition the (name of taxing unit) to require an election to be held to determine whether to reduce the proposed tax rate. If a majority

of the voters reject the proposed tax rate, the tax rate of the (name of taxing unit) will be the voter-approval tax rate of the (name of taxing unit)."

§ 26.065(b)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 50. Section 26.065(b), Tax Code, is amended to read as follows:

(b) The [If the] taxing unit [owns, operates, or controls an Internet website, the unit] shall post notice of the public hearing prominently on the home page of the Internet website of the taxing unit continuously for at least seven days immediately before the public hearing on the proposed tax rate increase and at least seven days immediately before the date of the vote proposing the increase in the tax rate.

SECTION 107. A taxing unit that does not own, operate, or control an Internet website is not required to comply with Sections 26.05(b)(2) and 26.065(b), Tax Code, as amended by this Act, until the first tax year in which the taxing unit is required by law to maintain or have access to an Internet website.

§ 26.07

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 51. Section 26.07, Tax Code, is amended to read as follows:

Sec. 26.07. AUTOMATIC ELECTION TO APPROVE TAX RATE OF TAXING UNIT OTHER THAN SCHOOL DISTRICT [REPEAL INCREASE]. (a) This section applies to [If the governing body of] a taxing unit other than a school district.

(b) If the governing body of a special taxing unit or a municipality with a population of 30,000 or more adopts a tax rate that exceeds the taxing unit's voter-approval [rollback] tax rate [calculated as provided by this chapter], or the governing body of a taxing unit other than a special taxing unit or a municipality with a population of less than 30,000 regardless of whether it is a special taxing unit adopts a tax rate that exceeds the greater of the taxing unit's voter-approval tax rate or de minimis rate, the registered [qualified] voters of the taxing unit at an election held for that purpose must determine whether to approve the adopted tax rate. When increased expenditure of money by a taxing unit is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, that has impacted the taxing unit and the governor has declared any part of the area in which the taxing unit is located as a disaster area, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs [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) The governing body [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 the [an] election be held in the taxing unit on the uniform election date prescribed by Section 41.001, Election Code, that occurs in November of the applicable tax year. The order calling the election may not be issued later than the 71st day before the date of the election [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: "Approving the ad valorem tax rate of \$ _____ per \$100 valuation in (name of taxing unit) for the current year, a rate that is \$ _____ higher per \$100 valuation than the voter-approval tax rate of (name of taxing unit), for the purpose of (description of purpose of increase). Last year, the ad valorem tax rate in (name of taxing unit) was \$ _____ per \$100 valuation ["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)]." The ballot proposition must include the adopted tax rate, the difference between the adopted tax rate and the voter-approval tax rate, and the taxing unit's tax rate for the preceding tax year in the appropriate places.~~

~~(d) [(e)] If a majority of the votes cast [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 that was adopted by the governing body [calculated as provided by this chapter; otherwise, the tax rate for the current year is the one adopted by the governing body].~~

(e) If the proposition is not approved as provided by Subsection (d), the taxing unit's tax rate for the current tax year is the taxing unit's voter-approval tax rate.

~~(f) If, [the tax rate is reduced by an election called under this section] after tax bills for the taxing unit have been [are] mailed, a proposition to approve the taxing unit's adopted tax rate is not approved by the voters of the taxing unit at an election held under this section, the assessor for the taxing unit shall prepare and mail corrected tax bills. The assessor [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 originally adopted [higher] tax rate of the taxing unit and the proposition to approve the adopted tax rate is not approved by voters [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 voter-approval tax [reduced] rate if the difference between the amount of taxes paid and the amount due under the voter-approval tax [reduced] rate is \$1 or more. If the difference between the amount of taxes paid and the amount due under the voter-approval tax [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.

§ 26.075

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 52. Chapter 26, Tax Code, is amended by adding Section 26.075 to read as follows:

Sec. 26.075. PETITION ELECTION TO REDUCE TAX RATE OF TAXING UNIT OTHER THAN SCHOOL DISTRICT. (a) This section applies only to a taxing unit other than:

- (1) a special taxing unit;
- (2) a school district; or
- (3) a municipality with a population of 30,000 or more.

(b) This section applies to a taxing unit only in a tax year in which the taxing unit's:

- (1) de minimis rate exceeds the taxing unit's voter-approval tax rate; and
- (2) adopted tax rate is:

(A) equal to or lower than the taxing unit's de minimis rate; and

(B) greater than the greater of the taxing unit's:

(i) voter-approval tax rate calculated as if the taxing unit were a special taxing unit; or

(ii) voter-approval tax rate.

(c) The qualified voters of a taxing unit by petition may require that an election be held to determine whether to reduce the tax rate adopted by the governing body of the taxing unit for the current tax year to the voter-approval tax rate.

(d) A petition is valid only if the petition:

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

(2) is signed by a number of registered voters of the taxing unit equal to at least three percent of the registered voters of the taxing unit determined according to the most recent list of those voters; and

(3) is submitted to the governing body of the taxing unit not later than the 90th day after the date on which the governing body adopts the tax rate for the current tax year.

(e) Not later than the 20th day after the date on which a petition is submitted, the governing body shall determine whether the petition is valid and must by resolution state the governing body's determination. If the governing body fails to make the determination in the time and manner required by this subsection, the petition is considered to be valid for the purposes of this section.

(f) If the governing body determines that the petition is valid or fails to make the determination in the time and manner required by Subsection (e), the governing body shall order that an election be held in the taxing unit on the next uniform election date that allows sufficient time to comply with the requirements of other law.

(g) 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 (insert tax rate adopted for current year) to (insert voter-approval tax rate)."

(h) If a majority of the votes cast in the election favor the proposition, the tax rate for the current tax year is the voter-approval tax rate.

(i) If the proposition is not approved as provided by Subsection (h), the tax rate for the taxing unit for the current tax year is the tax rate adopted by the governing body of the taxing unit for the current tax year.

(j) If the tax rate is reduced by an election held under this section after tax bills for the taxing unit have been mailed, the assessor for the taxing unit shall prepare and mail corrected tax bills. The assessor 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 tax 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.

(k) If a property owner pays taxes calculated using the higher tax rate when the tax rate is reduced by an election held under this section, the taxing unit shall refund the difference between the amount of taxes paid and the amount due under the reduced tax rate if the difference between the amount of taxes paid and the amount due under the reduced tax 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.

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

§ 26.08

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 53. The heading to Section 26.08, Tax Code, is amended to read as follows:

Sec. 26.08. AUTOMATIC ELECTION TO APPROVE TAX RATE OF [RATIFY] SCHOOL DISTRICT [TAXES].

SECTION 54. Section 26.08(a), Tax Code, is amended to read as follows:

(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, wildfire, 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.

§ 26.08(a), (a-1), (b), (i), (n), and (n-1)

H.B. 3

Author: Dan Huberty

Effective: September 1, 2019

SECTION 1.063. Section 26.08, Tax Code, is amended by amending Subsections (a), (b), (i), and (n) and adding Subsections (a-1) and (n-1) to read as follows:

(a) If the governing body of a school district adopts a tax rate that exceeds the district's voter-approval ~~[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.

(a-1) When increased expenditure of money by a school district is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, 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. A tax rate adopted under this subsection applies only in the year for which the rate is adopted. If a district adopts a tax rate under this subsection, the amount by which that rate exceeds the district's voter-approval tax rate for that tax year may not be considered when calculating the district's voter-approval tax rate for the tax year following the year in which the district adopts the rate.

(b) The governing body shall order that the election be held in the school district on the next uniform election [a] date prescribed by [~~not less than 30 or more than 90 days after the day on which it adopted the tax rate.~~] Section 41.001, Election Code, that occurs after the date of the election order and that allows sufficient time to comply with the requirements of other law [~~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: "Ratifying [~~Approving~~] the ad valorem tax rate of _____ (insert adopted tax rate) [~~\$_____ per \$100 valuation~~] in (name of school district) for the current year, a rate that will result in an increase of _____ (insert percentage increase in maintenance and operations tax revenue under the adopted tax rate as compared to maintenance and operations tax revenue in the preceding tax year) percent in maintenance and operations tax revenue for the district for the current year as compared to the preceding year, which is an additional \$ _____ (insert dollar amount of increase in maintenance and operations tax revenue under the adopted tax rate as compared to maintenance and operations tax revenue in the preceding tax year) [~~is \$_____ higher per \$100 valuation than the school district rollback tax rate, for the purpose of (description of purpose of increase).~~]" [The ballot proposition must include the adopted tax rate and the difference between that rate and the rollback tax rate in the appropriate places.]

(i) For purposes of this section, "enrichment tax rate" has the meaning assigned by Section 45.0032, Education Code [~~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, would provide the~~

~~same 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].~~

(n) For purposes of this section, the voter-approval [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 2019 [2006] tax year, the sum of the following:

~~(A) 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 that is equal to the product of the state compression percentage, as determined under Section 48.255, Education Code, for the 2019 tax year and \$1.00;~~

(B) the greater of:

(i) the district's maintenance and operations tax rate for the 2018 tax year, less the sum of:

(a) \$1.00; and

(b) any amount by which the district is required to reduce the district's enrichment tax rate under Section 48.202(f), Education Code, in the 2019 tax year; or

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

~~(C) [, and]~~ the district's current debt rate; and

(2) for the 2020 [2007] and subsequent tax years, the sum [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 48.255 [42.2516], Education Code, for the current year and \$1.00 [\$1.50];~~

(B) the greater of:

(i) the district's enrichment tax rate for the preceding tax year, less any amount by which the district is required to reduce the district's enrichment tax rate under Section 48.202(f), Education Code, in the current tax year; or

(ii) the rate of \$0.05 [\$0.04] per \$100 of taxable value; and

~~(C) [(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].~~

(n-1) For the 2020 tax year, a school district shall substitute "\$0.04" for "\$0.05" in Subsection (n)(2)(B)(ii) if the governing body of the district does not adopt by unanimous vote for that tax year a maintenance and operations tax rate at least equal to the sum of the rate described by Subsection (n)(2)(A) and the rate of \$0.05 per \$100 of taxable value.

SECTION 5.002. Except as otherwise provided by this Act, Section 26.08, Tax Code, as amended by this Act, applies beginning with the 2019 tax year. A school district is required to calculate the district's voter-approval tax rate for the 2019 tax year in the manner provided by Section 26.08, Tax Code, as amended by this Act, regardless of whether the district has already calculated that rate or adopted a tax rate for the 2019 tax year before September 1, 2019.

§ 26.08(d) and (g)

H.B. 3

Author: Dan Huberty

Effective: January 1, 2020

SECTION 1.065. Effective January 1, 2020, Sections 26.08(d) and (g), Tax Code, are amended to read as follows:

(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 voter-approval ~~[rollback]~~ tax rate.

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

SECTION 5.002. Except as otherwise provided by this Act, Section 26.08, Tax Code, as amended by this Act, applies beginning with the 2019 tax year. A school district is required to calculate the

district's voter-approval tax rate for the 2019 tax year in the manner provided by Section 26.08, Tax Code, as amended by this Act, regardless of whether the district has already calculated that rate or adopted a tax rate for the 2019 tax year before September 1, 2019.

§ 26.08(n)

H.B. 3

Author: Dan Huberty

Effective: January 1, 2020

SECTION 1A.008. Effective January 1, 2020, Section 26.08(n), Tax Code, is amended to read as follows:

(n) For purposes of this section, the ~~voter-approval~~ ~~[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 the sum of the following:

(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 district's maximum compressed tax rate ~~[product of the state compression percentage]~~, as determined under Section 48.2551 ~~[42.2516]~~, Education Code, for the current year ~~[and \$1.50];~~~~

~~(2) the greater of:~~

~~(A) the district's enrichment tax rate for the preceding tax year, less any amount by which the district is required to reduce the district's enrichment tax rate under Section 48.202(f), Education Code, in the current tax year; or~~

~~(B) [(ii) the rate of \$0.05 ~~[\$0.04]~~ per \$100 of taxable value; and~~

~~(3) [(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].~~

SECTION 5.002. Except as otherwise provided by this Act, Section 26.08, Tax Code, as amended by this Act, applies beginning with the 2019 tax year. A school district is required to calculate the district's voter-approval tax rate for the 2019 tax year in the manner provided by Section 26.08, Tax Code, as amended by this Act, regardless of whether the district has already calculated that rate or adopted a tax rate for the 2019 tax year before September 1, 2019.

§ 26.08(o) and (p)

H.B. 3

Author: Dan Huberty

Effective: September 1, 2019

ARTICLE 4. REPEALER

SECTION 4.001.

(c) The following provisions of the Tax Code are repealed:

- (1) Sections 26.08(o) and (p); and
- (2) Section 312.210(c).

§ 26.11(a)

S.B. 2083

Author: Juan "Chuy" Hinojosa

Effective: June 10, 2019

SECTION 1. Section 26.11(a), Tax Code, is amended to read as follows:

(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, takes possession of taxable property under a possession and use agreement or under Section 21.021, Property Code, 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, the effective date of the possession and use agreement, the date the entity took possession under Section 21.021, Property Code, or the date of the order granting the right of possession, as applicable.

SECTION 2. This Act applies only to a possession and use agreement entered into or an award made under Section 21.021, Property Code, on or after the effective date of this Act. A possession and use agreement entered into or an award made under Section 21.021, Property Code, before the

effective date of this Act is governed by the law applicable to the agreement or award immediately before the effective date of this Act, and that law is continued in effect for that purpose.

§ 26.112(b)

S.B. 1856

Author: Angela Paxton

Effective: September 1, 2019

SECTION 4. Section 26.112(b), Tax Code, is amended to read as follows:

(b) If an individual qualifies for an exemption under Section 11.13(c) or (d), 11.133, or 11.134 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 was the owner of the property on the date the tax was paid [~~the tax~~] the amount by which the payment exceeded the tax due.

§ 26.1125(b)

S.B. 1856

Author: Angela Paxton

Effective: September 1, 2019

SECTION 5. Section 26.1125(b), Tax Code, is amended to read as follows:

(b) If a person qualifies for an exemption under Section 11.131 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 was the owner of the property on the date the tax was paid [~~the tax~~] the amount by which the payment exceeded the tax due.

§ 26.1127(b)

S.B. 1856

Author: Angela Paxton

Effective: September 1, 2019

SECTION 6. Section 26.1127(b), Tax Code, is amended to read as follows:

(b) If an individual qualifies for an exemption under Section 11.132 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 individual in whose name the property is listed on the tax roll or to the individual's authorized agent. If the tax on the property has been paid, the tax collector for the taxing unit shall refund to the individual who was the owner of the property on the date the tax was paid ~~[the tax]~~ the amount by which the payment exceeded the tax due.

§ 26.151

H.B. 3

Author: Dan Huberty

Effective: September 1, 2019

SECTION 1.064. Chapter 26, Tax Code, is amended by adding Section 26.151 to read as follows:

Sec. 26.151. ESCROW ACCOUNT FOR PROPERTY TAXES. (a) In this section:

(1) "Home loan" has the meaning assigned by Section 343.001, Finance Code.

(2) "Home loan servicer" means a person who:

(A) receives scheduled payments from a borrower under the terms of a home loan, including amounts for escrow accounts; and

(B) makes the payments of principal and interest to the owner of the loan or other third party and makes any other payments with respect to the amounts received from the borrower as may be required under the terms of the servicing loan document or servicing contract.

(3) "Property tax escrow account" means an escrow account maintained by a lender or loan servicer to hold funds prepaid by the borrower on a loan for the payment of property taxes on real property securing the loan as the taxes become due.

(b) To the extent that H.B. 3, 86th Legislature, Regular Session, 2019, has the effect of reducing property taxes in this state, a lender or home loan servicer of a home loan that maintains a property tax escrow account must take into account the effect of that legislation in establishing the borrower's annual property tax payments to be held in that account and immediately adjust the borrower's monthly payments accordingly.

(c) This section expires September 1, 2023.

§ 26.16

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 55. The heading to Section 26.16, Tax Code, is amended to read as follows:

Sec. 26.16. POSTING OF TAX-RELATED INFORMATION [~~TAX-RATES~~] ON COUNTY'S INTERNET WEBSITE.

SECTION 56. Section 26.16, Tax Code, is amended by amending Subsections (a) and (d) and adding Subsections (a-1), (d-1), and (d-2) to read as follows:

(a) Each county shall maintain an Internet website. The county assessor-collector for each county [~~that maintains an Internet website~~] shall post on the Internet website maintained by [of] the county the following information for the most recent five tax years [~~beginning with the 2012 tax year~~] for each taxing unit all or part of the territory of which is located in the county:

- (1) the adopted tax rate;
- (2) the maintenance and operations rate;
- (3) the debt rate;
- (4) the no-new-revenue [effective] tax rate;
- (5) the no-new-revenue [effective] maintenance and operations rate; and
- (6) the voter-approval [rollback] tax rate.

(a-1) For purposes of Subsection (a), a reference to the no-new-revenue tax rate or the no-new-revenue maintenance and operations rate includes the equivalent effective tax rate or effective maintenance and operations rate for a preceding year. This subsection expires January 1, 2026.

(d) The county assessor-collector shall post immediately below the table prescribed by Subsection (c) the following statement:

"The county is providing this table of property tax rate information as a service to the residents of the county. Each individual taxing unit is responsible for calculating the property tax rates listed in this table pertaining to that taxing unit and providing that information to the county.

"The adopted tax rate is the tax rate adopted by the governing body of a taxing unit.

"The maintenance and operations rate is the component of the adopted tax rate of a taxing unit that will impose the amount of taxes needed to fund maintenance and operation expenditures of the taxing unit for the following year.

"The debt rate is the component of the adopted tax rate of a taxing unit that will impose the amount of taxes needed to fund the taxing unit's debt service for the following year.

"The no-new-revenue ~~[effective]~~ tax rate is the tax rate that would generate the same amount of revenue in the current tax year as was generated by a taxing unit's adopted tax rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year.

"The no-new-revenue ~~[effective]~~ maintenance and operations rate is the tax rate that would generate the same amount of revenue for maintenance and operations in the current tax year as was generated by a taxing unit's maintenance and operations rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year.

"The voter-approval ~~[rollback]~~ tax rate is the highest tax rate a taxing unit may adopt before requiring voter approval at an election. ~~An [In the case of a taxing unit other than a school district, the voters by petition may require that a rollback election be held if the unit adopts a tax rate in excess of the unit's rollback tax rate. In the case of a school district, an]~~ election will automatically be held if a taxing unit ~~[the district]~~ wishes to adopt a tax rate in excess of the taxing unit's voter-approval ~~[district's rollback]~~ tax rate."

(d-1) In addition to posting the information described by Subsection (a), the county assessor-collector shall post on the Internet website of the county for each taxing unit all or part of the territory of which is located in the county:

(1) the tax rate calculation forms used by the designated officer or employee of each taxing unit to calculate the no-new-revenue and voter-approval tax rates of the taxing unit for the most recent five tax years beginning with the 2020 tax year, as certified by the designated officer or employee under Section 26.04(d-2); and

(2) the name and official contact information for each member of the governing body of the taxing unit.

(d-2) By August 7 or as soon thereafter as practicable, the county assessor-collector shall post on the website the tax rate calculation forms described by Subsection (d-1)(1) for the current tax year.

§ 26.17

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 57. Chapter 26, Tax Code, is amended by adding Sections 26.17 and 26.18 to read as follows:

Sec. 26.17. DATABASE OF PROPERTY-TAX-RELATED INFORMATION. (a) The chief appraiser of each appraisal district shall create and maintain a property tax database that:

(1) is identified by the name of the county in which the appraisal district is established instead of the name of the appraisal district;

(2) contains information that is provided by designated officers or employees of the taxing units that are located in the appraisal district in the manner required by the comptroller;

(3) is continuously updated as preliminary and revised data become available to and are provided by the designated officers or employees of taxing units;

(4) is accessible to the public;

(5) is searchable by property address and owner, except to the extent that access to the information in the database is restricted by Section 25.025 or 25.026; and

(6) includes the following statement: "The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.".

(b) The database must include, with respect to each property listed on the appraisal roll for the appraisal district:

(1) the property's identification number;

(2) the property's market value;

(3) the property's taxable value;

(4) the name of each taxing unit in which the property is located;

(5) for each taxing unit other than a school district in which the property is located:

(A) the no-new-revenue tax rate; and

(B) the voter-approval tax rate;

(6) for each school district in which the property is located:

(A) the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and

(B) the voter-approval tax rate;

(7) the tax rate proposed by the governing body of each taxing unit in which the property is located;

(8) for each taxing unit other than a school district in which the property is located, the taxes that would be imposed on the property if the taxing unit adopted a tax rate equal to:

(A) the no-new-revenue tax rate; and

(B) the proposed tax rate;

(9) for each school district in which the property is located, the taxes that would be imposed on the property if the district adopted a tax rate equal to:

(A) the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year; and

(B) the proposed tax rate;

(10) for each taxing unit other than a school district in which the property is located, the difference between the amount calculated under Subdivision (8)(A) and the amount calculated under Subdivision (8)(B);

(11) for each school district in which the property is located, the difference between the amount calculated under Subdivision (9)(A) and the amount calculated under Subdivision (9)(B);

(12) the date, time, and location of the public hearing, if applicable, on the proposed tax rate to be held by the governing body of each taxing unit in which the property is located;

(13) the date, time, and location of the public meeting, if applicable, at which the tax rate will be adopted to be held by the governing body of each taxing unit in which the property is located; and

(14) for each taxing unit in which the property is located, an e-mail address at which the taxing unit is capable of receiving written comments regarding the proposed tax rate of the taxing unit.

(c) The database must provide a link to the Internet website used by each taxing unit in which the property is located to post the information described by Section 26.18.

(d) The database must allow the property owner to electronically complete and submit to a taxing unit in which the owner's property is located a form on which the owner may provide the owner's opinion as to whether the tax rate proposed by the governing body of the taxing unit should be adopted. The form must require the owner to provide the owner's name and contact information

and the physical address of the owner's property located in the taxing unit. The database must allow a property owner to complete and submit the form at any time during the period beginning on the date the governing body of the taxing unit proposes the tax rate for that tax year and ending on the date the governing body adopts a tax rate for that tax year.

(e) The officer or employee designated by the governing body of each taxing unit in which the property is located to calculate the no-new-revenue tax rate and the voter-approval tax rate for the taxing unit must electronically incorporate into the database:

(1) the information described by Subsections (b)(5), (6), (7), (12), and (13), as applicable, as the information becomes available; and

(2) the tax rate calculation forms prepared under Section 26.04(d-1) at the same time the designated officer or employee submits the tax rates to the governing body of the taxing unit under Section 26.04(e).

(f) The chief appraiser shall make the information described by Subsection (e)(1) and the tax rate calculation forms described by Subsection (e)(2) available to the public not later than the third business day after the date the information and forms are incorporated into the database.

SECTION 105. (a) An appraisal district established in a county with a population of 200,000 or more and each taxing unit located wholly or primarily in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2020 tax year.

(b) An appraisal district established in a county with a population of less than 200,000 and each taxing unit located wholly or primarily in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2021 tax year.

§ 26.18

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 57. Chapter 26, Tax Code, is amended by adding Sections 26.17 and 26.18 to read as follows:

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

(1) the name of each member of the governing body of the taxing unit;

- (2) the mailing address, e-mail address, and telephone number of the taxing unit;
- (3) the official contact information for each member of the governing body of the taxing unit, if that information is different from the information described by Subdivision (2);
- (4) the taxing unit's budget for the preceding two years;
- (5) the taxing unit's proposed or adopted budget for the current year;
- (6) the change in the amount of the taxing unit's budget from the preceding year to the current year, by dollar amount and percentage;
- (7) in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for maintenance and operations for:
 - (A) the preceding two years; and
 - (B) the current year;
- (8) in the case of a taxing unit other than a school district, the amount of property tax revenue budgeted for debt service for:
 - (A) the preceding two years; and
 - (B) the current year;
- (9) the tax rate for maintenance and operations adopted by the taxing unit for the preceding two years;
- (10) in the case of a taxing unit other than a school district, the tax rate for debt service adopted by the taxing unit for the preceding two years;
- (11) in the case of a school district, the interest and sinking fund tax rate adopted by the district for the preceding two years;
- (12) the tax rate for maintenance and operations proposed by the taxing unit for the current year;
- (13) in the case of a taxing unit other than a school district, the tax rate for debt service proposed by the taxing unit for the current year;
- (14) in the case of a school district, the interest and sinking fund tax rate proposed by the district for the current year; and
- (15) the most recent financial audit of the taxing unit.

SECTION 105. (a) An appraisal district established in a county with a population of 200,000 or more and each taxing unit located wholly or primarily in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2020 tax year.

(b) An appraisal district established in a county with a population of less than 200,000 and each taxing unit located wholly or primarily in such an appraisal district shall comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18, Tax Code, as added by this Act, beginning with the 2021 tax year.

§ 31.02(b) and (c)

H.B. 1883

Author: Greg Bonnen, M.D.

Effective: September 1, 2019

SECTION 1. Sections 31.02(b) and (c), Tax Code, are amended to read as follows:

(b) An eligible person serving on active duty in any branch of the United States armed forces [~~during a war or national emergency declared in accordance with federal law~~] may pay delinquent property taxes on property in which the person owns any interest without penalty or interest no later than the 60th day after the date on which the earliest of the following occurs:

- (1) the person is discharged from active military service;
- (2) the person returns to the state for more than 10 days; or
- (3) the person returns to non-active duty status in the reserves[~~;~~];
- [~~(4) the war or national emergency ends~~].

(c) "Eligible person" means a person on active military duty in this state who was transferred out of this state [~~as a result of a war or national emergency declared in accordance with federal law~~] or a person in the reserve forces who was placed on active military duty and transferred out of this state [~~as a result of a war or national emergency declared in accordance with federal law~~].

SECTION 3. This Act applies to penalties and interest on delinquent taxes if the taxes are paid on or after the effective date of this Act, even if the penalties or interest accrued before the effective date of this Act.

§ 31.12(a) and (b)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 58. Sections 31.12(a) and (b), Tax Code, are amended to read as follows:

(a) If a refund of a tax provided by Section 11.431(b), 26.07(g), 26.075(k), 26.15(f), 31.11, 31.111, or 31.112 is paid on or before the 60th day after the date the liability for the refund arises, no interest is due on the amount refunded. If not paid on or before that 60th day, the amount of the tax to be refunded accrues interest at a rate of one percent for each month or part of a month that the refund is unpaid, beginning with the date on which the liability for the refund arises.

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

(1) if the refund is required by Section 11.431(b), on the date the chief appraiser notifies the collector for the taxing unit of the approval of the late homestead exemption;

(2) if the refund is required by Section 26.07(g) or 26.075(k), on the date the results of the election to approve or reduce the tax rate, as applicable, are certified;

(3) if the refund is required by Section 26.15(f):

(A) for a correction to the tax roll made under Section 26.15(b), on the date the change in the tax roll is certified to the assessor for the taxing unit under Section 25.25; or

(B) for a correction to the tax roll made under Section 26.15(c), on the date the change in the tax roll is ordered by the governing body of the taxing unit;

(4) if the refund is required by Section 31.11, on the date the auditor for the taxing unit determines that the payment was erroneous or excessive or, if the amount of the refund exceeds the applicable amount specified by Section 31.11(a), on the date the governing body of the taxing unit approves the refund;

(5) if the refund is required by Section 31.111, on the date the collector for the taxing unit determines that the payment was erroneous; or

(6) if the refund is required by Section 31.112, on the date required by Section 31.112(d) or (e), as applicable.

§ 33.01

H.B. 1883

Author: Greg Bonnen, M.D.

Effective: September 1, 2019

SECTION 2. Section 33.01, Tax Code, is amended by adding Subsection (f) to read as follows:

(f) Notwithstanding the other provisions of this section, a delinquent tax for which a person defers payment under Section 31.02(b) that is not paid on or before the date the deferral period prescribed by that subsection expires:

(1) accrues interest at a rate of six percent for each year or portion of a year the tax remains unpaid; and

(2) does not incur a penalty.

SECTION 3. This Act applies to penalties and interest on delinquent taxes if the taxes are paid on or after the effective date of this Act, even if the penalties or interest accrued before the effective date of this Act.

§ 33.011

H.B. 1885

Author: Greg Bonnen, M.D.

Effective: January 1, 2020

SECTION 1. Section 33.011, Tax Code, is amended by amending Subsection (d) and adding Subsection (k) to read as follows:

(d) A request for a waiver of penalties and interest under Subsection (a)(1) or (3), (b), (h), ~~(j)~~, or (k) must be made before the 181st day after the delinquency date. A request for a waiver of penalties and interest under Subsection (a)(2) must be made before the first anniversary of the date the religious organization acquires the property. A request for a waiver of penalties and interest under Subsection (i) must be made before the 181st day after the date the property owner making the request receives notice of the delinquent tax that satisfies the requirements of Section 33.04(c). To be valid, a waiver of penalties or interest under this section must be requested in writing. If a written request for a waiver is not timely made, the governing body of a taxing unit may not waive any penalties or interest under this section.

(k) The governing body of a taxing unit may waive penalties and interest on a delinquent tax if:

(1) the property for which the tax is owed is subject to a mortgage that does not require the owner of the property to fund an escrow account for the payment of the taxes on the property;

(2) the tax bill was mailed or delivered by electronic means to the mortgagee of the property, but the mortgagee failed to mail a copy of the bill to the owner of the property as required by Section 31.01(j); and

(3) the taxpayer paid the tax not later than the 21st day after the date the taxpayer knew or should have known of the delinquency.

SECTION 2. The change in law made by this Act applies only to penalties and interest on an ad valorem tax that becomes delinquent on or after the effective date of this Act.

§ 33.06

S.B. 1943

Author: Kirk Watson

Effective: September 1, 2019

SECTION 9. Section 33.06, Tax Code, is amended by adding Subsection (h) to read as follows:

(h) An heir property owner who qualifies heir property as the owner's residence homestead under Chapter 11 is considered the sole owner of the property for the purposes of this section.

§ 33.065

S.B. 1943

Author: Kirk Watson

Effective: September 1, 2019

SECTION 10. Section 33.065, Tax Code, is amended by adding Subsection (j) to read as follows:

(j) An heir property owner who qualifies heir property as the owner's residence homestead under Chapter 11 is considered the sole owner of the property for the purposes of this section.

§ 33.08(b)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 59. Section 33.08(b), Tax Code, is amended to read as follows:

(b) The governing body of the taxing unit or appraisal district, in the manner required by law for official action, may provide that taxes that become delinquent on or after June 1 under Section 26.075(j) [~~26.07(f)~~], 26.15(e), 31.03, 31.031, 31.032, 31.04, or 42.42 incur an additional penalty to defray costs of collection. The amount of the penalty may not exceed the amount of the compensation specified in the applicable contract with an attorney under Section 6.30 to be paid in connection with the collection of the delinquent taxes.

SECTION 108. Section 33.08(b), Tax Code, as amended by this Act, applies only to taxes that become delinquent on or after January 1, 2020. Taxes that become delinquent before that date are governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.

§ 34.01(b) and (p)

H.B. 2650

Author: Vikki Goodwin

Effective: May 29, 2019

SECTION 1. Sections 34.01(b) and (p), Tax Code, are amended to read as follows:

(b) On receipt of an order of sale of real property, the officer charged with selling the property shall endorse on the order the date and exact time when the officer received the order. The endorsement is a levy on the property without necessity for going upon the ground. The officer shall calculate the total amount due under the judgment, including all taxes, penalties, and interest, plus any other amount awarded by the judgment, court costs, and the costs of the sale. The costs of a sale include the costs of advertising, an auctioneer's commission and fees, and deed recording fees anticipated to be paid in connection with the sale of the property. To assist the officer in making the calculation, the collector of any taxing unit that is party to the judgment may provide the officer with a certified tax statement showing the amount of the taxes included in the judgment that remain due that taxing unit and all penalties, interest, and attorney's fees provided by the judgment as of the date of the proposed sale. If a certified tax statement is provided to the officer, the officer shall rely on the amount included in the statement and is not responsible or liable for the accuracy of the applicable portion of the calculation. A certified tax statement is not required to be sworn to and is sufficient if the tax collector or the collector's deputy signs the statement.

(p) Except as provided by Subsection (o), property seized under Subchapter E, Chapter 33, may not be sold for an amount that is less than the lesser of the market value of the property as specified in the warrant or the total amount of taxes, penalties, interest, costs, auctioneer's commission and fees, and other claims for which the warrant was issued. If a sufficient bid is not received by the officer making the sale, the officer shall bid off the property to a taxing unit in the manner specified by Subsection (j) and subject to the other provisions of that subsection. A taxing unit that takes title to property under this subsection takes title for the use and benefit of that taxing unit and all other taxing units that established tax liens in the suit or that, on the date of the seizure, were owed delinquent taxes on the property.

SECTION 2. The changes in law made by this Act apply only to the sale of real property under Section 34.01, Tax Code, for which notice is given on or after the effective date of this Act.

§ 34.05(d)

H.B. 1652

Author: Dan Huberty

Effective: June 14, 2019

SECTION 1. Section 34.05(d), Tax Code, is amended to read as follows:

(d) Except as provided by this subsection, all public sales requested as provided by Subsection (c) must ~~shall~~ be conducted in the manner prescribed by the Texas Rules of Civil Procedure for the sale of property under execution or, if directed by the commissioners court of the county, in accordance with Section 34.01(a-1) and the rules adopted under that section providing for public auction using online bidding and sale. The notice of the sale must contain a description of the property to be sold, the number and style of the suit under which the property was sold at the tax foreclosure sale, and the date of the tax foreclosure sale. The description of the property in the notice is sufficient if it is stated in the manner provided by Section 34.01(f). If the commissioners court of a county by order specifies the date or time at which or location in the county where a public sale requested under Subsection (c) shall be conducted, the sale shall be conducted on the date and at the time and location specified in the order. The acceptance of a bid by the officer conducting the sale is conclusive and binding on the question of its sufficiency. An action to set aside the sale on the grounds that the bid is insufficient may not be sustained in court, except that a taxing unit that participates in distribution of proceeds of the sale may file an action before the first anniversary of the date of the sale to set aside the sale on the grounds of fraud or collusion between the officer making the sale and the purchaser. On conclusion of the sale, the officer making the sale shall prepare a deed to the purchaser. The taxing unit that requested the sale may elect to prepare a deed for execution by the officer. If the taxing unit prepares the deed, the officer shall execute that deed. An officer who executes a deed prepared by the taxing unit is not responsible or liable for any inconsistency, error, or other defect in the form of the deed. As soon as practicable after a deed is executed by the officer, the officer shall either file the deed for recording with the county clerk or deliver the executed deed to the taxing unit that requested the sale, which shall file the deed for recording with the county clerk. The county clerk shall file and record each deed under this subsection and after recording shall return the deed to the grantee.

§ 34.21

S.B. 1642

Author: Borris L. Miles

Effective: June 14, 2019

SECTION 1. Section 34.21, Tax Code, is amended by adding Subsection (l) to read as follows:

(l) An owner of real property who is entitled to redeem the property under this section may not transfer the owner's right of redemption to another person. Any instrument purporting to transfer the owner's right of redemption is void.

SECTION 2. The change in law made by this Act does not affect a transfer of a property owner's right of redemption that occurred before the effective date of this Act.

§ 41.03(a)

H.B. 492

Author: Hugh D. Shine

Effective: January 1, 2020¹¹

SECTION 6. Section 41.03(a), Tax Code, is amended to read as follows:

(a) A taxing unit is entitled to challenge before the appraisal review board:

(1) the level of appraisals of any category of property in the district or in any territory in the district, but not the appraised value of a single taxpayer's property;

(2) an exclusion of property from the appraisal records;

(3) a grant in whole or in part of a partial exemption, other than an exemption under Section 11.35;

(4) a determination that land qualifies for appraisal as provided by Subchapter C, D, E, or H, Chapter 23; or

(5) a failure to identify the taxing unit as one in which a particular property is taxable.

§ 41.03(a)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 60. Section 41.03(a), Tax Code, is amended to read as follows:

(a) A taxing unit is entitled to challenge before the appraisal review board:

(1) ~~the level of appraisals of any category of property in the district or in any territory in the district, but not the appraised value of a single taxpayer's property;~~

~~[(2)]~~ an exclusion of property from the appraisal records;

~~(2) [(3)]~~ a grant in whole or in part of a partial exemption;

~~(3) [(4)]~~ a determination that land qualifies for appraisal as provided by Subchapter C, D, E, or H, Chapter 23; or

¹¹ This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

(4) ~~(5)~~ failure to identify the taxing unit as one in which a particular property is taxable.

SECTION 109. Section 41.03(a), Tax Code, as amended by this Act, applies only to a challenge under Chapter 41, Tax Code, for which a challenge petition is filed on or after January 1, 2020. A challenge under Chapter 41, Tax Code, for which a challenge petition was filed before January 1, 2020, is governed by the law in effect on the date the challenge petition was filed, and the former law is continued in effect for that purpose.

§ 41.41

H.B. 492

Author: Hugh D. Shine

Effective: January 1, 2020¹²

SECTION 7. Section 41.41, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Subsection (a), a property owner is entitled to protest before the appraisal review board only the following actions of the chief appraiser in relation to an exemption under Section 11.35:

(1) the modification or denial of an application for an exemption under that section;
or

(2) the determination of the appropriate damage assessment rating for an item of qualified property under that section.

§ 41.41

H.B. 1313

Author: Phil S. King

Effective: January 1, 2020

SECTION 3. Section 41.41, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) An appraisal district or the appraisal review board for an appraisal district may not require a property owner to pay a fee in connection with a protest filed by the owner with the board.

SECTION 4. This Act applies only to a tax year beginning on or after the effective date of this Act.

¹² This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

§ 41.44(a)

H.B. 492

Author: Hugh D. Shine

Effective: January 1, 2020¹³

SECTION 8. Section 41.44(a), Tax Code, is amended to read as follows:

(a) Except as provided by Subsections (b), (c), (c-1), and (c-2), to be entitled to a hearing and determination of a protest, the property owner initiating the protest must file a written notice of the protest with the appraisal review board having authority to hear the matter protested:

(1) not later than May 15 or the 30th day after the date that notice to the property owner was delivered to the property owner as provided by Section 25.19, whichever is later;

(2) in the case of a protest of a change in the appraisal records ordered as provided by Subchapter A of this chapter or by Chapter 25, not later than the 30th day after the date notice of the change is delivered to the property owner;

(3) in the case of a determination that a change in the use of land appraised under Subchapter C, D, E, or H, Chapter 23, has occurred, not later than the 30th day after the date the notice of the determination is delivered to the property owner; [øf]

(4) in the case of a determination of eligibility for a refund under Section 23.1243, not later than the 30th day after the date the notice of the determination is delivered to the property owner; or

(5) in the case of a protest of the modification or denial of an application for an exemption under Section 11.35, or the determination of an appropriate damage assessment rating for an item of qualified property under that section, not later than the 30th day after the date the property owner receives the notice required under Section 11.45(e).

§ 41.44(d)

S.B. 2

Author: Paul Bettencourt

Effective: September 1, 2020

SECTION 61. Section 41.44(d), Tax Code, is amended to read as follows:

(d) A notice of protest is sufficient if it identifies the protesting property owner, including a person claiming an ownership interest in the property even if that person is not listed on the appraisal records as an owner of the property, identifies the property that is the subject of the

¹³ This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

protest, and indicates apparent dissatisfaction with some determination of the appraisal office. The notice need not be on an official form, but the comptroller shall prescribe a form that provides for more detail about the nature of the protest. The form must permit a property owner to include each property in the appraisal district that is the subject of a protest. The form must permit a property owner to request that the protest be heard by a special panel established under Section 6.425 if the protest will be determined by an appraisal review board to which that section applies and the property is included in a classification described by Section 6.425(b). The comptroller, each appraisal office, and each appraisal review board shall make the forms readily available and deliver one to a property owner on request.

§ 41.45

S.B. 2

Author: Paul Bettencourt

Effective: September 1, 2020

SECTION 62. Section 41.45, Tax Code, is amended by amending Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to read as follows:

~~(d) This subsection does not apply to a special panel established under Section 6.425. An appraisal review board consisting of more than three members may sit in panels of not fewer than three members to conduct protest hearings. [However, the determination of a protest heard by a panel must be made by the board.] If the recommendation of a panel is not accepted by the board, the board may refer the matter for rehearing to a panel composed of members who did not hear the original protest [hearing] or, if there are not at least three members who did not hear the original protest, the board may determine the protest. [Before determining a protest or conducting a rehearing before a new panel or the board, the board shall deliver notice of the hearing or meeting to determine the protest in accordance with the provisions of this subchapter.]~~

(d-1) An appraisal review board to which Section 6.425 applies shall sit in special panels established under that section to conduct protest hearings. A special panel may conduct a protest hearing relating to property only if the property is described by Section 6.425(b) and the property owner has requested that a special panel conduct the hearing or if the protest is assigned to the special panel under Section 6.425(f). If the recommendation of a special panel is not accepted by the board, the board may refer the matter for rehearing to another special panel composed of members who did not hear the original protest or, if there are not at least three other special panel members who did not hear the original protest, the board may determine the protest.

(d-2) The determination of a protest heard by a panel under Subsection (d) or (d-1) must be made by the board.

(d-3) The board must deliver notice of a hearing or meeting to determine a protest heard by a panel, or to rehear a protest, under Subsection (d) or (d-1) in accordance with the provisions of this subchapter.

SECTION 110. Sections 41.45 and 41.66(k), Tax Code, as amended by this Act, and Section 41.66(k-1), Tax Code, as added by this Act, apply only to a protest filed under Chapter 41, Tax

Code, on or after January 1, 2021. A protest filed under that chapter before January 1, 2021, is governed by the law in effect on the date the protest was filed, and the former law is continued in effect for that purpose.

§ 41.46(a)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 63. Section 41.46(a), Tax Code, is amended to read as follows:

(a) The appraisal review board before which a protest hearing is scheduled shall deliver written notice to the property owner initiating a protest not later than the 15th day before the date of the hearing. The notice must include:

(1) ~~of~~ the date, time, and place of ~~fixed for~~ the hearing;

(2) a description of the subject matter of the hearing that is sufficient to identify the specific action being protested, such as:

(A) the determination of the appraised value of the property owner's property;

(B) the denial to the property owner in whole or in part of a partial exemption; or

(C) the determination that the property owner's land does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23; and

(3) a statement that ~~on the protest and of~~ the property owner is entitled ~~owner's entitlement~~ to a postponement of the hearing as provided by Section 41.45 unless the property owner waives in writing notice of the hearing. ~~[The board shall deliver the notice not later than the 15th day before the date of the hearing.]~~

SECTION 111. Sections 41.46, 41.461, 41.47, 41.66(h), (i), and (j), and 41.67, Tax Code, as amended by this Act, and Sections 41.66(j-1), (j-2), and (p), Tax Code, as added by this Act, apply only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board established for an appraisal district on or after January 1, 2020.

§ 41.46(d) and (e)

H.B. 1060

Author: Cecil Bell, Jr.

Effective: September 1, 2019

SECTION 2. Section 41.46, Tax Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) The appraisal review board shall deliver notice of the hearing by certified mail if, in the notice of protest under Section 41.44, the property owner requests delivery by certified mail. The board may require the property owner to pay the cost of postage under this subsection.

(e) Notwithstanding Section 1.085, the appraisal review board shall deliver notice of the hearing by electronic mail if, in the notice of protest under Section 41.44, the property owner requests delivery by electronic mail and provides a valid electronic mail address.

§ 41.461

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 64. Section 41.461, Tax Code, is amended to read as follows:

Sec. 41.461. NOTICE OF CERTAIN MATTERS BEFORE HEARING; DELIVERY OF REQUESTED INFORMATION. (a) At least 14 days before a hearing on a protest, the chief appraiser shall:

(1) deliver a copy of the pamphlet prepared by the comptroller under Section 5.06 [~~5.06(a)~~] to the property owner initiating the protest [~~if the owner is representing himself~~], or to an agent representing the owner if requested by the agent;

(2) inform the property owner that the owner or the agent of the owner is entitled on request to [~~may inspect and may obtain~~] a copy of the data, schedules, formulas, and all other information the chief appraiser will [~~plans to~~] introduce at the hearing to establish any matter at issue; and

(3) deliver a copy of the hearing procedures established by the appraisal review board under Section 41.66 to the property owner.

(b) The chief appraiser may not charge a property owner or the designated agent of the owner for copies provided to the [~~an~~] owner or designated agent under this section, regardless of the manner in which the copies are prepared or delivered [~~may not exceed the charge for copies of public information as provided under Subchapter F, Chapter 552, Government Code, except:~~

~~[(1) the total charge for copies provided in connection with a protest of the appraisal of residential property may not exceed \$15 for each residence; and~~

~~[(2) the total charge for copies provided in connection with a protest of the appraisal of a single unit of property subject to appraisal, other than residential property, may not exceed \$25].~~

(c) A chief appraiser shall deliver information requested by a property owner or the agent of the owner under Subsection (a)(2):

(1) by regular first-class mail, deposited in the United States mail, postage prepaid, and addressed to the property owner or agent at the address provided in the request for the information;

(2) in an electronic format as provided by an agreement under Section 1.085; or

(3) subject to Subsection (d), by referring the property owner or the agent of the owner to a secure Internet website with user registration and authentication or to the exact Internet location or uniform resource locator (URL) address on an Internet website maintained by the appraisal district on which the requested information is identifiable and readily available.

(d) If a chief appraiser provides a property owner or the designated agent of the owner information under Subsection (c)(3), the notice must contain a statement in a conspicuous font that clearly indicates that the property owner or the agent of the owner may on request receive the information by regular first-class mail or in person at the appraisal office. On request by a property owner or the agent of the owner, the chief appraiser must provide the information by regular first-class mail or in person at the appraisal office.

SECTION 111. Sections 41.46, 41.461, 41.47, 41.66(h), (i), and (j), and 41.67, Tax Code, as amended by this Act, and Sections 41.66(j-1), (j-2), and (p), Tax Code, as added by this Act, apply only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board established for an appraisal district on or after January 1, 2020.

§ 41.47(c-2), (d), (e), (f), and (g)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 65. Section 41.47, Tax Code, is amended by adding Subsections (c-2), (f), and (g) and amending Subsections (d) and (e) to read as follows:

(c-2) The board may not determine the appraised value of the property that is the subject of a protest to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23, except as requested and agreed to by the property owner. This subsection does not apply if the action

being protested is the cancellation, modification, or denial of an exemption or the determination that the property does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23.

(d) The board shall deliver by certified mail:

(1) a notice of issuance of the order and a copy of the order to the property owner and the chief appraiser; and

(2) a copy of the appraisal review board survey prepared under Section 5.104 and instructions for completing and submitting the survey to the property owner.

(e) The notice of the issuance of the order must contain a prominently printed statement in upper-case bold lettering informing the property owner in clear and concise language of the property owner's right to appeal the order of the board [~~board's decision~~] to district court. The statement must describe the deadline prescribed by Section 42.06(a) [~~of this code~~] for filing a written notice of appeal[~~s~~] and the deadline prescribed by Section 42.21(a) [~~of this code~~] for filing the petition for review with the district court.

(f) The appraisal review board shall take the actions required by Subsections (a) and (d) not later than:

(1) the 30th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of less than four million; or

(2) the 45th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of four million or more.

(g) The chief appraiser and the property owner or the designated agent of the owner may file a joint motion with the appraisal review board notifying the board that the chief appraiser and the property owner or the designated agent of the owner have agreed to a disposition of the protest and requesting the board to issue an agreed order. The joint motion must contain the terms of the disposition of the protest. The board shall issue the agreed order not later than the fifth day after the date on which the joint motion is filed with the board. The chief appraiser and the property owner or the designated agent of the owner may provide in the joint motion that the agreed order is appealable in the same manner as any other order issued by the board under this section.

SECTION 111. Sections 41.46, 41.461, 41.47, 41.66(h), (i), and (j), and 41.67, Tax Code, as amended by this Act, and Sections 41.66(j-1), (j-2), and (p), Tax Code, as added by this Act, apply only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board established for an appraisal district on or after January 1, 2020.

§ 41.47(f)

S.B. 2531

Author: Brandon Creighton

Effective: January 1, 2020

SECTION 1. Section 41.47, Tax Code, is amended by adding Subsection (f) to read as follows:

(f) The chief appraiser and the property owner or the designated agent of the owner may file a joint motion with the appraisal review board notifying the board that the chief appraiser and the property owner or the designated agent of the owner have agreed to a disposition of the protest and requesting the board to issue an agreed order. The joint motion must contain the terms of the disposition of the protest. The chairman of the board shall issue the agreed order not later than the fifth day after the date on which the joint motion is filed with the board. If the chairman is unable to issue the agreed order within the five-day period, the board shall issue the agreed order not later than the 30th day after the date on which the joint motion is filed with the board. The chief appraiser and the property owner or the designated agent of the owner may provide in the joint motion that the agreed order is appealable in the same manner as any other order issued by the board under this section.

SECTION 2. This Act applies only to a protest filed under Chapter 41, Tax Code, on or after the effective date of this Act. A protest filed under that chapter before the effective date of this Act is governed by the law in effect on the date the protest was filed, and the former law is continued in effect for that purpose.

§ 41.66

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020 (Sections 41.66(h), (i), (j), (j-1), (j-2), and (p)); September 1, 2020 (Sections 41.66(k) and (k-1))

SECTION 66. Section 41.66, Tax Code, is amended by amending Subsections (h), (i), (j), and (k) and adding Subsections (j-1), (j-2), (k-1), and (p) to read as follows:

(h) The appraisal review board shall postpone a hearing on a protest if the property owner or the designated agent of the owner requests additional time to prepare for the hearing and establishes to the board that the chief appraiser failed to comply with Section 41.461. The board is not required to postpone a hearing more than one time under this subsection.

(i) A hearing on a protest filed by a property owner or the designated agent of the owner [who is not represented by an agent designated under Section 1.111] shall be set for a time and date certain. If the hearing is not commenced within two hours of the time set for the hearing, the appraisal review board shall postpone the hearing on the request of the property owner or the designated agent of the owner.

(j) On the request of a property owner or the [a] designated agent of the owner, an appraisal review board shall schedule hearings on protests concerning up to 20 designated properties to be held consecutively on the same day. The designated properties must be identified in the same notice of protest, and the notice must contain in boldfaced type the statement "request for same-day protest hearings." A property owner or the designated agent of the owner may [~~not~~] file more than one request under this subsection with the appraisal review board in the same tax year. The appraisal review board may schedule hearings on protests concerning more than 20 properties filed by the same property owner or the designated agent of the owner and may use different panels to conduct the hearings based on the board's customary scheduling. The appraisal review board may follow the practices customarily used by the board in the scheduling of hearings under this subsection.

(j-1) An appraisal review board may schedule the hearings on all protests filed by a property owner or the designated agent of the owner to be held consecutively. The notice of the hearings must state the date and time that the first hearing will begin, state the date the last hearing will end, and list the order in which the hearings will be held. The order of the hearings listed in the notice may not be changed without the agreement of the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. The board may not reschedule a hearing for which notice is given under this subsection to a date earlier than the seventh day after the date the last hearing was scheduled to end unless agreed to by the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. Unless agreed to by the parties, the board must provide written notice of the date and time of the rescheduled hearing to the property owner or the designated agent of the owner not later than the seventh day before the date of the hearing.

(j-2) An appraisal review board must schedule a hearing on a protest filed by a property owner who is 65 years of age or older, disabled, a military service member, a military veteran, or the spouse of a military service member or military veteran before scheduling a hearing on a protest filed by a designated agent of a property owner.

(k) This subsection does not apply to a special panel established under Section 6.425. If an appraisal review board sits in panels to conduct protest hearings, protests shall be randomly assigned to panels, except that the board may consider the type of property subject to the protest or the ground of the protest for the purpose of using the expertise of a particular panel in hearing protests regarding particular types of property or based on particular grounds. If a protest is scheduled to be heard by a particular panel, the protest may not be reassigned to another panel without the consent of the property owner or the designated agent of the owner. If the appraisal review board has cause to reassign a protest to another panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another panel.

(k-1) On the request of a property owner or the designated agent of the owner, an appraisal review board to which Section 6.425 applies shall assign a protest relating to property described by Section 6.425(b) to a special panel. In addition, the chairman of the appraisal review board

may assign a protest relating to property not described by Section 6.425(b) to a special panel as authorized by Section 6.425(f), but only if the assignment is requested or consented to by the property owner or the designated agent of the owner. Protests assigned to special panels shall be randomly assigned to those panels. If a protest is scheduled to be heard by a particular special panel, the protest may not be reassigned to another special panel without the consent of the property owner or the designated agent of the owner. If the board has cause to reassign a protest to another special panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a special panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another special panel.

(p) At the end of a hearing on a protest, the appraisal review board shall provide the property owner or the designated agent of the owner one or more documents indicating that the members of the board hearing the protest signed the affidavit required by Subsection (g).

SECTION 110. Sections 41.45 and 41.66(k), Tax Code, as amended by this Act, and Section 41.66(k-1), Tax Code, as added by this Act, apply only to a protest filed under Chapter 41, Tax Code, on or after January 1, 2021. A protest filed under that chapter before January 1, 2021, is governed by the law in effect on the date the protest was filed, and the former law is continued in effect for that purpose.

SECTION 111. Sections 41.46, 41.461, 41.47, 41.66(h), (i), and (j), and 41.67, Tax Code, as amended by this Act, and Sections 41.66(j-1), (j-2), and (p), Tax Code, as added by this Act, apply only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board established for an appraisal district on or after January 1, 2020.

§ 41.67(d)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 67. Section 41.67(d), Tax Code, is amended to read as follows:

(d) Information that was previously requested under Section 41.461 by the protesting party that was not delivered [~~made available~~] to the protesting party at least 14 days before the scheduled or postponed hearing may not be used or offered in any form as evidence in the hearing, including as a document or through argument or testimony. This subsection does not apply to information offered to rebut evidence or argument presented at the hearing by the protesting party or that party's designated agent.

SECTION 111. Sections 41.46, 41.461, 41.47, 41.66(h), (i), and (j), and 41.67, Tax Code, as amended by this Act, and Sections 41.66(j-1), (j-2), and (p), Tax Code, as added by this Act, apply only to a protest for which the notice of protest was filed by a property owner or the designated

agent of the owner with the appraisal review board established for an appraisal district on or after January 1, 2020.

§ 41.71

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 68. Section 41.71, Tax Code, is amended to read as follows:

Sec. 41.71. EVENING AND WEEKEND HEARINGS. (a) An appraisal review board by rule shall provide for hearings on protests [~~in the evening or~~] on a Saturday or after 5 p.m. on a weekday [~~Sunday~~].

(b) The board may not schedule:

(1) the first hearing on a protest held on a weekday evening to begin after 7 p.m.;

or

(2) a hearing on a protest on a Sunday.

SECTION 112. Section 41.71, Tax Code, as amended by this Act, applies only to a hearing on a protest under Chapter 41, Tax Code, that is scheduled on or after January 1, 2020. A hearing on a protest under Chapter 41, Tax Code, that is scheduled before January 1, 2020, is governed by the law in effect on the date the hearing was scheduled, and that law is continued in effect for that purpose.

§ 41A.03(a)

H.B. 1802

Author: Dwayne Bohac

Effective: May 17, 2019

SECTION 1. Section 41A.03(a), Tax Code, is amended to read as follows:

(a) To appeal an appraisal review board order under this chapter, a property owner must file with the appraisal district not later than the 60th [~~45th~~] day after the date the property owner receives notice of the order:

(1) a completed request for binding arbitration under this chapter in the form prescribed by Section 41A.04; and

(2) an arbitration deposit made payable to the comptroller in the amount of:

(A) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;

(B) \$500, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;

(C) \$500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$800, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order;

(E) \$1,050, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,550, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

SECTION 3. This Act applies only to an appeal of an appraisal review board order that a property owner receives notice of on or after the effective date of this Act. An appeal of an appraisal review board order that a property owner receives notice of before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

§ 41A.03(a-1)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 69. Section 41A.03(a-1), Tax Code, is amended to read as follows:

(a-1) If a property owner requests binding arbitration under this chapter to appeal appraisal review board orders involving two or more contiguous tracts of land that are owned by the property owner [~~contiguous to one another~~], a single arbitration deposit in the amount provided by Subsection (a)(2) is sufficient to satisfy the requirement of Subsection (a)(2). For purposes of this subsection, "contiguous tracts of land" means improved or unimproved tracts of land that are touching or that share a common boundary, as determined using appraisal district records or legal descriptions of the tracts.

SECTION 113. Sections 41A.03 and 41A.07, Tax Code, as amended by this Act, apply only to a request for binding arbitration received by the comptroller of public accounts from an appraisal district on or after January 1, 2020.

§ 41A.03(a-1)

S.B. 1876

Author: Pat Fallon

Effective: June 10, 2019

SECTION 1. Section 41A.03(a-1), Tax Code, is amended to read as follows:

(a-1) If a property owner requests binding arbitration under this chapter to appeal appraisal review board orders involving two or more contiguous tracts of land that are owned by the property owner [~~contiguous to one another~~], a single arbitration deposit in the amount provided by Subsection (a)(2) is sufficient to satisfy the requirement of Subsection (a)(2). For purposes of this subsection, "contiguous tracts of land" means improved or unimproved tracts of land that are touching or that share a common boundary, as determined using appraisal district records or legal descriptions of the tracts.

SECTION 2. The changes in law made by this Act apply only to a request for binding arbitration under Chapter 41A, Tax Code, that is filed on or after the effective date of this Act. A request for binding arbitration under Chapter 41A, Tax Code, that is filed before the effective date of this Act is governed by the law in effect on the date the request is filed, and the former law is continued in effect for that purpose.

§ 41A.05

H.B. 1802

Author: Dwayne Bohac

Effective: May 17, 2019

SECTION 2. (a) Section 41A.05, Tax Code, is amended by amending Subsection (a) and adding Subsections (c), (d), and (e) to read as follows:

(a) Not later than the 10th day after the date an appraisal district receives from a property owner a completed request for binding arbitration under this chapter and an arbitration deposit as required by Section 41A.03, the appraisal district shall:

(1) [~~certify the request;~~

[~~2~~] submit the request and deposit to the comptroller; and

(2) [~~3~~] request the comptroller to appoint a qualified arbitrator to conduct the arbitration.

(c) The comptroller may not reject an application submitted to the comptroller under this section unless:

(1) the comptroller delivers written notice to the applicant of the defect in the application that would be the cause of the rejection; and

(2) the applicant fails to cure the defect on or before the 15th day after the date the comptroller delivers the notice.

(d) An applicant may cure a defect in accordance with Subsection (c) at any time before the expiration of the period provided by that subsection, without regard to the deadline for filing the request for binding arbitration under Section 41A.03(a).

(e) For purposes of this section, a reference to the applicant includes the applicant's representative if the applicant has retained a representative as provided by Section 41A.08 for purposes of representing the applicant in an arbitration proceeding under this chapter.

(b) Section 41A.05, Tax Code, as amended by this section, applies only to a request for binding arbitration received by the comptroller of public accounts from an appraisal district on or after the effective date of this Act.

SECTION 3. This Act applies only to an appeal of an appraisal review board order that a property owner receives notice of on or after the effective date of this Act. An appeal of an appraisal review board order that a property owner receives notice of before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

§ 41A.06(b)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 70. Section 41A.06(b), Tax Code, is amended to read as follows:

(b) To initially qualify to serve as an arbitrator under this chapter, a person must:

(1) meet the following requirements, as applicable:

(A) be licensed as an attorney in this state; or

(B) have:

(i) completed at least 30 hours of training in arbitration and alternative dispute resolution procedures from a university, college, or legal or real estate trade association; and

(ii) been licensed or certified continuously during the five years preceding the date the person agrees to serve as an arbitrator as:

(a) a real estate broker or sales agent under Chapter 1101, Occupations Code;

(b) a real estate appraiser under Chapter 1103, Occupations Code; or

(c) a certified public accountant under Chapter 901, Occupations Code; ~~and~~

(2) complete the courses for training and education of appraisal review board members established under Sections 5.041(a) and (e-1) and be issued a certificate for each course indicating course completion;

(3) complete the training program on property tax law for the training and education of arbitrators established under Section 5.043; and

(4) agree to conduct an arbitration for a fee that is not more than:

(A) \$400, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;

(B) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;

(C) \$450, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$750, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order;

(E) \$1,000, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

SECTION 114. (a) A person who immediately before January 1, 2020, serves as an arbitrator in binding arbitrations of appeals of appraisal review board orders must meet the requirements of Section 41A.06(b)(3), Tax Code, as added by this Act, not later than the 120th day after the date the comptroller of public accounts begins to provide the training required under Section 5.043, Tax Code, as added by this Act.

(b) This Act does not prohibit a person who is serving as an arbitrator on January 1, 2020, from renewing the person's agreement with the comptroller of public accounts to serve as an arbitrator if the person has the qualifications required for an arbitrator under the Tax Code as amended by this Act.

§ 41A.06(c)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 91. The following provisions are repealed:

(4) Sections 5.103(e) and (f), 6.412(e), 22.23(c), 25.19(b-2), and 41A.06(c), Tax Code;

§ 41A.061(b) and (c)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 71. Sections 41A.061(b) and (c), Tax Code, are amended to read as follows:

(b) To renew the person's agreement to serve as an arbitrator, the person must:

(1) file a renewal application with the comptroller at the time and in the manner prescribed by the comptroller;

(2) continue to meet the requirements provided by Sections 41A.06(b)(1) and (4) [Section 41A.06(b)]; [and]

(3) during the preceding two years have completed at least eight hours of continuing education in arbitration and alternative dispute resolution procedures offered by a university, college, real estate trade association, or legal association; and

(4) complete a revised training program on property tax law for the training and education of arbitrators established under Section 5.043 not later than the 120th day after the date the program is available to be taken if the comptroller:

(A) revises the program after the person is included in the registry; and

(B) determines that the program is substantially revised.

(c) The comptroller shall remove a person from the registry if:

(1) the person fails or declines to renew the person's agreement to serve as an arbitrator in the manner required by this section; ~~or~~

(2) the comptroller determines by clear and convincing evidence that there is good cause to remove the person from the registry, including evidence of repeated bias or misconduct by the person while acting as an arbitrator; or

(3) the person fails to complete a revised training program on property tax law for the training and education of arbitrators established under Section 5.043 not later than the 120th day after the date the program is available to be taken if the comptroller:

(A) revises the program after the person is included in the registry; and

(B) determines that the program is substantially revised.

§ 41A.07

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 72. Section 41A.07, Tax Code, is amended by amending Subsections (e), (f), and (g) and adding Subsection (h) to read as follows:

(e) To be eligible for appointment as an arbitrator under this section [~~Subsection (a)~~], the arbitrator must reside~~;~~

~~[(1) in the county in which the property that is the subject of the appeal is located;~~
~~or~~

~~[(2) in this state [if no available arbitrator on the registry resides in that county].~~

(f) A person is not eligible for appointment as an arbitrator under this section [~~Subsection (a)~~] if at any time during the preceding two [~~five~~] years, the person has:

(1) represented a person for compensation in a proceeding under this title in the appraisal district in which the property that is the subject of the appeal is located;

(2) served as an officer or employee of that appraisal district; or

(3) served as a member of the appraisal review board for that appraisal district.

(g) The comptroller may not appoint an arbitrator under this section [~~Subsection (a)~~] if the comptroller determines that there is good cause not to appoint the arbitrator, including information or evidence indicating repeated bias or misconduct by the person while acting as an arbitrator.

(h) A property owner may request that, in appointing an initial arbitrator under this section, the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located or an arbitrator who resides outside that county. In appointing an initial arbitrator under Subsection (a), the comptroller shall comply with the request of the property owner unless the property owner requests that the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located and there is not an available arbitrator who resides in that county. In appointing a substitute arbitrator under Subsection (d), the comptroller shall consider but is not required to comply with the request of the property owner. This subsection does not authorize a property owner to request the appointment of a specific individual as an arbitrator.

SECTION 113. Sections 41A.03 and 41A.07, Tax Code, as amended by this Act, apply only to a request for binding arbitration received by the comptroller of public accounts from an appraisal district on or after January 1, 2020.

§ 41A.09(b)

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 73. Section 41A.09(b), Tax Code, is amended to read as follows:

(b) An award under this section:

(1) must include a determination of the appraised or market value, as applicable, of the property that is the subject of the appeal;

(2) may include any remedy or relief a court may order under Chapter 42 in an appeal relating to the appraised or market value of property;

(3) shall specify the arbitrator's fee, which may not exceed the amount provided by Section 41A.06(b)(4) [~~41A.06(b)(2)~~];

(4) is final and may not be appealed except as permitted under Section 171.088, Civil Practice and Remedies Code, for an award subject to that section; and

(5) may be enforced in the manner provided by Subchapter D, Chapter 171, Civil Practice and Remedies Code.

§ 42.01

H.B. 380

Author: Charlie L. Geren

Effective: September 1, 2019

SECTION 1. Section 42.01, Tax Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) A property owner is entitled to appeal:

(1) an order of the appraisal review board determining:

(A) a protest by the property owner as provided by Subchapter C of Chapter 41;

(B) a ~~[determination of an appraisal review board on a]~~ motion filed under Section 25.25;

(C) ~~[a determination of an appraisal review board]~~ that the property owner has forfeited the right to a final determination of a motion filed under Section 25.25 or of a protest under Section 41.411 for failing to comply with the prepayment requirements of Section 25.26 or 41.4115, as applicable; ~~[or]~~

(D) ~~[a determination of an appraisal review board of]~~ eligibility for a refund requested under Section 23.1243; or

(E) that the appraisal review board lacks jurisdiction to finally determine a protest by the property owner under Subchapter C, Chapter 41, or a motion filed by the property owner under Section 25.25 because the property owner failed to comply with a requirement of Subchapter C, Chapter 41, or Section 25.25, as applicable; or

(2) an order of the comptroller issued as provided by Subchapter B, Chapter 24, apportioning among the counties the appraised value of railroad rolling stock owned by the property owner.

(c) A property owner who establishes that the appraisal review board had jurisdiction to issue a final determination of the protest by the property owner under Subchapter C, Chapter 41, or of the motion filed by the property owner under Section 25.25 in an appeal under Subsection (a)(1)(E) of this section is entitled to a final determination by the court of the protest under Subchapter C, Chapter 41, or of the motion filed under Section 25.25. A final determination of a protest under Subchapter C, Chapter 41, by the court under this subsection may be on any ground of protest authorized by this title applicable to the property that is the subject of the protest, regardless of whether the property owner included the ground in the property owner's notice of protest.

SECTION 3. The change in law made by this Act applies only to an appeal under Chapter 42, Tax Code, that is filed on or after the effective date of this Act. An appeal under Chapter 42, Tax Code, that is filed before the effective date of this Act is governed by the law in effect on the date the appeal is filed, and the former law is continued in effect for that purpose.

§ 42.081

S.B. 2

Author: Paul Bettencourt

Effective: January 1, 2020

SECTION 74. Subchapter A, Chapter 42, Tax Code, is amended by adding Section 42.081 to read as follows:

Sec. 42.081. DEFERRAL OF DELINQUENT TAX SUIT DURING APPEAL. A taxing unit that imposes taxes on property that is the subject of an appeal under this chapter may not file a suit to collect a delinquent tax on the property during the pendency of the appeal unless it is determined by the court that the property owner failed to comply with Section 42.08.

SECTION 115. Section 42.081, Tax Code, as added by this Act, applies only to an appeal under Chapter 42, Tax Code, that is filed on or after January 1, 2020.

§ 42.23(i)

S.B. 2

Author: Paul Bettencourt

Effective: September 1, 2019

SECTION 92. (a) Section 9, Chapter 481 (S.B. 1760), Acts of the 84th Legislature, Regular Session, 2015, which added Section 42.23(i), Tax Code, effective January 1, 2020, is repealed.

(b) This section takes effect September 1, 2019.

§ 42.231

H.B. 380

Author: Charlie L. Geren

Effective: September 1, 2019

SECTION 2. Subchapter B, Chapter 42, Tax Code, is amended by adding Section 42.231 to read as follows:

Sec. 42.231. JURISDICTION OF DISTRICT COURT; REMAND OF CERTAIN APPEALS. (a) This section applies only to an appeal by a property owner of an order of the appraisal review board determining:

(1) a protest by the property owner as provided by Subchapter C, Chapter 41; or

(2) a motion filed by the property owner under Section 25.25.

(b) Subject to the provisions of this section and notwithstanding any other law, if a plea to the jurisdiction is filed in the appeal on the basis that the property owner failed to exhaust the property owner's administrative remedies, the court may, in lieu of dismissing the appeal for lack of jurisdiction, remand the action to the appraisal review board with instructions to allow the property owner an opportunity to cure the property owner's failure to exhaust administrative remedies.

(c) An action remanded to the appraisal review board under Subsection (b) is considered to be a timely filed protest under Subchapter C, Chapter 41, or motion under Section 25.25, as applicable. The appraisal review board shall schedule a hearing on the protest or motion and issue a written decision determining the protest or motion in the manner required by Subchapter C, Chapter 41, or Section 25.25, as applicable.

(d) A determination of the appraisal review board relating to the remanded action may be appealed to the court that remanded the action to the board. A determination appealed to the court under this subsection may not be the subject of a plea to the jurisdiction on the basis of the property owner's failure to exhaust administrative remedies.

(e) Notwithstanding Subsection (b), on agreement of each party to the appeal and with the approval of the court, the parties to the appeal may waive remand of the action to the appraisal review board and elect that the court determine the appeal on the merits. If the parties waive remand of the action under this subsection, each party is considered to have exhausted the party's administrative remedies.

SECTION 3. The change in law made by this Act applies only to an appeal under Chapter 42, Tax Code, that is filed on or after the effective date of this Act. An appeal under Chapter 42, Tax Code, that is filed before the effective date of this Act is governed by the law in effect on the date the appeal is filed, and the former law is continued in effect for that purpose.

§ 42.42(c) and (d)

H.B. 861

Author: Rafael Anchia

Effective: September 1, 2019

SECTION 1. Sections 42.42(c) and (d), Tax Code, are amended to read as follows:

(c) If the final determination of an appeal occurs after the property owner has paid a portion of the tax finally determined to be due as required by Section 42.08, the assessor for each affected taxing unit shall prepare and mail a supplemental tax bill in the form and manner prescribed by Subsection (b). The additional tax is due and becomes delinquent as provided by Subsection (b). If the additional tax is not paid by the delinquency date for the additional tax, [but] the property owner is liable for penalties and interest on the tax included in the supplemental bill

calculated as provided by Section 33.01 as if the tax included in the supplemental bill became delinquent on the original delinquency date prescribed by Chapter 31.

(d) If the property owner did not pay any portion of the taxes imposed on the property because the court found that payment would constitute an unreasonable restraint on the owner's right of access to the courts as provided by Section 42.08(d), after the final determination of the appeal the assessor for each affected taxing unit shall prepare and mail a supplemental tax bill in the form and manner prescribed by Subsection (b). The additional tax is due and becomes delinquent as provided by Subsection (b). If the additional tax is not paid by the delinquency date for the additional tax, ~~but~~ the property owner is liable for interest on the tax included in the supplemental bill calculated as provided by Section 33.01 as if the tax included in the supplemental bill became delinquent on the delinquency date prescribed by Chapter 31.

SECTION 2. The changes in law made by this Act apply only to an appeal under Chapter 42, Tax Code, that is filed on or after the effective date of this Act.

§ 311.013(n)

H.B. 3

Author: Dan Huberty

Effective: September 1, 2019

SECTION 3.092. Section 311.013(n), Tax Code, is amended to read as follows:

(n) This subsection applies only to a school district whose taxable value computed under Section 403.302(d), Government Code, is reduced in accordance with Subdivision (4) of that subsection. In addition to the amount otherwise required to be paid into the tax increment fund, the district shall pay into the fund an amount equal to the amount by which the amount of taxes the district would have been required to pay into the fund in the current year if the district levied taxes at the rate the district levied in 2005 exceeds the amount the district is otherwise required to pay into the fund in the year of the reduction. This additional amount may not exceed the amount the school district receives in state aid for the current tax year under Section 48.253 [~~42.2514~~], Education Code. The school district shall pay the additional amount after the district receives the state aid to which the district is entitled for the current tax year under Section 48.253 [~~42.2514~~], Education Code.

§ 312.002

H.B. 3143

Author: Jim Murphy

Effective: September 1, 2019

SECTION 1. Section 312.002, Tax Code, is amended by adding Subsections (c-1) and (c-2) to read as follows:

(c-1) Before the governing body of a taxing unit may adopt, amend, repeal, or reauthorize guidelines and criteria, the body must hold a public hearing regarding the proposed adoption,

amendment, repeal, or reauthorization at which members of the public are given the opportunity to be heard.

(c-2) A taxing unit that maintains an Internet website shall post the current version of the guidelines and criteria governing tax abatement agreements adopted under this section on the website.

SECTION 6. Section 312.002(c-1), Tax Code, as added by this Act, applies only to the adoption, amendment, repeal, or reauthorization of guidelines and criteria under Section 312.002, Tax Code, on or after the effective date of this Act.

§ 312.002(g)

H.B. 3

Author: Dan Huberty

Effective: September 1, 2019

SECTION 3.093. Section 312.002(g), Tax Code, is amended to read as follows:

(g) "Taxing unit" has the meaning assigned by Section 1.04, except that for a tax abatement agreement executed on or after September 1, 2001, the term does not include a school district that is subject to Chapter 48 [42], Education Code, and that is organized primarily to provide general elementary and secondary public education.

§ 312.005

H.B. 3143

Author: Jim Murphy

Effective: September 1, 2019

SECTION 2. Section 312.005, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) For each of the first three tax years following the expiration of a tax abatement agreement executed under this chapter, the chief appraiser shall deliver to the comptroller a report containing the appraised value of the property that was the subject of the agreement.

SECTION 7. Section 312.005(a-1), Tax Code, as added by this Act, applies only to a tax abatement agreement entered into under Chapter 312 of that code that expires on or after the effective date of this Act.

§ 312.006

H.B. 3143

Author: Jim Murphy

Effective: September 1, 2019

SECTION 3. Section 312.006, Tax Code, is amended to read as follows:

Sec. 312.006. EXPIRATION DATE. If not continued in effect, this chapter expires September 1, 2029 [2019].

§ 312.207

H.B. 3143

Author: Jim Murphy

Effective: September 1, 2019

SECTION 4. Section 312.207, Tax Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) In addition to any other requirement of law, the public notice of a meeting at which the governing body of a municipality or other taxing unit will consider the approval of a tax abatement agreement with a property owner must contain:

(1) the name of the property owner and the name of the applicant for the tax abatement agreement;

(2) the name and location of the reinvestment zone in which the property subject to the agreement is located;

(3) a general description of the nature of the improvements or repairs included in the agreement; and

(4) the estimated cost of the improvements or repairs.

(d) The notice of a meeting required by this section must be given in the manner required by Chapter 551, Government Code, except that the notice must be provided at least 30 days before the scheduled time of the meeting.

SECTION 8. Sections 312.207(c) and (d) and 312.404, Tax Code, as added by this Act, apply only to a tax abatement agreement entered into on or after the effective date of this Act.

§ 312.210(b)

H.B. 3

Author: Dan Huberty

Effective: September 1, 2019

SECTION 3.094. Section 312.210(b), Tax Code, is amended to read as follows:

(b) A tax abatement agreement with the owner of real property or tangible personal property that is located in the reinvestment zone described by Subsection (a) and in a school district that has a local revenue level [~~wealth per student~~] that does not exceed the [~~equalized wealth~~] level established under Section 48.257 must exempt from taxation:

(1) the portion of the value of the property in the amount specified in the joint agreement among the municipality, county, and junior college district; and

(2) an amount equal to 10 percent of the maximum portion of the value of the property that may under Section 312.204(a) be otherwise exempted from taxation.

§ 312.210(c)

H.B. 3

Author: Dan Huberty

Effective: September 1, 2019

ARTICLE 4. REPEALER

SECTION 4.001.

(c) The following provisions of the Tax Code are repealed:

- (1) Sections 26.08(o) and (p); and
- (2) Section 312.210(c).

§ 312.404

H.B. 3143

Author: Jim Murphy

Effective: September 1, 2019

SECTION 5. Subchapter C, Chapter 312, Tax Code, is amended by adding Section 312.404 to read as follows:

Sec. 312.404. APPROVAL BY GOVERNING BODY. To be effective, an agreement made under this subchapter must be approved by the governing body of the county or other taxing unit in the manner that the governing body of a municipality authorizes an agreement under Section 312.207.

SECTION 8. Sections 312.207(c) and (d) and 312.404, Tax Code, as added by this Act, apply only to a tax abatement agreement entered into on or after the effective date of this Act.

§ 313.027(i)

H.B. 3

Author: Dan Huberty

Effective: September 1, 2019

SECTION 3.095. Section 313.027(i), Tax Code, is amended to read as follows:

(i) A person and the school district may not enter into an agreement under which the person agrees to provide supplemental payments to a school district or any other entity on behalf of a school district in an amount that exceeds an amount equal to the greater of \$100 per student per year in average daily attendance, as defined by Section 48.005 [~~42.005~~], Education Code, or

\$50,000 per year, or for a period that exceeds the period beginning with the period described by Section 313.021(4) and ending December 31 of the third tax year after the date the person's eligibility for a limitation under this chapter expires. This limit does not apply to amounts described by Subsection (f)(1) or (2).

§ 351.101(a)

H.B. 4170

Author: Jeff Leach

Effective: September 1, 2019

SECTION 14.003. Section 351.101(a), Tax Code, as amended by Chapters 53 (S.B. 1365), 267 (H.B. 1896), 324 (S.B. 1488), and 785 (H.B. 2445), Acts of the 85th Legislature, Regular Session, 2017, is reenacted and amended to read as follows:

(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

(1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both;

(2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;

(3) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;

(4) the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms;

(5) historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums:

(A) at or in the immediate vicinity of convention center facilities or visitor information centers; or

(B) located elsewhere in the municipality or its vicinity that would be frequented by tourists and convention delegates;

(6) expenses, including promotion expenses, directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the municipality or its vicinity if:

(A) the municipality is located in a county with a population of one million or less; or

(B) the municipality has a population of more than 67,000 and is located in two counties with 90 percent of the municipality's territory located in a county with a population of at least 580,000, and the remaining territory located in a county with a population of at least four million;

(7) subject to Section 351.1076, the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if:

(A) the municipality owns the facilities or fields;

(B) the municipality:

(i) has a population of 80,000 or more and is located in a county that has a population of 350,000 or less;

(ii) has a population of at least 75,000 but not more than 95,000 and is located in a county that has a population of less than 200,000 but more than 160,000;

(iii) has a population of at least 36,000 but not more than 39,000 and is located in a county that has a population of 100,000 or less that is not adjacent to a county with a population of more than two million;

(iv) has a population of at least 13,000 but less than 39,000 and is located in a county that has a population of at least 200,000;

(v) has a population of at least 70,000 but less than 90,000 and no part of which is located in a county with a population greater than 150,000;

(vi) is located in a county that:

(a) is adjacent to the Texas-Mexico border;

(b) has a population of at least 500,000; and

(c) does not have a municipality with a population greater than 500,000;

(vii) has a population of at least 25,000 but not more than 26,000 and is located in a county that has a population of 90,000 or less;

(viii) is located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located;

(ix) has a population of at least 40,000 and the San Marcos River flows through the municipality; ~~[or]~~

(x) has a population of more than 67,000 and is located in two counties with 90 percent of the municipality's territory located in a county with a population of at least 580,000, and the remaining territory located in a county with a population of at least four million; or

(xi) ~~[(x)]~~ contains an intersection of Interstates 35E and 35W and at least two public universities; and

(C) the sports facilities and fields have been used, in the preceding calendar year, a combined total of more than 10 times for district, state, regional, or national sports tournaments;

(8) for a municipality with a population of at least 70,000 but less than 90,000, no part of which is located in a county with a population greater than 150,000, the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility;

(9) signage directing the public to sights and attractions that are visited frequently by hotel guests in the municipality;

(10) the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility, if the municipality:

(A) has a population of at least 90,000 but less than 120,000; and

(B) is located in two counties, at least one of which contains the headwaters of the San Gabriel River; and

(11) for a municipality with a population of more than 175,000 but less than 225,000 that is located in two counties, each of which has a population of less than 200,000, the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility and related infrastructure or a venue, as defined by Section 334.001(4), Local Government Code, that is related to the promotion of tourism.

2019 Constitutional Amendments

Art. VIII, § 1-p Texas Const.

H.J.R. 95

Author: Giovanni Capriglione

Effective: Passed by both houses; election November 5, 2019

SECTION 1. Article VIII, Texas Constitution, is amended by adding Section 1-p to read as follows:

Sec. 1-p. The legislature by general law may exempt from ad valorem taxation precious metal held in a precious metal depository located in this state. The legislature by general law may define "precious metal" and "precious metal depository" for purposes of this section.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 5, 2019. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment authorizing the legislature to exempt from ad valorem taxation precious metal held in a precious metal depository located in this state."

Art. VIII, § 2 Texas Const.

H.J.R. 34

Author: Hugh D. Shine

Effective: Passed by both houses; election November 5, 2019

SECTION 1. Section 2, Article VIII, Texas Constitution, is amended by adding Subsection (e) to read as follows:

(e) The Legislature by general law may provide that a person who owns property located in an area declared by the governor to be a disaster area following a disaster is entitled to a temporary exemption from ad valorem taxation by a political subdivision of a portion of the appraised value of that property. The general law may provide that if the governor first declares territory in the political subdivision to be a disaster area as a result of a disaster on or after the date the political subdivision adopts a tax rate for the tax year in which the declaration is issued, a person is entitled to the exemption authorized by this subsection for that tax year only if the exemption is adopted by the governing body of the political subdivision. The Legislature by general law may prescribe the method of determining the amount of the exemption authorized by this subsection and the duration of the exemption and may provide additional eligibility requirements for the exemption.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 5, 2019. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster."