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## County of El Paso Agenda Item Details

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<b>Item Title:</b>	Budget and Finance Department - El Paso County Tax Rate Adoption
<b>Submitted By:</b>	John Sarah, Director
<b>Department:</b>	Budget and Finance
<b>Department Phone Number:</b>	915-546-2262
<b>Subject:</b>	Pursuant to the Property Tax Code, § 26.05(a), adopt a tax rate for El Paso County.
<b>Background:</b>	<p>The No-New-Revenue Tax Rate as calculated by the Tax Assessor Collector was \$0.426323 per \$100 taxable property value. The Voter-Approval Tax Rate as calculated by the Tax Assessor Collector was \$0.478306 per \$100 taxable property value and is composed of a Maintenance and Operations Tax Rate of \$0.428102 and an Interest and Sinking Tax Rate of \$0.50204 per \$100 taxable property value.</p>
<b>Fiscal Impact:</b>	<p>Fiscal Impact Historical</p> <p>The Voter-Approval Tax Rate will levy approximately \$288,305,526 million in tax revenues for tax year 2024 which will be utilized for fiscal year 2025 day-to-day operations of the County as well as the required annual payment of bonded debt. This tax rate could result in approximately \$35,007,997 million more in revenue than the No-New-Revenue Tax Rate.</p> <p>Fiscal Impact Projected</p> <p>Long Account Number: Amount:</p> <p>Long Account Number: Amount:</p>
<b>Budget or Unbudgeted Match:</b>	
<b>Recommendation:</b>	The recommendation is for the Commissioners Court to set the tax rate for El Paso County.
<b>Prior Action:</b>	<ul style="list-style-type: none"><li>• Tax Rate Proposal- August 12, 2024</li><li>• Tax Rate Public Hearing- August 26, 2024</li></ul>

**Strategic Plan:**

Goal:

null

Objective:

**Strategic Plan Information:**

**Estimated Time Needed  
For This Item:**

30 minutes



# FY2025 County Tax Rate Overview & Adoption

*August 26, 2024*

# Property Tax Overview

- FY2025 (tax year 2024) No-New-Revenue Rate \$0.426323
- FY2025 (tax year 2024) Voter-Approval Rate \$0.478306
- FY2024 (tax year 2023) Current Tax Rate \$0.458889

# Historical Tax Rate

	M&O	I&S	Total Rate	Increase/ Decrease	% Increase/ Decrease
2019	0.405971	0.041848	0.447819	-0.0049	-1.08%
2020	0.444645	0.044352	0.488997	0.0412	9.20%
2021	0.450290	0.038707	0.488997	0.0000	0.00%
2022	0.432010	0.038171	0.470181	-0.0188	-3.85%
2023	0.376264	0.050025	0.426289	-0.0439	-9.34%
2024	0.406984	0.051905	0.458889	0.0326	7.65%
2025 NNR	0.376119	0.050204	0.426323	-0.0326	-7.10%
2025 VAR PROPOSED	0.428102	0.050204	0.478306	0.0194	4.23%



# Property Taxes



YEAR	EPISD		CITY OF EL PASO		EL PASO COUNTY		UMC		EPCC	
2022	43.34 %	\$1.3542	29.04%	\$0.9073	15.05%	\$0.4701	8.26%	\$0.2581	4.31%	\$0.1347
2023	44.38 %	\$1.3137	29.13%	\$0.8623	14.40%	\$0.4262	7.94%	\$0.2351	4.14%	\$0.1226
2024	41.11%	\$1.1371	29.60%	\$0.8188	16.59%	\$0.4588	8.52%	\$0.2356	4.18%	\$0.1157

# FY25 (Tax Year 2024) County Tax Rates

2024 Taxable Value	2023 Taxable Value	Value Change	% Change
\$ 67,345,088,235	\$ 61,277,406,747	\$ 6,067,681,488	10%

	Fiscal Year 2024 Current Tax Rate	No New Revenue Tax Rate	MidPoint Tax Rate	Voter Approval Tax Rate
M&O Rate	\$ 0.408685	\$ 0.376119	\$ 0.402111	\$ 0.428102
I&S Rate	\$ 0.050204	\$ 0.050204	\$ 0.050204	\$ 0.050204
Total	\$ 0.458889	\$ 0.426323	\$ 0.452315	\$ 0.478306
<b>NNR Tax Revenue Plus Taxes on New Value</b>				
FY24 M&O Expected Revenue	\$ 275,229,274	\$ 253,297,672	\$ 270,801,671	\$ 288,305,670
FY23 M&O Revenue Estimate	\$ 250,431,570	\$ 246,402,887	\$ 246,402,887	\$ 262,329,804
	\$ 24,797,704.09	\$ 6,894,785.76	\$ 24,398,784.37	\$ 25,975,865.80
Potential added income over NNR	\$ 21,931,601		\$ 17,503,999	\$ 35,007,997
Average 2025 Value	\$ 200,956.00	\$ 200,956.00	\$ 200,956.00	\$ 200,956.00
<i>Average 2023 Value \$186,503, increase of \$14,453/7.75%</i>				
Taxes Due	\$ 922.16	\$ 856.72	\$ 908.95	\$ 961.18
Annual increase over NNR	\$ 65.44		\$ 52.23	\$ 104.46
Monthly increase over NNR	\$ 5.45		\$ 4.35	\$ 8.71

Changing the No-New-Revenue tax rate by 1% results in a change in the expected revenues of : \$ 2,871,076

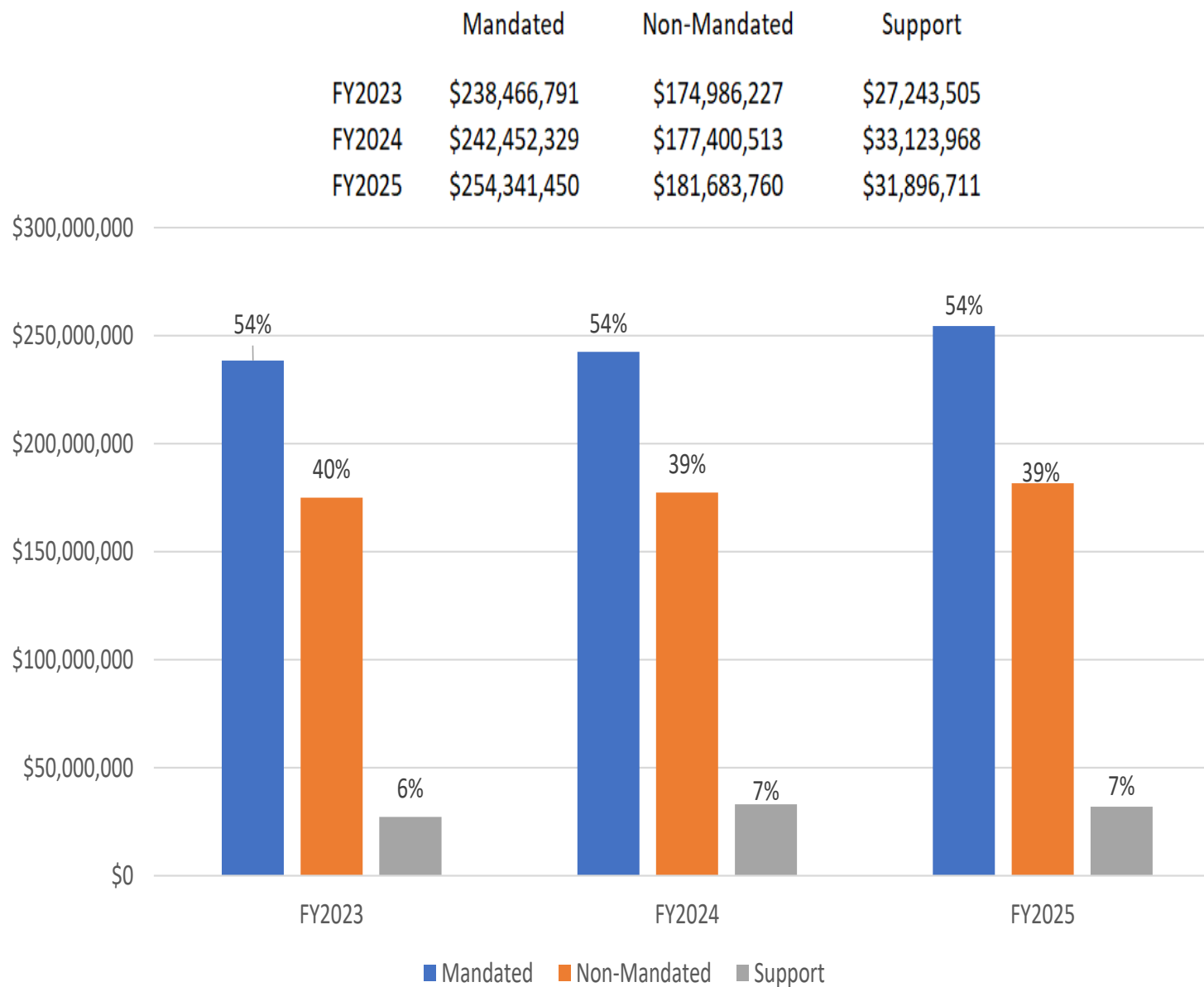
Changing the No-New-Revenue tax rate by \$0.01 results in a change in the expected revenues of: \$ 6,734,509



# 2024 Tax Year (FY25 Estimates)

Tax Year 2024 / Fiscal Year 2025	Total Tax Rate per \$100 value	Additional Revenue in FY 2024-2025	Homeowner Payment 2023 Avg. Home Value \$186,503	Homeowner Payment 2024 Avg. Home Value \$200,956	Difference to Homeowner (Prior Year Value)
Voter Approval Rate	\$ 0.478306	\$35 Million		\$ 961.18	\$ 105.34
Current	\$ 0.458889	\$21.9 Million	\$ 855.84	\$ 922.16	\$ 66.32
NNR/VAR Midpoint	\$ 0.452315	\$17.5 Million		\$ 908.95	\$ 53.11
No New Taxes Rate	\$ 0.426323			\$ 856.72	\$ 0.88

# County Services and Support



# Motions Needed

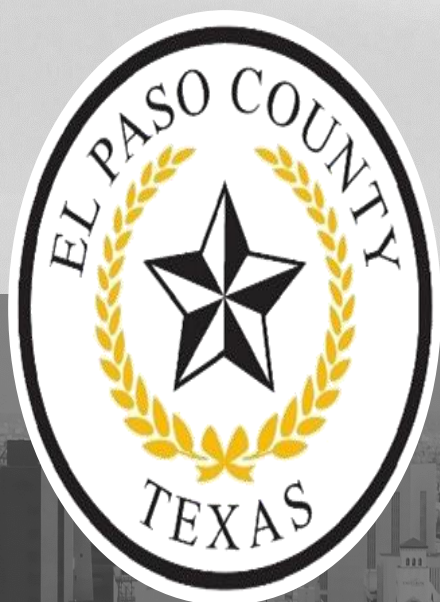
## Motion for the M&O Tax Rate at No New Revenue Rate:

**“That the El Paso County Commissioners adopt the No New Revenue Tax Rate for the 2024 tax year. The No New Revenue Tax Rate for El Paso County is a property tax rate of \$0.426323 per \$100 assessed value that consists of a rate of \$0.376119 per \$100 assessed value for the purpose of Maintenance and Operations of El Paso County fiscal year 2025, and to approve and authorize the County Judge to execute an order indicating the same.”**

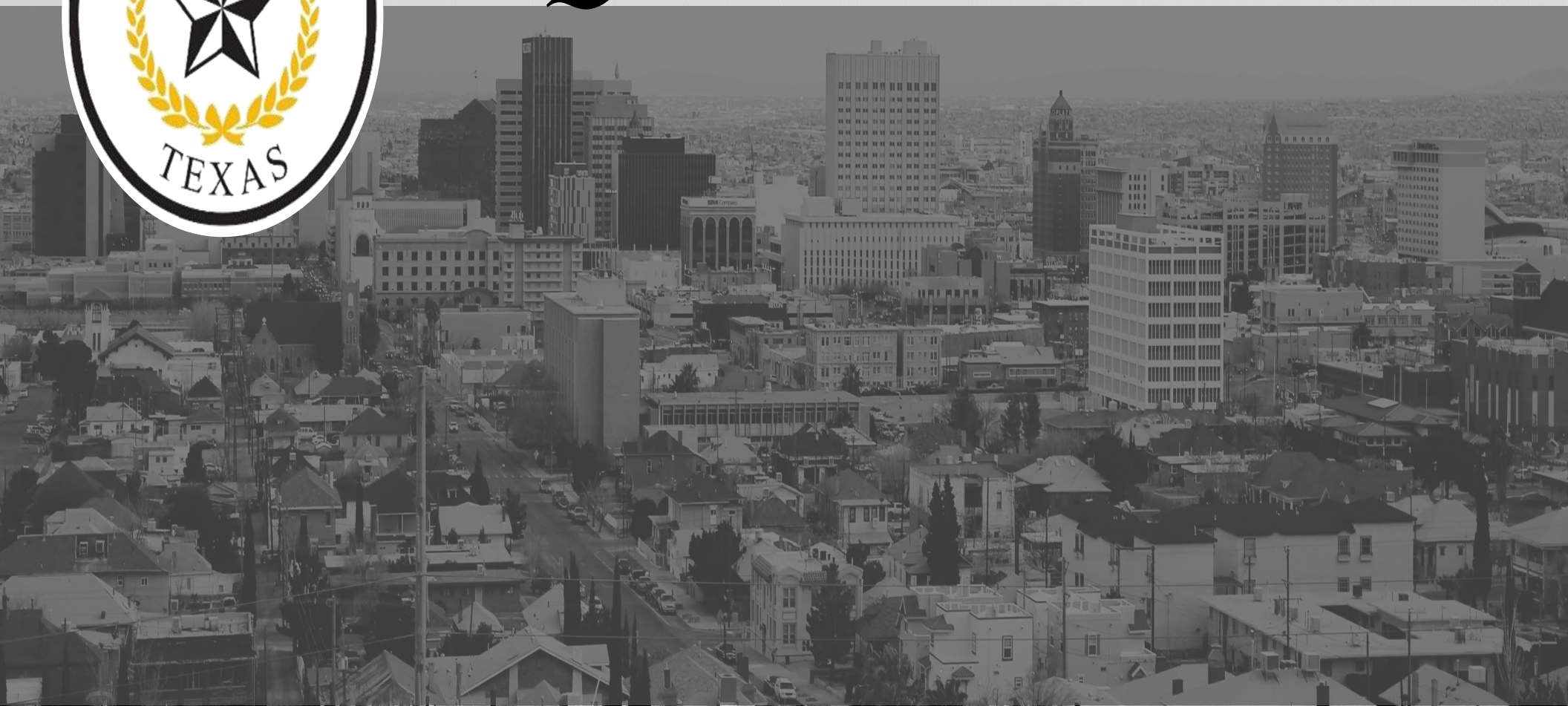
## Motion for the I&S Tax Rate:

**“That the El Paso County Commissioners adopt the Interest & Sinking Tax Rate for the 2024 tax year. The Interest & Sinking Tax Rate for El Paso County is a property tax rate of 0.426323 per \$100 assessed value that consists of a rate of \$0.050204 per \$100 assessed value for the payment of principal and interest of the debts of El Paso County, and to approve and authorize the County Judge to execute an order indicating the same.”**





*Questions?*



## TAX CODE

## TITLE 1. PROPERTY TAX CODE

## SUBTITLE D. APPRAISAL AND ASSESSMENT

## CHAPTER 26. ASSESSMENT

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

(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.

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

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

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

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

(e) Except as provided by Subsection (f), not later than April 30, the chief appraiser shall prepare and certify to the assessor for each county, municipality, and school district participating in the appraisal district an estimate of the taxable value of property in that taxing unit. The chief appraiser shall assist each county, municipality, and school district in determining values of property in that taxing unit for the taxing unit's budgetary purposes.

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



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

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 55 (S.B. [1405](#)), Sec. 1, eff. January 1, 2008.

Acts 2009, 81st Leg., R.S., Ch. 1328 (H.B. [3646](#)), Sec. 85, eff. September 1, 2009.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. [2](#)), Sec. 31, eff. January 1, 2020.

Sec. 26.012. DEFINITIONS. In this chapter:

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

(A) a city under Section [321.101\(b\)](#);

(B) a county under Chapter [323](#); or

(C) a hospital district, other than a hospital district:

(i) created on or after September 1, 2001, that:

(a) imposes the sales and use tax under Subchapter [I](#), Chapter [286](#), Health and Safety Code; or

(b) imposes the sales and use tax under Subchapter [L](#), Chapter [285](#), Health and Safety Code; or

(ii) that imposes the sales and use tax under Subchapter [G](#), Chapter [1061](#), Special District Local Laws Code.

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

(A) adding together estimates of the following amounts:

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

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

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

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

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

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

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

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

(6) "Current total value" means the total taxable value of property listed on the appraisal roll for the current year, including all appraisal roll supplements and corrections as of the date of the calculation, less the taxable value of property exempted for the current tax year for the first time under Section 11.31 or 11.315, except that:

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

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

(ii) new property value of property that is subject to an agreement entered into under former Subchapter B or C, Chapter 313; and

(iii) new property value of property that is subject to an agreement entered into under Subchapter T, Chapter 403, Government Code; and

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

(7) "Debt" means:

(A) a bond, warrant, certificate of obligation, or other evidence of indebtedness owed by a taxing unit that:

(i) is payable from property taxes in installments over a period of more than one year, not budgeted for payment from maintenance and operations funds, and secured by a pledge of property taxes; and

(ii) meets one of the following requirements:

- (a) has been approved at an election;
- (b) includes self-supporting debt;
- (c) evidences a loan under a state or federal financial assistance program;
- (d) is issued for designated infrastructure;
- (e) is a refunding bond;
- (f) is issued in response to an emergency under Section 1431.015, Government Code;
- (g) is issued for renovating, improving, or equipping existing buildings or facilities;
- (h) is issued for vehicles or equipment; or
- (i) is issued for a project under Chapter 311, Tax Code, or Chapter 222, Transportation Code, that is located in a reinvestment zone created under one of those chapters; or

(B) a payment made under contract to secure indebtedness of a similar nature issued by another political subdivision on behalf of the taxing unit.

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

(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.

(9) "Designated infrastructure" means infrastructure, including a facility, equipment, rights-of-way, or land, for the following purposes:

- (A) streets, roads, highways, bridges, sidewalks, parks, landfills, parking structures, or airports;
- (B) telecommunications, wireless communications, information technology systems, applications, hardware, or software;
- (C) cybersecurity;
- (D) as part of any utility system, water supply project, water plant, wastewater plant, water and wastewater distribution or conveyance facility, wharf, dock, or flood control and drainage project;

(E) police stations, fire stations, or other public safety facilities, jails, juvenile detention facilities, or judicial facilities, and any facilities that are physically attached to the facilities described by this paragraph;

(F) as part of any school district; or

(G) as part of any hospital district created by general or special law that includes a teaching hospital.

(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 rate, as certified by the collector under Section 26.04(b).

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

(A) the amount of taxes that would be generated by multiplying the total taxable value of property on the appraisal roll for the preceding year, including all appraisal roll supplements and corrections, other than corrections made pursuant to Section 25.25(d) of this code, as of the date of calculation, by the debt rate adopted by the governing body in the preceding year under Section 26.05(a)(1) of this code; and

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

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

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

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

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

(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.

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

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

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

(15) "Lost property levy" means the amount of taxes levied in the preceding year on property value that was taxable in the preceding year but is not taxable in the current year because the property is exempt in the current year under a provision of this code other than Section 11.251, 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.

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

(17) "New property value" means:

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

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

(C) for purposes of an entity created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, property value

that is included in the current total value for the tax year succeeding a tax year in which the following occurs:

- (i) the subdivision of land by plat;
- (ii) the installation of water, sewer, or drainage lines; or
- (iii) the paving of undeveloped land.

(18) "No-new-revenue maintenance and operations rate" means a rate expressed in dollars per \$100 of taxable value calculated as follows:

(A) for a taxing unit other than a school district, the rate calculated according to the following formula:

NO-NEW-REVENUE 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)

; or

(B) for a school district, the rate calculated as provided by Section 44.004(c) (5) (A) (ii) (a), Education Code.

(18-a) "Refunding bond" means a bond or other obligation issued for refunding or refinancing purposes under Chapter 1207 or 1371, Government Code.

(18-b) "Self-supporting debt" means the portion of a bond, warrant, certificate of obligation, or other evidence of indebtedness described by Subdivision (7) (A) (i) designated by the governing body of a political subdivision as being repaid from a source other than property taxes.

(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.

Added by Acts 1987, 70th Leg., ch. 947, Sec. 2, eff. Jan. 1, 1988. Amended by Acts 1989, 71st Leg., ch. 2, Sec. 14.27(d) (1), 14.28(1), eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 66, Sec. 4, eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 534, Sec. 3; Acts 1993, 73rd Leg., ch. 285, Sec. 3, eff. Aug. 30, 1993; Acts 1993, 73rd Leg., ch. 696, Sec. 1, eff. Jan. 1, 1994; Acts 1993, 73rd Leg., ch. 696, Sec. 1, eff. Jan. 1, 1994; Acts 1995, 74th Leg., ch. 506, Sec. 1 to 3, eff. Aug. 28, 1995; Acts 1997, 75th Leg., ch. 165, Sec. 6.77, 29.01, 29.02, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1070, Sec. 53, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 1290, Sec. 15, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1505,



Sec. 3, eff. Jan. 1, 2002; Acts 2003, 78th Leg., ch. 396, Sec. 3, eff. Jan. 1, 2004.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 830 (H.B. 621), Sec. 2, eff. January 1, 2008.

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 19.003, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1030 (H.B. 2712), Sec. 3, eff. January 1, 2014.

Acts 2019, 86th Leg., R.S., Ch. 560 (S.B. 1621), Sec. 7, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 714 (H.B. 279), Sec. 4, eff. June 10, 2019.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 32, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 33, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 1034 (H.B. 492), Sec. 5, eff. January 1, 2020.

Acts 2021, 87th Leg., R.S., Ch. 674 (H.B. 1869), Sec. 1, eff. September 1, 2021.

Acts 2023, 88th Leg., R.S., Ch. 377 (H.B. 5), Sec. 6, eff. January 1, 2024.

Acts 2023, 88th Leg., R.S., Ch. 1128 (H.B. 4456), Sec. 2, eff. January 1, 2024.

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.

(1-a) "Foregone revenue amount" means the greater of:

(A) zero; or

(B) the amount expressed in dollars calculated according to the following formula:

FOREGONE REVENUE AMOUNT = (VOTER-APPROVAL TAX RATE - ACTUAL TAX RATE)  
x PRECEDING TOTAL VALUE

(1-b) "Preceding total value" means a taxing unit's current total value 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, as adopted by the

taxing unit during 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:

$$\text{UNUSED INCREMENT RATE} = (\text{YEAR 1 FOREGONE REVENUE AMOUNT} + \text{YEAR 2 FOREGONE REVENUE AMOUNT} + \text{YEAR 3 FOREGONE REVENUE AMOUNT}) / \text{CURRENT TOTAL VALUE}$$

Added by Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 34, eff. January 1, 2020.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 928 (S.B. 2350), Sec. 1, eff. June 18, 2023.

Acts 2023, 88th Leg., R.S., Ch. 1168 (S.B. 1999), Sec. 1, eff. January 1, 2024.

Acts 2023, 88th Leg., R.S., Ch. 1168 (S.B. 1999), Sec. 2, eff. January 1, 2024.

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

Acts 1979, 66th Leg., p. 2277, ch. 841, Sec. 1, eff. Jan. 1, 1981. Amended by Acts 1983, 68th Leg., p. 4827, ch. 851, Sec. 18, eff. Aug. 29, 1983.

Sec. 26.03. TREATMENT OF CAPTURED APPRAISED VALUE AND TAX INCREMENT.

(a) In this section, "captured appraised value," "reinvestment zone," "tax increment," and "tax increment fund" have the meanings assigned by Chapter 311.

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

(c) The portion of the captured appraised value of real property taxable by a taxing unit that corresponds to the portion of the tax increment of the unit from that property that the unit has agreed to pay

into the tax increment fund for a reinvestment zone and that is not included in the calculation of "new property value" as defined by Section 26.012 is excluded from the value of property taxable by the unit in any tax rate calculation under this chapter.

(d) The portion of the tax increment of a taxing unit that the unit has agreed to pay into the tax increment fund for a reinvestment zone is excluded from the amount of taxes imposed or collected by the unit in any tax rate calculation under this chapter, except that the portion of the tax increment is not excluded if in the same tax rate calculation there is no portion of captured appraised value excluded from the value of property taxable by the unit under Subsection (c) for the same reinvestment zone.

Added by Acts 2001, 77th Leg., ch. 503, Sec. 1, eff. Sept. 1, 2001.

Amended by Acts 2003, 78th Leg., ch. 150, Sec. 1, eff. Jan. 1, 2004; Acts 2003, 78th Leg., ch. 426, Sec. 1, eff. Jan. 1, 2004.

Sec. 26.04. SUBMISSION OF ROLL TO GOVERNING BODY; NO-NEW-REVENUE AND VOTER-APPROVAL TAX RATES. (a) On receipt of the appraisal roll, the assessor for a taxing unit shall determine the total appraised value, the total assessed value, and the total taxable value of property taxable by the unit. He shall also determine, using information provided by the appraisal office, the appraised, assessed, and taxable value of new property.

(a-1) On receipt of the appraisal roll for the 2023 tax year, the assessor for a taxing unit shall determine the total taxable value of property taxable by the taxing unit and the taxable value of new property as if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were in effect for that tax year. This subsection expires December 31, 2024.

(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 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 officer or employee designated by the governing body shall calculate the no-new-revenue tax rate and the voter-approval tax rate for the taxing unit, where:

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

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

; and

(2) "Voter-approval 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:

$$\text{VOTER-APPROVAL TAX RATE} = (\text{NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE} \times 1.08) + \text{CURRENT DEBT RATE}$$

; or

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

$$\text{VOTER-APPROVAL TAX RATE} = (\text{NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE} \times 1.035) + (\text{CURRENT DEBT RATE} + \text{UNUSED INCREMENT RATE})$$

(c-1) An officer or employee designated by the governing body of a taxing unit shall calculate the no-new-revenue tax rate and the voter-approval tax rate of the taxing unit for the 2023 tax year as if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were in effect for that tax year. This subsection expires December 31, 2024.

(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 tax rate for a county is the sum of the no-new-revenue tax rates calculated for each type of tax the county levies and the voter-approval tax rate for a county is the sum of the voter-approval 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 shall post prominently on the home page of the taxing unit's Internet website in the form prescribed by the comptroller:

(1) the no-new-revenue tax rate, the voter-approval 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).

(e-1) The tax rate certification requirements imposed by Subsection (d-2) and the notice requirements imposed by Subsections (e) (1)-(3) do not apply to a school district.

(e-2) The chief appraiser of each appraisal district shall post prominently on the appraisal district's Internet website, if the appraisal district maintains an Internet website, and the assessor for each taxing unit that participates in the appraisal district shall post prominently on the taxing unit's Internet website a notice informing each owner of property located in the appraisal district 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) the following statement in bold typeface: "Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information regarding the amount of taxes that each entity that taxes your property will impose if the entity adopts its proposed tax rate. Your local property tax database will be updated regularly during August and September as local elected officials propose and adopt the property tax rates that will determine how much you pay in property taxes.";

(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;

(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); and

(4) instructions describing how a property owner may register on the appraisal district's Internet website, if the appraisal district maintains an Internet website, to have notifications regarding updates to the property tax database delivered to the owner by e-mail.

(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, posting, and publication 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.

(e-6) By August 7 or as soon thereafter as practicable, the chief appraiser of each appraisal district shall publish in a newspaper of general circulation in the county for which the appraisal district is established the notice required by Subsection (e-2). If there is no newspaper of general circulation in the county for which the appraisal district is established, the notice shall be posted at the appraisal office for the district.

(f) If as a result of consolidation of taxing units a taxing unit includes territory that was in two or more taxing units in the preceding year, the amount of taxes imposed in each in the preceding year is combined for purposes of calculating the no-new-revenue and voter-approval 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, publication, or posting requirements of this section or Section 26.16, 26.17, or 26.18. It is a defense in an action for an injunction under this subsection that the failure to comply was in good faith.

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

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

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

(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 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 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 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 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 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 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.

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

Acts 1999, 76th Leg., ch. 1358, Sec. 1, eff. Jan. 1, 2000; Acts 1999, 76th Leg., ch. 1561, Sec. 1, eff. Aug. 30, 1999.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 465 (S.B. 1), Sec. 4, eff. June 15, 2015.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 35, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 36, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 36, eff. January 1, 2021.

Acts 2021, 87th Leg., R.S., Ch. 209 (H.B. 2723), Sec. 3, eff. June 3, 2021.

Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. 1438), Sec. 10(2), eff. June 16, 2021.

Acts 2023, 88th Leg., R.S., Ch. 1123 (H.B. 3273), Sec. 2, eff. January 1, 2024.

Acts 2023, 88th Leg., 2nd C.S., Ch. 1 (S.B. 2), Sec. 6.02, eff. July 22, 2023.

For expiration of this section, see Subsection (b).

Sec. 26.0401. CALCULATION OF CERTAIN TAX RATES FOR 2023 TAX YEAR.

(a) For the purposes of calculating the no-new-revenue tax rate, the voter-approval tax rate, and any related tax rate for the 2023 tax year, a taxing unit that calculates those rates under a provision of law other than Section 26.04 or 26.08 shall calculate those rates as if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were in effect for that tax year.

(b) This section expires December 31, 2024.

Added by Acts 2023, 88th Leg., 2nd C.S., Ch. 1 (S.B. 2), Sec. 6.03, eff. July 22, 2023.

Sec. 26.041. TAX RATE OF UNIT IMPOSING ADDITIONAL SALES AND USE TAX.

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

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

and

VOTER-APPROVAL TAX RATE FOR SPECIAL TAXING UNIT = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE  $\times$  1.08) + (CURRENT DEBT RATE - SALES TAX GAIN RATE)

or

VOTER-APPROVAL TAX RATE FOR TAXING UNIT OTHER THAN SPECIAL TAXING UNIT = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE  $\times$  1.035) + (CURRENT DEBT RATE + UNUSED INCREMENT RATE - 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) by the current total value.

(b) Except as provided by Subsections (a) and (c), in a year in which a taxing unit imposes an additional sales and use tax, the voter-approval 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:

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

or

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

where "last year's maintenance and operations expense" means the amount spent for maintenance and operations from property tax and additional sales and use tax revenues in the preceding year, and "sales tax revenue rate" means a number expressed in dollars per \$100 of taxable value, calculated by dividing the revenue that will be generated by the additional sales and use tax in the current year as calculated under Subsection (d) 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 tax rate and voter-approval tax rate for the taxing unit are calculated according to the following formulas:

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

LOSS RATE

and

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

or

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

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) Repealed by Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. 1438), Sec. 10(3), eff. June 16, 2021.

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

(e) If a city that imposes an additional sales and use tax receives payments under the terms of a contract executed before January 1, 1986, in

which the city agrees not to annex certain property or a certain area and the owners or lessees of the property or of property in the area agree to pay at least annually to the city an amount determined by reference to all or a percentage of the property tax rate of the city and all or a part of the value of the property subject to the agreement or included in the area subject to the agreement, the governing body, by order adopted by a majority vote of the governing body, may direct the designated officer or employee to add to the no-new-revenue and voter-approval 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 tax rate calculated under this section and the total amount of payments for the tax year that would have been obligated to the city if the city had not adopted an additional sales and use tax.

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

(g) If the rate of the additional sales and use tax is increased, the designated officer or employee shall make two projections, in the manner provided by Subsection (d), of 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 tax rate for the taxing unit is the no-new-revenue 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 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 tax rate for the taxing unit is the no-new-revenue tax rate before the decrease plus a number the numerator of which is the revenue lost as a result of the decrease in the additional sales and use tax, as determined under this subsection, and the denominator of which is the current total value minus the new property value.

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

(j) Any amount derived from the sales and use tax that is retained by the comptroller under Chapters 476 or 477, Government Code, is not considered to be sales and use tax revenue for purposes of this section.

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

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 2.02, eff. April 1, 2021.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 37, eff. January 1, 2020.

Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. 1438), Sec. 10(3), eff. June 16, 2021.

Sec. 26.042. CALCULATION AND ADOPTION OF CERTAIN TAX RATES IN DISASTER AREA. (a) Notwithstanding Sections 26.04 and 26.041, the governing body of a taxing unit other than a school district or 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 and at least one person is granted an exemption under Section 11.35 for property located in the taxing unit. 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 first 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.

(b) In the first tax year following the last tax year for which the designated officer or employee calculates a taxing unit's voter-approval tax rate in the manner provided by Subsection (a), the taxing unit's voter-approval tax rate is reduced by the taxing unit's emergency revenue rate. For purposes of this subsection, a taxing unit's emergency revenue rate means a rate expressed in dollars per \$100 of taxable value calculated according to the following formula:

$$\text{EMERGENCY REVENUE RATE} = [(\text{LAST YEAR'S ADOPTED TAX RATE} - \text{ADJUSTED VOTER-APPROVAL TAX RATE}) \times \text{LAST YEAR'S TOTAL VALUE}] / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})$$

(c) For purposes of Subsection (b), "adjusted voter-approval tax rate" means the voter-approval tax rate a taxing unit would have calculated in the last year for which Subsection (a) applied to the taxing unit if in each tax year Subsection (a) applied to the taxing unit the taxing unit adopted a tax rate equal to the greater of:

(1) the tax rate actually adopted by the taxing unit for that tax year, if that tax rate was approved by the voters at an election held under Section 26.07; or

(2) the taxing unit's voter-approval tax rate for that tax year, calculated in the manner provided for a taxing unit other than a special taxing unit.

(d) When increased expenditure of money by a taxing unit other than a school district is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, epidemic, or pandemic, 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 Section 26.07 to approve

the tax rate adopted by the governing body for the year following the year in which the disaster occurs.

(e) 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, epidemic, or pandemic, that has impacted the 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 Section 26.08 to approve the tax rate adopted by the governing body of the school district 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.

(f) If a taxing unit adopts a tax rate under Subsection (d) or (e), the amount by which that rate exceeds the taxing unit's voter-approval tax rate for that tax year may not be considered when calculating the taxing unit's voter-approval tax rate for the tax year following the year in which the taxing unit adopts the rate.

(g) A taxing unit that in a tax year elects to calculate the taxing unit's voter-approval tax rate under Subsection (a) or adopt a tax rate that exceeds the taxing unit's voter-approval tax rate for that tax year without holding an election under Subsection (d) or (e) must specify the disaster declaration that provides the basis for authorizing the taxing unit to calculate or adopt a tax rate under the applicable subsection. A taxing unit that in a tax year specifies a disaster declaration as providing the basis for authorizing the taxing unit to calculate or adopt a tax rate under Subsection (a), (d), or (e) may not in a subsequent tax year specify the same disaster declaration as providing the basis for authorizing the taxing unit to calculate or adopt a tax rate under one of those subsections if in an intervening tax year the taxing unit specifies a different disaster declaration as the basis for authorizing the taxing unit to calculate or adopt a tax rate under one of those subsections.

Added by Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. 1438), Sec. 6, eff. June 16, 2021.

Sec. 26.043. VOTER-APPROVAL AND NO-NEW-REVENUE TAX RATES IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX. (a) In the tax year in which a city has set an election on the question of whether to impose a local sales and use tax under Subchapter H, Chapter 453, Transportation Code, the officer or employee designated to make the calculations provided by Section 26.04 may not make those calculations until the outcome of the election is

determined. If the election is determined in favor of the imposition of the tax, the designated officer or employee shall subtract from the city's voter-approval and no-new-revenue 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 or voter-approval tax rate refers to that rate as adjusted under this section.

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

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

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 38, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 39, eff. January 1, 2020.

Sec. 26.044. NO-NEW-REVENUE TAX RATE TO PAY FOR STATE CRIMINAL JUSTICE MANDATE. (a) The first time that a county adopts a tax rate after September 1, 1991, in which the state criminal justice mandate applies to the county, the no-new-revenue maintenance and operation rate for the county is increased by the rate calculated according to the following formula:

(State Criminal Justice Mandate) / (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 maintenance and operation rate for the county is increased by the rate calculated according to the following formula:

(This Year's State Criminal Justice Mandate - Previous  
Year's State Criminal Justice Mandate) / (Current Total Value -  
New Property Value)

(c) The county shall include a notice of the increase in the no-new-revenue 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.

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

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

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 25.153, eff. September 1, 2009.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 40, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 41, eff. January 1, 2020.

Sec. 26.0441. TAX RATE ADJUSTMENT FOR INDIGENT HEALTH CARE. (a) In the first tax year in which a taxing unit adopts a tax rate after January 1, 2000, and in which the enhanced minimum eligibility standards for indigent health care established under Section 61.006, Health and Safety Code, apply to the taxing unit, the no-new-revenue maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

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

(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 maintenance and operations rate for the taxing unit is increased by the rate computed according to the following formula:

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

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

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

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

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 42, eff. January 1, 2020.

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 difference between:

(1) the amount paid by a county 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:

(A) 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; and

(B) fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure; and

(2) the amount of any state grants received by the county during that period for those purposes.

(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:

$$\frac{(\text{Current Tax Year's Indigent Defense Compensation Expenditures} - \text{Preceding Tax Year's Indigent Defense Compensation Expenditures})}{(\text{Current Total Value} - \text{New Property Value})}$$

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.

Added by Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 43, eff. January 1, 2020.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 477 (H.B. 295), Sec. 4, eff. September 1, 2021.

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.

Added by Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 43, eff. January 1, 2020.

Sec. 26.0444. TAX RATE ADJUSTMENT FOR DEFUNDING MUNICIPALITY. (a) In this section:

(1) "Defunding municipality" means a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code.

(2) "Municipal public safety expenditure adjustment" means an amount equal to the positive difference, if any, between:

(A) the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year; and

(B) the amount of money spent by the municipality for public safety during the period for which the budget described by Paragraph (A) is in effect.

(b) The no-new-revenue maintenance and operations rate for a defunding municipality is decreased by the rate computed according to the following formula:

Municipal Public Safety Expenditure Adjustment / (Current Total Value - New Property Value)

(c) A defunding municipality shall provide a notice of the decrease in the no-new-revenue maintenance and operations rate provided by this section in the information published under Section 26.04(e) and, as applicable, in the notice prescribed by Section 26.06 or 26.061.

(d) For purposes of Subsection (a)(2), the amount of money appropriated for public safety and the amount of money spent by the municipality for public safety does not include:

(1) any grant money received by the municipality during any fiscal year; or

(2) any sales and use tax revenue received by the municipality for the purpose of financing a crime control and prevention district under Chapter 363, Local Government Code, during any fiscal year.

Added by Acts 2021, 87th Leg., R.S., Ch. 199 (H.B. 1900), Sec. 3.01, eff. September 1, 2021.

Sec. 26.045. VOTER-APPROVAL TAX RATE RELIEF FOR POLLUTION CONTROL REQUIREMENTS. (a) The voter-approval tax rate for a political subdivision of this state is increased by the rate that, if applied to the 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.

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

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

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

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

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

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

(e) The Texas Commission on Environmental Quality may charge a political subdivision seeking a determination that property is pollution control property an additional fee not to exceed its administrative costs for processing the information, making the determination, and issuing the letter required by this section. The commission may adopt rules to implement this section.

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

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

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

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

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

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

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

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1277 (H.B. 3732), Sec. 5, eff. September 1, 2007.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 44, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 45, eff. January 1, 2020.

Sec. 26.05. TAX RATE. (a) The governing body of each 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 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 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 rate calculated as provided by Section 44.004(c)(5)(A)(ii), Education Code, 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 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 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 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 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 Internet website of 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 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 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 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 tax rate or the no-new-revenue tax rate calculated as provided by this chapter until the governing body has held a public hearing 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 tax rate or the

no-new-revenue 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) posted the notice required by Section 26.04(e-2) or published or posted the notice required by Section 26.04(e-6); 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. 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.

(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.

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

(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 tax rate and the voter-approval tax rate of the district shall be calculated based on the certified estimate of taxable value.

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

Amended by:

Acts 2005, 79th Leg., Ch. 412 (S.B. 1652), Sec. 13, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1368 (S.B. 18), Sec. 1, eff. June 18, 2005.

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 14.001, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 668 (H.B. 2291), Sec. 1, eff. June 19, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1328 (H.B. 3646), Sec. 86, eff. September 1, 2009.

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 57.28, eff. September 28, 2011.

Acts 2015, 84th Leg., R.S., Ch. 481 (S.B. 1760), Sec. 5, eff. January 1, 2016.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 46, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 46, eff. January 1, 2021.

Acts 2023, 88th Leg., R.S., Ch. 1123 (H.B. 3273), Sec. 3, eff. January 1, 2024.

Acts 2023, 88th Leg., R.S., Ch. 1128 (H.B. 4456), Sec. 3, eff. January 1, 2024.

Sec. 26.0501. LIMITATION ON TAX RATE OF DEFUNDING MUNICIPALITY. (a) In this section, "defunding municipality" means a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code.

(b) Notwithstanding any other provision of this chapter or other law, the governing body of a defunding municipality may not adopt a tax rate for the current tax year that exceeds the lesser of the defunding municipality's no-new-revenue tax rate or voter-approval tax rate for that tax year.

(c) For purposes of making the calculation required under Section 26.013, in a tax year in which a municipality is a defunding municipality, the difference between the municipality's actual tax rate and voter-approval tax rate is considered to be zero.

Added by Acts 2021, 87th Leg., R.S., Ch. 199 (H.B. 1900), Sec. 3.01, eff. September 1, 2021.

Sec. 26.051. EVIDENCE OF UNRECORDED TAX RATE ADOPTION. (a) If a taxing unit does not make a proper record of the adoption of a tax rate for a year but the tax rate can be determined by examining the tax rolls for that year, the governing body of the taxing unit may take testimony or make other inquiry to determine whether a tax rate was properly adopted for that year. If the governing body determines that a tax rate was properly adopted, it may order that its official records for that year be amended nunc pro tunc to reflect the adoption of the rate.

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

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

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

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

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

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

- (1) mailing a notice of the proposed tax rate to each owner of taxable property in the taxing unit; or
- (2) publishing notice of the proposed tax rate in the legal notices section of a newspaper having general circulation in the taxing unit.

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

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

- (1) the tax rate that the governing body proposes to adopt;
- (2) the date, time, and location of the meeting of the governing body of the taxing unit at which the governing body will consider adopting the proposed tax rate; and
- (3) if the proposed tax rate for the taxing unit exceeds the taxing unit's no-new-revenue 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 tax rate)."

(e-1) Public notice provided under Subsection (c) must include the following statement: "Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information

regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property."

(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.

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

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 47, eff. January 1, 2020.

Acts 2021, 87th Leg., R.S., Ch. 209 (H.B. 2723), Sec. 4, eff. June 3, 2021.

Sec. 26.06. NOTICE, HEARING, AND VOTE ON TAX INCREASE. (a) A public hearing required by Section 26.05 may not be held before the fifth day after the date the notice of the public hearing is given. The hearing must be on a weekday that is not a public holiday. The 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, 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.

(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.)

"Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

"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.)

"Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

"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.)

"Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

"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, the taxing unit must also post the notice prominently on the home page of the Internet website of the taxing unit from the date the notice is first published until the 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, 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.

(e) A meeting to vote on the tax increase may not be held later than the seventh day after the date of the 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.

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

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

Acts 1979, 66th Leg., p. 2278, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 164, ch. 13, Sec. 118, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 5464, ch. 1029, Sec. 1, eff. Sept. 1, 1983; Acts 1985, 69th Leg., ch. 657, Sec. 4, eff. June 14, 1985; Acts 1985, 69th Leg., 1st C.S., ch. 1, Sec. 3, eff. Sept. 1, 1986; Acts 1987, 70th Leg., ch. 456, Sec. 1, eff. Aug. 31, 1987; Acts 1987, 70th Leg., ch. 947, Sec. 8, eff. Jan. 1, 1988; Acts 1989, 71st Leg., ch. 940, Sec. 1, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., 2nd C.S., ch. 6, Sec. 46, eff. Sept. 1, 1991; Acts 1997, 75th Leg., ch. 165, Sec. 29.07, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1039, Sec. 28, 29, eff. Jan. 1, 1998; Acts 1999, 76th Leg., ch. 398, Sec. 4, eff. Aug. 30, 1999; Acts 1999, 76th Leg., ch. 1358, Sec. 3, eff. Jan. 1, 2000.

Amended by:

Acts 2005, 79th Leg., Ch. 807 (S.B. 567), Sec. 1, eff. June 17, 2005.

Acts 2005, 79th Leg., Ch. 1368 (S.B. 18), Sec. 2, eff. June 18, 2005.

Acts 2005, 79th Leg., Ch. 1368 (S.B. 18), Sec. 6, eff. June 18, 2005.

Acts 2007, 80th Leg., R.S., Ch. 1105 (H.B. 3495), Sec. 1, eff. January 1, 2008.

Acts 2007, 80th Leg., R.S., Ch. 1112 (H.B. 3630), Sec. 5(a), eff. January 1, 2008.

Acts 2007, 80th Leg., R.S., Ch. 1112 (H.B. 3630), Sec. 5(b), eff. January 1, 2008.

Acts 2007, 80th Leg., R.S., Ch. 1112 (H.B. 3630), Sec. 5(c), eff. January 1, 2008.

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 22.005, eff. September 1, 2009.

Acts 2015, 84th Leg., R.S., Ch. 481 (S.B. 1760), Sec. 6, eff. January 1, 2016.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 48, eff. January 1, 2020.

Acts 2021, 87th Leg., R.S., Ch. 209 (H.B. 2723), Sec. 5, eff. June 3, 2021.

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.)

"Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

"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\(c\)](#).

Added by Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. [2](#)), Sec. 49, eff. January 1, 2020.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 209 (H.B. [2723](#)), Sec. 6, eff. June 3, 2021.

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.

Added by Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 49, eff. January 1, 2020.

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).".

(d) This subsection applies only to a taxing unit that is not required to hold an election under Section 26.07 and for which the qualified voters of the taxing unit may not 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 and does not exceed 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, (name of taxing unit) is not required to hold an election so that the voters may accept or reject the proposed tax rate and the qualified voters of the (name of taxing unit) may not petition the (name of taxing unit) to require an election to be held to determine whether to reduce the proposed tax rate.".

Added by Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 49, eff. January 1, 2020.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 28 (H.B. [2429](#)), Sec. 1, eff. May 15, 2021.

Sec. 26.065. SUPPLEMENTAL NOTICE OF HEARING ON TAX RATE INCREASE.

(a) In addition to the notice required under Section 26.06, the governing body of a taxing unit required to hold a public hearing by Section 26.05(d) shall give notice of the hearing in the manner provided by this section.

(b) The taxing 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.

(c) If the taxing unit has free access to a television channel, the taxing unit shall request that the station carry a 60-second notice of the public hearing at least five times a day between the hours of 7 a.m. and 9 p.m. for at least seven days immediately before the public hearing on the proposed tax rate increase and at least seven days immediately before the date of the vote proposing the increase in the tax rate.

(d) The notice of the public hearing required by Subsection (b) must contain a statement that is substantially the same as the statement required by Section 26.06(b).

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

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

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

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

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

Amended by:

Acts 2005, 79th Leg., Ch. 1368 (S.B. 18), Sec. 3, eff. June 18, 2005.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 50, eff. January 1, 2020.

Sec. 26.07. AUTOMATIC ELECTION TO APPROVE TAX RATE OF TAXING UNIT OTHER THAN SCHOOL DISTRICT. (a) This section applies to 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 tax rate, 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 voters of the taxing unit at an election held for that purpose must determine whether to approve the adopted tax rate.

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

(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, after tax bills for the taxing unit have been 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 shall include with the bill a brief explanation of the reason for and effect of the corrected bill.

(g) If a property owner pays taxes calculated using the originally adopted tax rate of the taxing unit and the proposition to approve the adopted tax rate is not approved by voters, the taxing unit shall refund the difference between the amount of taxes paid and the amount due under the voter-approval tax rate if the difference between the amount of taxes paid and the amount due under the voter-approval tax rate is \$1 or more. If the difference between the amount of taxes paid and the amount due under the voter-approval tax 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.

Acts 1979, 66th Leg., p. 2279, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 165, ch. 13, Sec. 119, eff. Jan. 1, 1982; Acts 1985, 69th Leg., 1st C.S., ch. 1, Sec. 2(a), eff. Sept. 1,

1985; Acts 1987, 70th Leg., ch. 457, Sec. 13, eff. Sept. 1, 1987; Acts 1987, 70th Leg., ch. 947, Sec. 9, eff. Jan. 1, 1988; Acts 1993, 73rd Leg., ch. 292, Sec. 1, eff. Sept. 1, 1993; Acts 1993, 73rd Leg., ch. 728, Sec. 84, eff. Sept. 1, 1993; Acts 1997, 75th Leg., ch. 165, Sec. 29.08, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 1368 (S.B. 18), Sec. 4, eff. June 18, 2005.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 51, eff. January 1, 2020.

Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. 1438), Sec. 7, eff. June 16, 2021.

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.

(1) 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.

Added by Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 52, eff. January 1, 2020.

Sec. 26.08. AUTOMATIC ELECTION TO APPROVE TAX RATE OF SCHOOL DISTRICT. (a) If the governing body of a school district adopts a tax rate that exceeds the district's voter-approval 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) Repealed by Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. 1438), Sec. 10(4), eff. June 16, 2021.

(b) The governing body shall order that the election be held in the school district on the next uniform election date prescribed by 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. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Ratifying the ad valorem tax rate of \_\_\_\_ (insert adopted tax rate) 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)."

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

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

(d-1) If, after tax bills for the school district have been mailed, a proposition to approve the school district's adopted tax rate is not

approved by the voters of the district at an election held under this section, on subsequent adoption of a new tax rate by the governing body of the district, the assessor for the school shall prepare and mail corrected tax bills. The assessor shall include with each 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.

(d-2) If a property owner pays taxes calculated using the originally adopted tax rate of the school district and the proposition to approve the adopted tax rate is not approved by voters, the school district shall refund the difference between the amount of taxes paid and the amount due under the subsequently adopted rate if the difference between the amount of taxes paid and the amount due under the subsequent rate is \$1 or more. If the difference between the amount of taxes paid and the amount due under the subsequent rate is less than \$1, the school district 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.

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

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

(g) In a school district that received distributions from an equalization tax imposed under former Chapter 18, Education Code, the no-new-revenue rate of that tax as of the date of the county unit system's abolition is added to the district's voter-approval tax rate.

(h) For purposes of this section, increases in taxable values and tax levies occurring within a reinvestment zone under Chapter 311 (Tax Increment Financing Act), in which the district is a participant, shall be eliminated from the calculation of the tax rate adopted by the governing body of the school district.

(i) For purposes of this section, "enrichment tax rate" has the meaning assigned by Section 45.0032, Education Code.

(n) For purposes of this section, the voter-approval tax rate of a school district is the sum of the following:

(1) the rate per \$100 of taxable value that is equal to the district's maximum compressed tax rate, as determined under Section [48.2551](#), Education Code, for the current year;

(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) the rate of \$0.05 per \$100 of taxable value; and

(3) the district's current debt rate.

(n-1) Repealed by Acts 2021, 87th Leg., R.S., Ch. 915 (H.B. [3607](#)), Sec. 19.002, eff. September 1, 2021.

(o) Repealed by Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. [3](#)), Sec. 4.001(c)(1), eff. September 1, 2019.

(p) Repealed by Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. [3](#)), Sec. 4.001(c)(1), eff. September 1, 2019.

(q) For purposes of this section, the voter-approval tax rate of a school district for the 2023 tax year shall be calculated as if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were in effect for that tax year. This subsection expires December 31, 2024.

Acts 1979, 66th Leg., p. 2280, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 166, ch. 13, Sec. 120, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 5377, ch. 987, Sec. 4, eff. June 19, 1983; Acts 1984, 68th Leg., 2nd C.S., ch. 28, art. II, Sec. 14, eff. Sept. 1, 1984; Acts 1987, 70th Leg., ch. 947, Sec. 10, eff. Jan. 1, 1988; Acts 1989, 71st Leg., ch. 816, Sec. 22, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 20, Sec. 20, 26, eff. Aug. 26, 1991; Acts 1993, 73rd Leg., ch. 347, Sec. 2.04, eff. May 31, 1993; Acts 1993, 73rd Leg., ch. 728, Sec. 85, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 260, Sec. 47, eff. May 30, 1995; Acts 1995, 74th Leg., ch. 506, Sec. 4, eff. Aug. 28, 1995; Acts 1995, 74th Leg., ch. 828, Sec. 4(a), eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 592, Sec. 2.03, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 396, Sec. 1.40, 3.01(c), eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1187, Sec. 2.11, eff. Sept. 1, 2001.

Amended by:

Acts 2006, 79th Leg., 3rd C.S., Ch. 5 (H.B. [1](#)), Sec. 1.14, eff. May 31, 2006.

Acts 2009, 81st Leg., R.S., Ch. 777 (S.B. [1024](#)), Sec. 1, eff. September 1, 2009.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 1.063, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 1.065, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 1A.008, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. 3), Sec. 4.001(c)(1), eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 53, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 54, eff. January 1, 2020.

Acts 2021, 87th Leg., R.S., Ch. 884 (S.B. 1438), Sec. 10(4), eff. June 16, 2021.

Acts 2021, 87th Leg., R.S., Ch. 915 (H.B. 3607), Sec. 19.002, eff. September 1, 2021.

Acts 2023, 88th Leg., 2nd C.S., Ch. 1 (S.B. 2), Sec. 6.04, eff. July 22, 2023.

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

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

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

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

determine whether to limit the percentage of the total tax levy dedicated to the junior college district to the same percentage as the percentage of the preceding year's total tax levy dedicated to the junior college district.

(b) A petition is valid only if:

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

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

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

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

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

(e) If a majority of the qualified voters voting on the question in the election favor the proposition, the percentage of the total tax levy of the school district for the year to which the election applies dedicated to the junior college district is reduced to the same percentage of the total tax levy that was dedicated to the junior college district by the school district in the preceding year. If the proposition is approved by a majority of the qualified voters voting in an election to limit the dedication to the junior college district in a year following a year in which there was no dedication of local tax funds to the junior college

district under Section 45.105(e), Education Code, the school district may not dedicate any local tax funds to the junior college district in the year to which the election applies. If the proposition is not approved by a majority of the qualified voters voting in the election, the percentage of the total tax levy dedicated to the junior college district is the percentage adopted by the governing body.

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

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

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

(c) The tax is calculated by:

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

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

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

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

(c-1) The assessor for a taxing unit shall calculate the amount of tax imposed by the taxing unit on property for the 2023 tax year as if the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023, were in effect for that tax year and also as if the changes in law made by that Act were not in effect for that tax year. This subsection expires December 31, 2024.

(d) If a property is subject to taxation for a prior year in which it escaped taxation, the assessor shall calculate the tax for each year separately. In calculating the tax, the assessor shall use the assessment ratio and tax rate in effect in the unit for the year for which back taxes are being imposed. Except as provided by Subsection (d-1), the amount of

back taxes due incurs interest calculated at the rate provided by Section 33.01(c) from the date the tax would have become delinquent had the tax been imposed in the proper tax year.

(d-1) For purposes of this subsection, an appraisal district has constructive notice of the presence of an improvement if a building permit for the improvement has been issued by an appropriate governmental entity. Back taxes assessed under Subsection (d) on an improvement to real property do not incur interest if:

(1) the land on which the improvement is located did not escape taxation in the year in which the improvement escaped taxation;

(2) the appraisal district had actual or constructive notice of the presence of the improvement in the year in which the improvement escaped taxation; and

(3) the property owner pays all back taxes due on the improvement not later than the 120th day after the date the tax bill for the back taxes on the improvement is sent.

(d-2) For purposes of Subsection (d-1)(3), if an appeal under Chapter 41A or 42 relating to the taxes imposed on the omitted improvement is pending on the date prescribed by that subdivision, the property owner is considered to have paid the back taxes due by that date if the property owner pays the amount of taxes required by Section 41A.10 or 42.08, as applicable.

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

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

Acts 2011, 82nd Leg., R.S., Ch. 138 (S.B. 551), Sec. 1, eff. September 1, 2011.

Acts 2015, 84th Leg., R.S., Ch. 465 (S.B. 1), Sec. 6, eff. June 15, 2015.

Acts 2023, 88th Leg., 2nd C.S., Ch. 1 (S.B. 2), Sec. 6.05, eff. July 22, 2023.

Sec. 26.10. PRORATING TAXES--LOSS OF EXEMPTION. (a) If the appraisal roll shows that a property is eligible for taxation for only part of a year because an exemption, other than a residence homestead exemption



or an exemption described by Subsection (d), applicable on January 1 of that year terminated during the year, the tax due against the property is calculated by multiplying the tax due for the entire year as determined as provided by Section 26.09 by a fraction, the denominator of which is 365 and the numerator of which is the number of days the exemption is not applicable.

(b) If the appraisal roll shows that a residence homestead exemption under Section 11.13(c) or (d), 11.132, 11.133, or 11.134 applicable to a property on January 1 of a year terminated during the year and if the owner of the property qualifies a different property for one of those residence homestead exemptions during the same year, the tax due against the former residence homestead is calculated by:

(1) subtracting:

(A) the amount of the taxes that otherwise would be imposed on the former residence homestead for the entire year had the owner qualified for the residence homestead exemption for the entire year; from

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

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

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

(c) If the appraisal roll shows that a residence homestead exemption under Section 11.131 applicable to a property on January 1 of a year terminated during the year, the tax due against the residence homestead is calculated by multiplying the amount of the taxes that otherwise would be imposed on the residence homestead for the entire year had the individual not qualified for the exemption under Section 11.131 during the year by a fraction, the denominator of which is 365 and the numerator of which is the number of days that elapsed after the date the exemption terminated.

(d) Subsection (a) does not apply to an exemption for land received by an organization under Section 11.181, 11.182, or 11.1825 that terminated during the year because of the sale by the organization of a housing unit located on the land if:

(1) the housing unit is sold to a family meeting the income-eligibility standards established by Section 373B.006, Local Government Code;

(2) the organization retains title to the land on which the housing unit is located; and

(3) before the date on which the housing unit is sold, the organization is designated a community land trust by the governing body of a municipality or county as provided by Section [373B.002](#), Local Government Code.

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

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 597 (S.B. [201](#)), Sec. 2, eff. January 1, 2012.

Acts 2013, 83rd Leg., R.S., Ch. 122 (H.B. [97](#)), Sec. 5, eff. January 1, 2014.

Acts 2013, 83rd Leg., R.S., Ch. 138 (S.B. [163](#)), Sec. 5, eff. January 1, 2014.

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.002(28), eff. September 1, 2015.

Acts 2017, 85th Leg., R.S., Ch. 511 (S.B. [15](#)), Sec. 5, eff. January 1, 2018.

Acts 2021, 87th Leg., R.S., Ch. 1020 (S.B. [113](#)), Sec. 3, eff. September 1, 2021.

Sec. 26.11. PRORATING TAXES--ACQUISITION BY GOVERNMENT. (a) If the federal government, the state, or a political subdivision of the state acquires the right to possession of taxable property under a court order issued in condemnation proceedings, 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.

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

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

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

(2) the taxing unit of liability for a refund in connection with taxes on the property for the year of the transfer.

Acts 1979, 66th Leg., p. 2282, ch. 841, Sec. 1, eff. Jan. 1, 1982.

Amended by:

Acts 2005, 79th Leg., Ch. 1126 (H.B. 2491), Sec. 8, eff. September 1, 2005.

Acts 2019, 86th Leg., R.S., Ch. 674 (S.B. 2083), Sec. 1, eff. June 10, 2019.

#### Sec. 26.111. PRORATING TAXES--ACQUISITION BY CHARITABLE ORGANIZATION.

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

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

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

#### Sec. 26.1115. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD GENERALLY.

(a) If an individual receives one or more exemptions under Section 11.13 for a portion of a tax year as provided by Section 11.42(f), except as

provided by Subsection (b) of this section, the amount of tax due on the property for that year is calculated by:

(1) subtracting:

(A) the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual qualified for the exemptions for the entire year; from

(B) the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual not qualified for the exemptions during the year;

(2) multiplying the remainder determined under Subdivision (1) by a fraction, the denominator of which is 365 and the numerator of which is the number of days in that year that elapsed before the date the individual first qualified the property for the exemptions; and

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

(b) If an individual receives one or more exemptions to which Subsection (a) of this section applies for a portion of a tax year as provided by Section 11.42(f) and the exemptions terminate during the year in which the individual acquired the property, the amount of tax due on the property for that year is calculated by:

(1) subtracting:

(A) the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual qualified for the exemptions for the entire year; from

(B) the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual not qualified for the exemptions during the year;

(2) multiplying the remainder determined under Subdivision (1) by a fraction, the denominator of which is 365 and the numerator of which is the sum of:

(A) the number of days in that year that elapsed before the date the individual first qualified the property for the exemptions; and

(B) the number of days in that year that elapsed after the date the exemptions terminated; and

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

(c) If an individual qualifies to receive an exemption as described by Subsection (a) with respect to a property after the amount of tax due on the property is calculated and if the effect of the qualification is to reduce the amount of 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 collector for the taxing unit shall refund to the individual who paid the tax the amount by which the payment exceeded the tax due.

Added by Acts 2021, 87th Leg., 2nd C.S., Ch. 12 (S.B. 8), Sec. 4, eff. January 1, 2022.

Sec. 26.112. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF CERTAIN PERSONS. (a) Except as provided by Section 26.10(b), if at any time during a tax year property is owned by an individual who qualifies for an exemption under Section 11.13(c) or (d), 11.133, or 11.134, the amount of the tax due on the property for the tax year is calculated as if the individual qualified for the exemption on January 1 and continued to qualify for the exemption for the remainder of the tax year.

(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 amount by which the payment exceeded the tax due.

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

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 511 (S.B. 15), Sec. 6, eff. January 1, 2018.

Acts 2019, 86th Leg., R.S., Ch. 448 (S.B. 1856), Sec. 4, eff. September 1, 2019.

Sec. 26.1125. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF 100 PERCENT OR TOTALLY DISABLED VETERAN. (a) If a person qualifies for an exemption under Section 11.131 after the beginning of a tax year, the amount of the taxes on the residence homestead of the person for the tax year is calculated by multiplying the amount of the taxes that otherwise would be imposed on the residence homestead for the entire year had the person not qualified for the exemption under Section 11.131 by a fraction, the denominator of which is 365 and the numerator of which is the number of days that elapsed before the date the person qualified for the exemption under Section 11.131.

(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 amount by which the payment exceeded the tax due.

Added by Acts 2011, 82nd Leg., R.S., Ch. 597 (S.B. 201), Sec. 3, eff. January 1, 2012.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 448 (S.B. 1856), Sec. 5, eff. September 1, 2019.

Sec. 26.1127. CALCULATION OF TAXES ON DONATED RESIDENCE HOMESTEAD OF DISABLED VETERAN OR SURVIVING SPOUSE OF DISABLED VETERAN. (a) Except as provided by Section 26.10(b), if at any time during a tax year property is owned by an individual who qualifies for an exemption under Section 11.132, the amount of the tax due on the property for the tax year is calculated as if the individual qualified for the exemption on January 1 and continued to qualify for the exemption for the remainder of the tax year.

(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 amount by which the payment exceeded the tax due.

Added by Acts 2013, 83rd Leg., R.S., Ch. 122 (H.B. 97), Sec. 6, eff. January 1, 2014.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 448 (S.B. 1856), Sec. 6, eff. September 1, 2019.

Sec. 26.113. PRORATING TAXES--ACQUISITION BY NONPROFIT ORGANIZATION.

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

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

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

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

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



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

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

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

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

Sec. 26.13. TAXING UNIT CONSOLIDATION DURING TAX YEAR. (a) If two or more taxing units consolidate into a single taxing unit after January 1, the governing body of the consolidated unit may elect to impose taxes for the current tax year either as if the unit as consolidated had existed on January 1 or as if the consolidation had not occurred.

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

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

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

Sec. 26.135. TAX DATES FOR CERTAIN SCHOOL DISTRICTS. (a) A school district that before January 1, 1989, has for at least 10 years followed a practice of adopting its tax rate at a different date than as provided by this chapter and of billing for and collecting its taxes at different dates than as provided by Chapters 31 and 33 may continue to follow that practice.

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

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

Sec. 26.14. ANNEXATION OF PROPERTY DURING TAX YEAR. (a) Except as provided by Subsection (b) of this section, a taxing unit may not impose a tax on property annexed by the unit after January 1.

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

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

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

Sec. 26.15. CORRECTION OF TAX ROLL. (a) Except as provided by Chapters 41 and 42 of this code and in this section, the tax roll for a taxing unit may not be changed after it is completed.

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

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

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

(e) If a correction that increases the tax liability of a property owner is made after the tax is paid, the assessor shall prepare and mail a supplemental tax bill in the manner provided by Chapter 31 of this code for tax bills generally. He shall include with the supplemental bill a brief explanation of the reason for and effect of the supplemental bill. The additional tax is due on receipt of the supplemental bill and becomes delinquent if not paid before the delinquency date prescribed by Chapter 31

of this code or before the first day of the next month after the date of the mailing that will provide at least 21 days for payment of the tax, whichever is later.

(f) If a correction that decreases the tax liability of a property owner is made after the owner has paid the tax, the taxing unit shall refund to the property owner who paid the tax the difference between the tax paid and the tax legally due, except as provided by Section 25.25(n). A property owner is not required to apply for a refund under this subsection to receive the refund.

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

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

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

(h) The assessor for a taxing unit shall correct the tax roll for the taxing unit for the 2023 tax year to reflect the results of the election to approve the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023. This subsection expires December 31, 2024.

Acts 1979, 66th Leg., p. 2283, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1991, 72nd Leg., ch. 418, Sec. 1, eff. Aug. 26, 1991; Acts 1993, 73rd Leg., ch. 198, Sec. 2, eff. Sept. 1, 1993; Acts 2001, 77th Leg., ch. 1430, Sec. 7, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 643 (H.B. 709), Sec. 1, eff. January 1, 2014.

Acts 2015, 84th Leg., R.S., Ch. 465 (S.B. 1), Sec. 7, eff. June 15, 2015.

Acts 2015, 84th Leg., R.S., Ch. 481 (S.B. 1760), Sec. 7, eff. January 1, 2016.

Acts 2017, 85th Leg., R.S., Ch. 172 (H.B. 2989), Sec. 1, eff. May 26, 2017.

Acts 2023, 88th Leg., 2nd C.S., Ch. 1 (S.B. 2), Sec. 6.06, eff. July 22, 2023.

Sec. 26.16. POSTING OF TAX-RELATED INFORMATION ON COUNTY'S INTERNET WEBSITE. (a) Each county shall maintain an Internet website. The county assessor-collector for each county shall post on the Internet website maintained by the county the following information for the most recent five tax years 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 tax rate;
- (5) the no-new-revenue maintenance and operations rate; and
- (6) the voter-approval 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.

(b) Each taxing unit all or part of the territory of which is located in the county shall provide the information described by Subsection (a) pertaining to the taxing unit to the county assessor-collector annually following the adoption of a tax rate by the taxing unit for the current tax year. The chief appraiser of the appraisal district established in the county may assist the county assessor-collector in identifying the taxing units required to provide information to the assessor-collector.

(c) The information described by Subsection (a) must be presented in the form of a table under the heading "Truth in Taxation Summary."

(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 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 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 tax rate is the highest tax rate a taxing unit may adopt before requiring voter approval at an election. An election will automatically be held if a taxing unit wishes to adopt a tax rate in excess of the taxing unit's voter-approval 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.

(e) The comptroller by rule shall prescribe the manner in which the information described by this section is required to be presented.

Added by Acts 2011, 82nd Leg., R.S., Ch. 803 (H.B. 2338), Sec. 1, eff. September 1, 2011.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 55, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 56, eff. January 1, 2020.

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 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 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:

(1) the Internet website used by each taxing unit in which the property is located to post the information described by Section 26.18; and

(2) the Internet database created by the chief appraiser under Section 41.13 that contains information regarding protest hearings conducted by the appraisal review board established for the appraisal district.

(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.

(g) The chief appraiser of each appraisal district that maintains an Internet website shall deliver to a property owner by e-mail notifications regarding updates to the property tax database if the owner registers on the website to receive such notifications in that manner.

Added by Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 57, eff. January 1, 2020.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 224 (H.B. 796), Sec. 1, eff. January 1, 2024.

Acts 2023, 88th Leg., R.S., Ch. 1123 (H.B. 3273), Sec. 4, eff. January 1, 2024.

Acts 2023, 88th Leg., R.S., Ch. 1128 (H.B. 4456), Sec. 4, eff. January 1, 2024.

Sec. 26.175. PROPERTY TAX DATABASE LOCATOR WEBSITE. (a) In this section, "property tax database" means a property tax database required to be created and maintained by a chief appraiser under Section 26.17.

(b) The Department of Information Resources shall develop and maintain an easily accessible Internet website that lists each property tax database and includes a method to assist a property owner to identify the appropriate property tax database for the owner's property.

(c) The Internet website must provide a separate link to the Internet location of each property tax database.

(d) The address of the Internet website must be "Texas.gov/PropertyTaxes."

Added by Acts 2021, 87th Leg., R.S., Ch. 209 (H.B. 2723), Sec. 7, eff. June 3, 2021.

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.

Added by Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 57, eff. January 1, 2020.

# Estimate of Property Tax Revenues

2024 Total Taxable Value:	\$ 67,345,088,235
State Comptroller's Estimate of Sales tax Revenue:	\$ 73,825,625
2024 Debt Service Adjusted for Collections:	\$ 33,810,072

## Tax Year 2024 No-New-Revenue Tax Rate Components

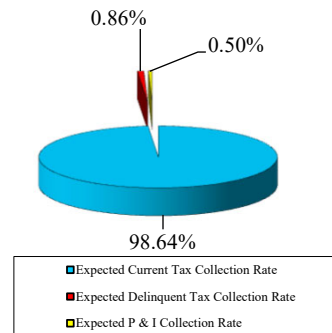
2024 Maintenance and Operations No-New-Revenue Tax Rate	\$ 0.376119 /\$100
2024 I & S Tax Rate	\$ 0.050204 /\$100
Total 2024 No-New-Revenue Tax Rate	\$ 0.426323 /\$100

	Fiscal Year 2024 Current Tax Rate	Fiscal Year 2025 No-New-Revenue Tax Rate	Fiscal Year 2025 Voter-Approval Tax Rate	Fiscal Year 2025 Proposed Tax Rate
Maintenance and Operations Tax Rate	\$ 0.408685	\$ 0.376119	\$ 0.428102	\$ 0.428102
Interest and Sinking Tax Rate	\$ 0.050204	\$ 0.050204	\$ 0.050204	\$ 0.050204
Cents per \$100 Valuation	<u>\$ 0.458889</u>	<u>\$ 0.426323</u>	<u>\$ 0.478306</u>	<u>\$ 0.478306</u>
I & S Tax Levy	\$ 33,810,072	\$ 33,810,072	\$ 33,810,072	\$ 33,810,072
M & O Tax Levy	\$ 275,229,130	\$ 253,297,529	\$ 288,305,526	\$ 288,305,526
Total Tax Levy	<u>\$ 309,039,202</u>	<u>\$ 287,107,601</u>	<u>\$ 322,115,598</u>	<u>\$ 322,115,598</u>
Expected Current Tax Revenues	\$ 304,836,269	\$ 283,202,937	\$ 317,734,826	\$ 317,734,826
Expected Delinquent Tax Revenues	\$ 2,657,737	\$ 2,469,125	\$ 2,770,194	\$ 2,770,194
Expected P & I Revenues	\$ 1,545,196	\$ 1,435,538	\$ 1,610,578	\$ 1,610,578
Total Expected Tax Revenues	<u>\$ 309,039,202</u>	<u>\$ 287,107,601</u>	<u>\$ 322,115,598</u>	<u>\$ 322,115,598</u>
Expected Difference above the No-New-Revenue Tax Rate	<u>\$ 21,931,601</u>	<u>\$ -</u>	<u>\$ 35,007,997</u>	<u>\$ 35,007,997</u>

## For Fiscal Year 2025

Expected Current Tax Collection Rate	98.64%
Expected Delinquent Tax Collection Rate	0.86%
Expected P & I Collection Rate	0.50%
Expected Tax Collection Rate for Fiscal Year 2025	<u>100.00%</u>

## Components of Fiscal Year 2025 Expected Tax Collection Rate



Changing the No-New-Revenue tax rate by 1% results in a change in the expected revenues of :	\$ 2,871,076
Changing the No-New-Revenue tax rate by \$0.01 results in a change in the expected revenues of:	\$ 6,734,509