

Truth in Taxation Changes

Presentation for Government Finance Officers Association of Texas
2021

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Property Tax Assistance Division

Agenda

- Overview of Comptroller's TNT role
- Forms Committee
- Types of rates and rate adjustments
- Calculation worksheet changes
- Notice requirements
- Election and Petitions for Elections
- Website posting requirements
- Resources



OVERVIEW OF COMPTROLLER'S TNT ROLE

Comptroller's TNT Role

- Forms
 - Prescribe TNT calculation forms (Tax Code §5.07)
 - Taxing units must use TNT calculation forms (Tax Code §26.04(d-1))
 - Advisory committee for substantive changes to forms
- Notices
 - Update Notices for de minimis rate adoption
- Technical Assistance

Comptroller's TNT Role

- Posting requirements
 - Prescribe form for posting proposed rates on taxing unit website (Form 50-212; Tax Code §26.04(e))
 - Prescribe the manner in which tax rates are posted on county's internet website (Rule 9.1002; Tax Code §26.16)
 - Prescribe the format for posting tax rate and budget information by taxing unit on website (Tax Code §26.18)
 - New [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) website for Tax Code §26.17.

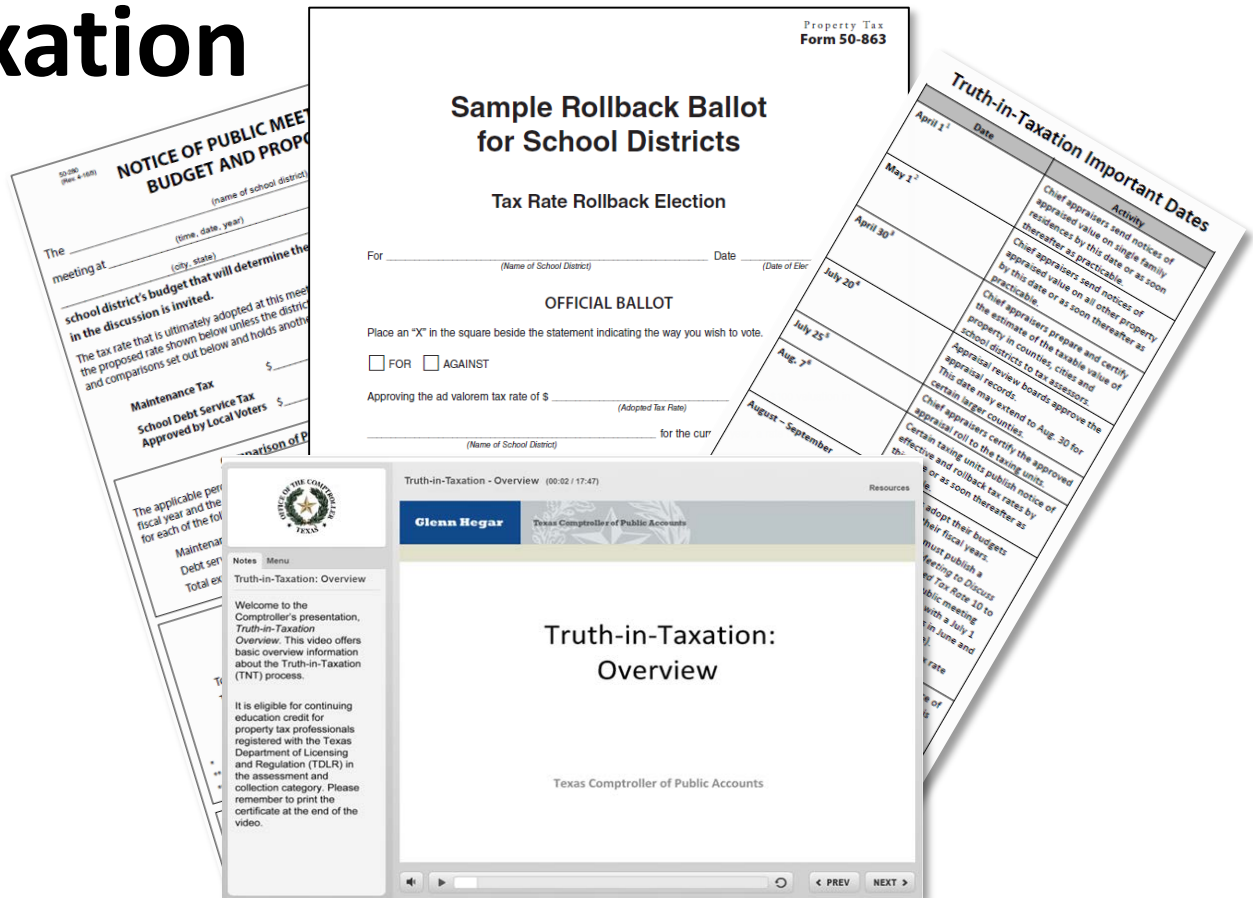
Forms Committee

- Approves substantive changes to the tax calculation worksheets or upon receipt of written request.
- Consist of equal members of Taxpayers, Taxing Units and Assessors.



Truth-in-Taxation

- Worksheets
- Notices
- TNT information
- Statutory citations
- Videos



comptroller.texas.gov/taxes/property-tax/truth-in-taxation/index.php

Tax Rate Calculation Worksheets

- Tax Code §5.07
- Effective date: Jan. 1, 2020
- Electronic Forms
 - Fillable Blanks
 - Certification
 - Transmission

2020 Tax Rate Calculation Worksheet
Taxing Units Other Than School Districts or Water Districts
Form 50-856

Taxing Unit Name: _____ Phone (area code and number): _____
Taxing Unit's Website Address: _____

Taxing Unit's Address, City, State, ZIP Code: _____

GENERAL INFORMATION: Tax Code Section 20.06(c) requires an officer or employee designated by the governing body to calculate the no-mean-revenue (NMR) tax rate and voter approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated value of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by May 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 Tax Rate Calculation Worksheet, School District without Chapter 213 Agreements or Comptroller Form 50-854 Tax Rate Calculation Worksheet, School District with Chapter 213 Agreements.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 Water District Water Approval Tax Rate Worksheet for law tax rate and developing districts or Comptroller Form 50-860 Developed Water District Water Approval Tax Rate Worksheet.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-Mean Revenue Tax Rates

The NMR tax rate enables the public to calculate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes for the new year if applied to the same properties that are taxed in both years. Other appraisal values increase, the NMR tax rate should decrease.

The NMR tax rate for a county is the sum of the NMR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NMR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

No-Mean Revenue Tax Rate Worksheet

Line	Description	Amount	Rate
1.	2019 total taxable value. Enter the amount of 2019 taxable value on the 2019 tax roll today. Include any adjustments since last year's certification, exclude Tax Code Section 23.21(d) one-fourth and one-third vote approval exemptions from these adjustments. Exclude any property value subject to an appeal under Chapter 42, as of July 25, and add undepreciated value in Line 6. This total includes the taxable value of homesteads with tax roll-protected value in Line 2 and the capped value for tax increment financing (TIF) subject taxes in Line 17.	\$	
2.	2019 tax ceilings. Counties, cities and junior college districts. Enter 2019 total taxable value of homesteads with tax ceilings. These include the capped value for homesteads age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2019 or a prior year for homesteads age 65 or older or disabled, use this line.	\$	
3.	Preliminary 2019 adjusted taxable value. Subtract Line 2 from Line 1.	\$	100
4.	2019 total adopted tax rate.	\$	
5.	2019 taxable value less because court appeals of ARB decisions reduced 2019 appraised value.	\$	
A. Original 2019 ARB value: \$ _____			
B. 2019 values resulting from final court decisions: \$ _____			
C. 2019 value less. Subtract B from A: \$ _____			
6.	2019 taxable value subject to an appeal under Chapter 42, as of July 25.	\$	
A. 2019 ARB certified value: \$ _____			
B. 2019 disputed value: \$ _____			
C. 2019 undepreciated value. Subtract B from A: \$ _____			
7.	2019 Chapter 42 related adjusted values. Add Line 5 and Line 6.	\$	

For additional copies, visit comptroller.texas.gov/taxes/property-tax

Form developed by: Texas Comptroller of Public Accounts, Property Tax Assistance Division

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Tax Rate Calculation Worksheets

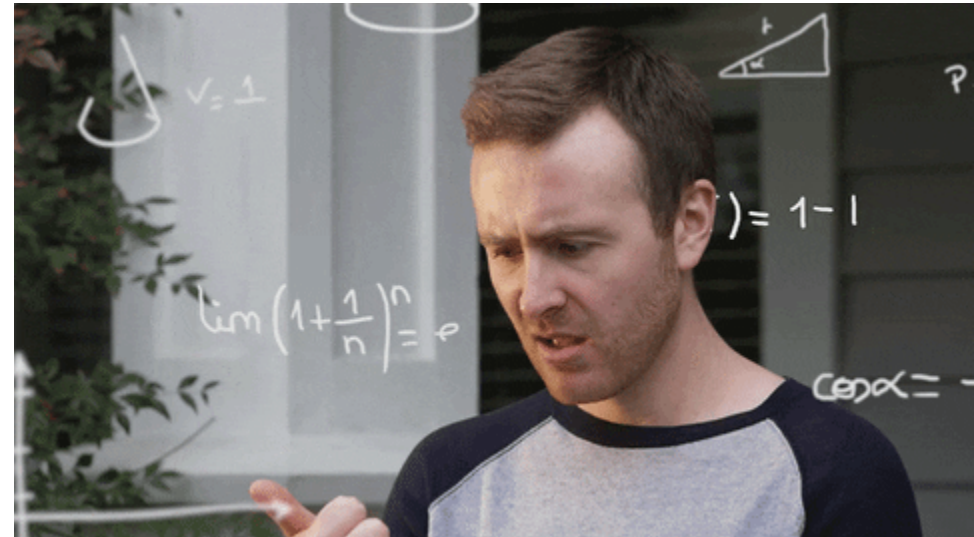
- Taxing units other than school districts or water districts
 - [50-856, Taxing Unit Other Than School Districts or Water Districts](#)
- School districts
 - [50-859, School Districts without Chapter 313 Agreements](#)
 - [50-884, School Districts with Chapter 313 Agreements](#)
- Water districts
 - [50-858, Low Tax Rate and Developing Water Districts](#)
 - [50-860, Developed Water Districts](#)



TYPES OF RATES & RATE ADJUSTMENTS

New Rate Terms to Remember

- No-New-Revenue Tax Rate
- Voter-Approval Tax Rate
- Special Taxing Unit
- De Minimis Rate
- Unused Increment Tax Rate
- Defunding Municipalities
- Emergency Revenue Rate



Changes to Rate Calculations

- No-New-Revenue Tax Rate
 - “Effective Tax Rate”
 - Calculate on Comptroller form
- Debt Rate
 - Anticipated collection rate not lower than lowest actual collection rate in prior 3 years
 - Collection rate may exceed 100%
- De Minimis Rate
 - Allows additional \$500,000 levy

Changes to Rate Calculations

- Voter-Approval Tax Rate
 - “Rollback Tax Rate”
 - Calculate on Comptroller form
 - 3.5% increase to M&O rate
 - 8% increase for special taxing unit
 - Disaster provision for 8% increase
 - New adjustments
 - Unused increment rate
 - Defunding municipalities as defined by Tax Code 26.0501(a)
 - Counties that are determined by the Comptroller to have reduced budget or reallocated funds as described by Local Government Code 120.002(a) without the required vote

Changes to Rate Calculations

- Defunding Municipality
 - Rate adjustment
 - for what was appropriated for public safety in the preceding year minus expenditures for public safety in the preceding year, then dividing by the current year adjust taxable value and multiplying by \$100.
 - For municipalities over 250,000
 - Defunding municipalities may not adopt a tax rate that exceeds the lessor of the NNR or the VAR
 - Must have determination from the Criminal Justice Division of the Office of the Governor per Local Government Code Chapter 109

Changes to Rate Calculations

- For counties with population of more than one million.
- County did not hold election for reducing or reallocating of law enforcement agency budget.
- Upon request of the Criminal Justice Division of the Office of the Governor, the Comptroller shall investigate.
- County may not adopt a tax rate that exceeds the NNR tax rate until the Comptroller issue a written determination that funds have been reversed or restored.

Unused Increment Rate



- Tax Code §26.013
- Applies to a taxing unit other than a special taxing unit
- If actual tax rate doesn't exceed the voter-approval tax rate, taxing unit can “bank” unused pennies.
- Greater of:
 - zero, or
 - voter-approval tax rate before unused increment rate minus actual tax rate, for the prior three years
 - Defunding municipalities calculate as zero.
 - Counties determined to have reduced or reallocated funds as described by Local Government Code 120.002(a) without voter approval, calculate as zero.

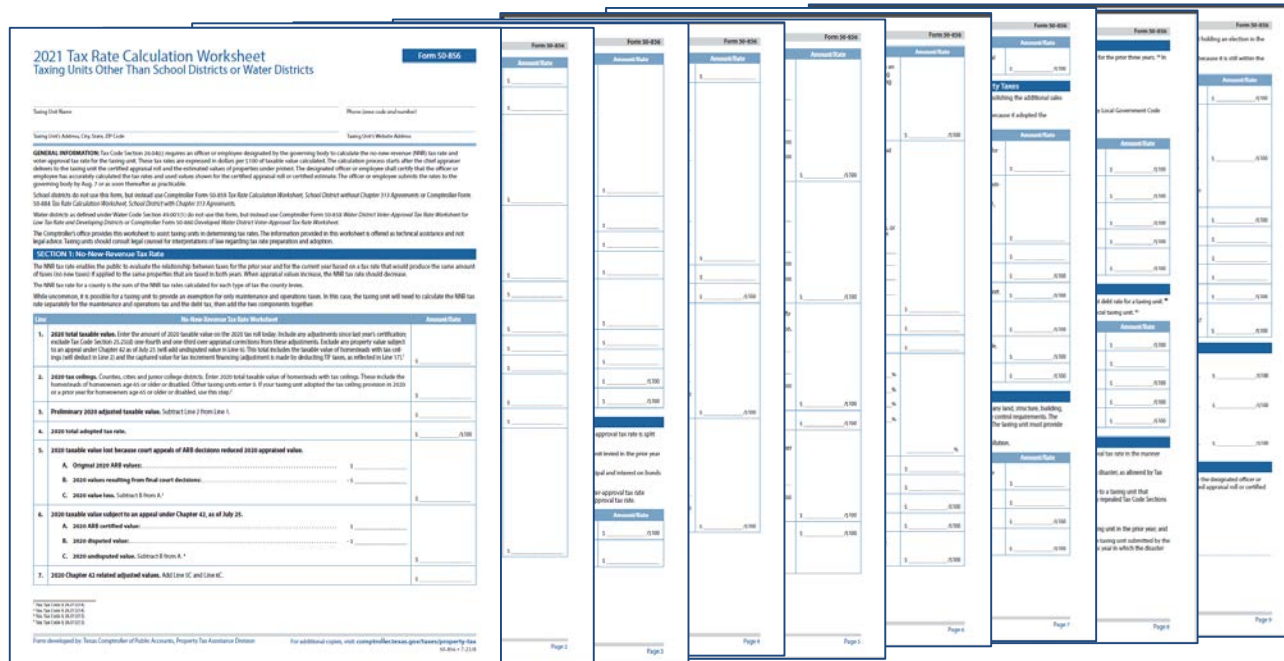
Disaster Declarations

- If at least one person is granted an exemption under Tax Code Section 11.35 for a property located in the taxing unit in an area declared a disaster area during current tax year by Governor or by the President of the United States:
 - A taxing unit may calculate voter-approval tax rate like they are a special taxing unit.
- Lasts until earlier of:
 - 1st year that taxable value exceeds Jan. 1 taxable value of year disaster occurred; OR
 - 3rd year after disaster

Emergency Revenue Rate

- For taxing units that adopted a voter-approval rate as if they were a special taxing unit or without an election.
- Reduces the taxing unit's voter-approval tax rate for the year following the disaster
- Revenue reduction after a disaster

TAX WORKSHEET CHANGES



New Line 13

- The 2020 captured value of property in a TIF
- This is the property that is taxable by a taxing unit in a tax increment financing zone (TIF) for which the 2020 taxes were deposited into the tax increment fund.
- Line 13 replaces the previous years Line 16.
- Line 14 now becomes the 2020 total value instead of the adjusted taxable value.

13.	2020 captured value of property in a TIF. Enter the total value of 2020 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2020 taxes were deposited into the tax increment fund. ⁸	\$ _____
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Line 31A to Line 40

- Removal of Sales Tax specifically to reduce property taxes before the adjusted no-new-revenue M&O rate

Line	Voter-Approval Tax Rate Worksheet
31.	<p>Adjusted 2019 levy for calculating NNR M&O rate. Add Line 31E to Line 30.</p> <p>A. 2019 sales tax specifically to reduce property taxes. For cities, counties and hospital districts, enter the amount of additional sales tax collected and spent on M&O expenses in 2019, if any. Other taxing units, enter 0. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent..... + \$ _____</p> <p>B. M&O taxes refunded for years preceding tax year 2019. Enter the amount of M&O taxes</p>

Line 38

- Rate adjustment for defunding municipalities – HB 1900 from the 87th Legislative Session.
- New Tax Code 26.0444
- The Governors office Criminal Justice Division will give determination on when becoming a defunding municipality.
- Adjustments similar to Line 35 – 37.
- The adjustment is then subtracted for the Adjusted NNR M&O rate.

Line 38 con't.

38.	<p>Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code 26.0444 for more information.</p> <p>A. Amount appropriated for public safety in 2020. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year \$ _____</p> <p>B. Expenditures for public safety in 2020. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year \$ _____</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100 \$ _____ /\$100</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	<p>_____</p> <p>\$ _____ /\$100</p>
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Line 40

- Sales Tax Adjustment moved from line
- From Line 31A on the 2020 tax calculation worksheet to Line 40 on the 2021 tax calculation worksheet.

<p>40. Adjustment for 2020 sales tax specifically to reduce property values. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2020 should complete this line. These entities will deduct the sales tax gain rate for 2021 in Section 3. Other taxing units, enter zero.</p> <p>A. Enter the amount of additional sales tax collected and spent on M&O expenses in 2020, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent</p> <p>B. Divide Line 40A by Line 32 and multiply by \$100</p> <p>C. Add Line 40B to Line 39.</p>	<p>\$</p> <p>\$/\$100</p> <p>\$/\$100</p>
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Line 41 and D41 with regards to a Disaster

- Line 41 is the voter-approval M & O tax rate as specified by the taxing unit you are.
- Line D41 (*disaster*) is the voter-approval M&O tax rate for taxing units affected by a disaster declaration.
- In this line both rates will need to be figured, for future use.

Line 41 & D41 con't.

41.	<p>2021 voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below.</p> <p>Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08.</p> <p>- or -</p> <p>Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.</p>	<p>\$ <input type="text"/> /\$100</p>
D41.	<p>Disaster Line 41 (D41): 2021 voter-approval M&O rate for taxing unit affected by disaster declaration. If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of</p> <p>1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or</p> <p>2) the third tax year after the tax year in which the disaster occurred</p> <p>If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. ²⁷ If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).</p>	<p>\$ <input type="text"/> /\$100</p>

Line 42

- Definition of Debt was expanded based on HB 1869 87th Legislative Session.
- Debt is paid by property tax revenue, are secured by property taxes, are scheduled payments over a period of time longer than one year and are not classified under the taxing units M&O expense.
- If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, **certificate of obligation**, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here.

Line 49 & D49

- Line 49 is the voter-approval tax rate
 - Add lines 41, VAR M&O rate and 48, the debt rate
- Line D49 (disaster) is the disaster voter-approval tax rate
 - Add lines D41, disaster VAR M&O and 48, the debt rate
- Same as line 41 and line D41.

Line 49 & D49

49.	2021 voter-approval tax rate. Add Lines 41 and 48.	\$ <input type="text"/> /\$100
D49.	Disaster Line 49 (D49): 2021 voter-approval tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	\$ <input type="text"/> /\$100

Section 5

- Enter zero if;
- A tax year prior to 2020,
- In a tax year in which a municipalities is considered a defunding municipalities as defined by Tax Code Section 26.0501(a), or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.

Section 5 con't

Unused Increment Rate

Unused Increment Rate

The unused increment rate can be used to increase the voter-approval tax rate, depending upon the tax rates adopted by a city in the previous three years. The unused increment rate is the three year rolling sum of the difference between the actual tax rate and the voter-approval tax rate. A city has the ability to bank any unused amounts below the voter-approval tax rate to use up to three years. Conversely, if a city adopts the voter-approval tax rate all three years (2020-2022), the unused increment rate would be zero.

VOTER-APPROVAL TAX RATE
(Tax rate used to levy taxes in preceding year(s))

— (MINUS)

ACTUAL TAX RATE
(Voter-approval tax rate in preceding tax year less unused increment rate for the preceding year)

=





UNUSED INCREMENT RATE

Maximum Unused Increment Rate – Three Year Look Back Calculation

Taxing units calculate the unused increment rate by comparing the actual tax rates in the previous three-years to the voter-approval tax rate. The maximum tax rate a unit can adopt without triggering an election. This comparison is made before considering the unused increment allowance in the voter-approval tax rate.

If a taxing unit uses any portion of the unused increment rate in a year, the contribution to the unused increment would be zero for that year. The unused increment for any year prior to 2020 is considered zero.

Look back three years

2021 (Year 1)	2022 (Year 2)	2023 (Year 3)	2024
			
1¢	2¢	2¢	5¢ (Max)
Taxing unit adopts a tax rate \$0.01 less than the voter-approval tax rate.	Taxing unit adopts a tax rate \$0.02 less than the voter-approval tax rate.	Taxing unit adopts a tax rate \$0.02 less than the voter-approval tax rate.	Taxing unit may adjust the voter-approval tax rate higher by up to \$0.05 without triggering an election.

For more information, visit our website:
comptroller.texas.gov/taxes/property-tax

Texas Comptroller of Public Accounts
Publication #98-1081
May 2020

- This one-pager helps explain the unused increment rate. It can be found on the TNT website address form the earlier screen.
- This is one of many documents that we have to help explain many of the new terminology.

Section 7

Emergency Revenue Rate Worksheet

- This is for future tax years, not for the 2021 tax year
- For taxing units other than special taxing units
- Reduces the revenue of the Voter-Approval Tax Rate if:
 - Taxing unit has calculated the voter-approval tax rate in the manner of a special taxing unit for a prior year
 - Taxing unit adopted a tax rate that exceeded the Voter-Approval Tax Rate, calculated normally, WITHOUT holding an election to respond to a disaster in the prior year.

Emergency Revenue Rate Worksheet (continued)

In future years, this section will apply to taxing units other than special taxing units that:

- Directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit as if it was a special taxing unit in the prior year; and
 - Current first tax year the total taxable value of property taxable by the taxing unit show to have exceeded the total taxable value of the year following the disaster, or
 - The disaster occurred four years ago.
- The Emergency Revenue Rate Worksheet will not apply to those taxing units that are continuing to calculate the voter-approval tax rate due to still in a disaster calculation time period

Line 73 – Line 80

Line	Emergency Revenue Rate Worksheet	Amount/Rate
73.	2020 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <input type="text"/> /\$100
74.	Adjusted 2020 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. If a disaster occurred in 2020 and the taxing unit calculated its 2020 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2020 worksheet due to a disaster, enter the 2020 voter-approval tax rate as calculated using a multiplier of 1.035 from Line 49. - or - If a disaster occurred prior to 2020 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2020, complete the separate <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2020 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. ⁴⁰ Enter the final adjusted 2020 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2020 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	\$ <input type="text"/> /\$100
75.	Increase in 2020 tax rate due to disaster. Subtract Line 74 from Line 73.	\$ <input type="text"/> /\$100
76.	Adjusted 2020 taxable value. Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <input type="text"/>
77.	Emergency revenue. Multiply Line 75 by Line 76 and divide by \$100.	\$ <input type="text"/>
78.	Adjusted 2021 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <input type="text"/>
79.	Emergency revenue rate. Divide Line 77 by Line 78 and multiply by \$100. ⁴⁰	\$ <input type="text"/> /\$100
80.	2021 voter-approval tax rate, adjusted for emergency revenue. Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	\$ <input type="text"/> /\$100

Section 8

- New is the line that indicates what line used for the no-new-revenue tax rate and the voter-approval tax rate.

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. \$ /\$100

As applicable, enter the 2021 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).

Indicate the line number used:

Voter-approval tax rate. \$ /\$100

As applicable, enter the 2021 voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue).

Indicate the line number used:

De minimis rate. \$ /\$100

If applicable, enter the 2021 de minimis rate from Line 72.

Section 9

- New language that adds certified estimated appraisal roll value.

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in Tax Code.⁵⁰



NOTICE REQUIREMENTS

NOTICES

HEARINGS / MEETINGS



Section 26.06 – Notice, Hearing & Vote On Tax Increase

- Notice language is changed significantly and varies depending on proposed tax rate.
- Section 26.065 Supplemental notice language for ‘de minimis rate’
- If the unit publishes in the newspaper, they must also publish on their website.

Changes to Notice Process

- Estimated taxes goes digital
 - Removed from Notice of Appraised Value in 2020, 2021
 - Creation of Database of Property-Tax-Related Information (CAD)
 - Taxing units must incorporate information and calculation forms in database
 - Chief appraiser sends notice of database by August 7
 - On [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes)
- August 7 proposed tax rate notice goes digital
 - No longer required to be mailed or published in newspaper

Changes to Notice Process

- Only one notice for one hearing on tax increase
 - May not hold hearing until 5th day after all information is available in database and database notice is delivered
 - May not hold hearing until 5th day after hearing notice (prev. 7th)
- New information included in hearing notice
 - Calculated and proposed tax rates listed
 - De minimis rate included, if applicable
 - Election information included, if applicable
 - Table comparing prior year taxes imposed on average homestead

Notice, Hearing & Vote on Tax Increase

- Public hearing notice language changed significantly and varies depending on proposed tax rate
- Notice includes additional table of tax on average homestead
- Supplemental notice on taxing unit homepage
- If unit publishes in newspaper, must also publish on their website
- May vote on tax rate at public hearing or announce date/time/place of public meeting when vote will happen

Simpler, Smarter, Faster



Notice is newspaper or mail that announces one public hearing instead of two and public hearing may not be held before 5th day of notification (Not ISDs). **Small taxing units & Water Districts see enabling legislation.**



At public hearing governing body announce the date/time and place of vote (7 day deadline)

A meeting to vote may not be held later than the 7th day after date of public hearing



New Notice Requirement (50-313)

- Tax Code §26.04(e-2)
- Effective date: Jan. 1, 2020
- Chief Appraisers
- Estimated Tax Amounts on Database
 - Internet Website Address
 - Additional Information from Assessor
 - Assessor Contact Information



Notices Related to Tax Rates

Taxing units other than special taxing units, school districts or water districts

- 50-873, Proposed Rate Exceeds No-New Revenue and Voter-Approval Tax Rate
- 50-876, Proposed Rate Exceeds No-New Revenue, but not Voter-Approval Tax Rate
- 50-877, Proposed Rate Does Not Exceed No-New Revenue Tax Rate, but exceeds Voter-Approval Tax Rate

Notices Related to Tax Rates

Special taxing unit with De Minimis rate

- 50-874, Proposed Rate Is Greater Than Voter-Approval Rate and De Minimis Rate
- 50-875, Proposed Rate Exceeds No-New Revenue and Voter-Approval Tax Rate but not De Minimis Rate
- 50-879, Proposed Rate Does Not Exceed No-New Revenue Tax Rate, but Exceeds Voter-Approval Tax Rate, but not De Minimis Rate
- 50-880, Proposed Rate Does Not Exceeds No-New Revenue Tax Rate, but Exceeds Voter-Approval Tax Rate and exceeds the De Minimis Rate
- 50-878, Proposed Rate Exceeds No-New Revenue and Voter-Approval Tax Rate but De Minimis Rate Exceeds Voter-Approval Tax Rate
- 50-887, Proposed Rate Does Not Exceed No-New Revenue Rate or De Minimis Rate but Does Exceed Voter-Approval Tax Rate

Notices Related to Tax Rates

School districts

- 50-280, Notice of Public Meeting to Discuss Budget and Proposed Tax Rate
- 50-777, Notice of Public Meeting to Discuss Proposed Tax Rate
- 50-786, Notice of Public Meeting to Discuss Budget

Notices Related to Tax Rates

Water Districts and Additional Notices

- 50-304, Water District Notice of Public Hearing on Tax Rate

Additional Notices

- 50-212, Notice of Tax Rates
- 50-757, Small Taxing Unit Notice
- 50-882, Certification of Additional Sales and Use Tax to Pay Debt Service
- 50-883, Notice of Meeting To Vote on Tax Rate



ELECTIONS AND PETITIONS FOR ELECTIONS

OLD –ROLLBACK NEW -VOTER – APPROVAL



✓*vote*

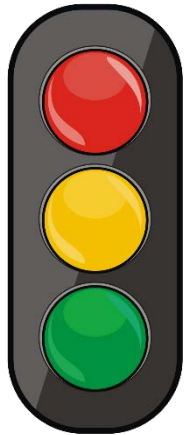
Automatic Election To Approve Tax Rate of Taxing Unit

- An election is automatic when a taxing unit adopts a tax rate that exceeds the Voter-Approval Tax Rate.
- The election to ratify the adopted rate must be held on the November election date.
- If the taxpayers do not approve the higher rate, then the tax rate is the voter-approval tax rate.

Automatic Election To Adopt Tax Rate Of Taxing Unit

Scenario 1: de minimis rate is greater than voter-approval rate

ADOPTED	RESULT
Greater than de minimis rate	Automatic election
Greater than voter-approval rate but less than or equal to de minimis rate	Petition required
Less than voter-approval rate	No election

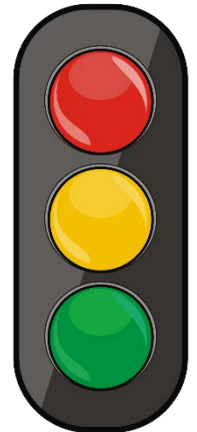


Note: “Voter-approval rates” refers to the standard voter-approval rate (3.5%) used by taxing entities that are not special taxing units and the special taxing unit voter-approval rate (8%).

Automatic Election To Approve Tax Rate Of Taxing Unit

Scenario 2: de minimis rate is less than voter-approval rate

ADOPTED TAX RATE	RESULT
Greater than voter-approval rate	Automatic election
Less than voter-approval rate but greater than or equal to de minimis rate	No election
Less than voter-approval rate and de minimis rate	No election



Note: “Voter-approval rates” refers to the standard voter-approval rate (3.5%) used by taxing entities that are not special taxing units and the special taxing unit voter-approval rate (8%).

De Minimis Rate and Cities <30,000

- If a city with less than 30,000 proposes a tax rate that is
 - Less than the NNR, exceeds the VAR but does not exceed the De Minimis Rate, or
 - Exceeds the NNR and the VAR, but does not exceed the De Minimis Rate
- An election is not required, and
- A petition may not be requested



WEBSITE POSTING REQUIREMENTS

Websites & Databases



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Taxing Unit Website

- Tax Code §26.18
- All Taxing Units to have established as of 2021
- Taxing Unit Website
 - Tax Rate
 - Budget Information



Posting of Tax Rate & Budget Info by Taxing Unit on Website

- Each taxing unit required to have website or access to generally accessible website
- Must post information in format prescribed by Comptroller
- Website must have following information:
 - name of each member of governing body;
 - mailing address, email address, and telephone;
 - official contact information for each member of governing body;
 - budget
 - for two preceding years;
 - proposed or adopted budget for current year;
 - change in budget from preceding year to current year;
 - amount of property tax revenue budgeted for M&O and amount for debt service for preceding two years and current year;
 - tax rates (M&O and debt rate for last two years, proposed M&O and debt rate)
 - Most recent financial audit

Database of Property-Tax-Related Information

- Created and maintained by chief appraiser (larger counties in 2020, and all counties in 2021)
- Location of current year tax rates (no-new-revenue, voter-approval, proposed tax rates) and estimated taxes
- Identified by county name, not by appraisal district
- Searchable by address and owner, unless confidential
- Includes 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."

Database of Property Tax Related Information

- Email address of taxing unit to receive written comments regarding proposed tax rate
- Must allow owners to submit form to taxing unit on opinion of whether proposed tax rate should be adopted
- Link to taxing unit website

Posting of Tax-Related Information on County's Internet Website

Each county **shall** maintain an Internet website.

Must post five years of tax rates (adopted, M&O, debt, no-new-revenue, no-new-revenue M&O, and voter-approval)

Post the TNT forms for the previous 5 years

Post current year TNT forms no later than August 7th



RESOURCES

Property Tax Assistance Website

<http://comptroller.texas.gov/taxes/property-tax/>

- Truth-in-Taxation overview
- One-pagers on TNT, de minimis rate, notices and unused increment.
- Calculation forms
- Sample Notices
- Property tax code and laws publications



Local Protest

- Appraisal Protests and Appeals
- Appraisal Review Boards
- Arbitration Information



Appraisal

- Agricultural, Timberland and Wildlife Management Use
- Appraisal District Board of Directors
- Appraisal District Public Information Packet
- Property Tax Exemptions
- Restricted Use Appraisal
- Special Inventory
- Valuing Property



Assessment/Collection

- Paying Your Taxes
- Property Tax Bills
- Property Taxes in Disaster Areas and During Droughts
- Tax Rates and Levies
- Truth-in-Taxation**



Comptroller Services

- About Us
- Appraisal Review Board Members Training
- Local Government Relief
- Methods & Assistance Program (MAP) Reviews
- Property Tax Institute
- Property Tax Professionals Education
- Property Tax Survey Data and Reports
- Property Tax Videos
- Property Value Study and Self Reports



Resources

- Legal Resources**
- Local Property Information
- Property Tax Calendars
- Property Tax FAQs
- Property Tax Forms**
- Property Tax System Basics
- Publications
- Quarterly Newsletter
- Taxpayer Bill of Rights



Comptroller Web Links

- Ag and Timber Sales and Use Tax Exemptions
- Allocation Historical Summary
- Comptroller's Online Eminent Domain Database
- Local Government Budgeting Guides
- Local Government Debt Transparency
- Primarily Charitable Organizations
- Tax Code Chapter 313 — Value Limitation and Tax Credits
- Texas Hotel Data Search



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Taxes

Property Tax Assistance

TRUTH-IN-TAXATION: TAX RATE ADOPTION

Truth-in-taxation is a concept embodied in the Texas Constitution that requires local taxing units to make taxpayers aware of tax rate proposals and to afford taxpayers the opportunity to limit tax increases. ¹ Property owners have the right to know about increases in their properties' appraised value and to be notified of the estimated taxes that could result from the new value. ²

Creating a budget and adopting a property tax rate to support that budget are major functions of a taxing unit's governing body. This is accomplished by following truth-in-taxation requirements to ensure the public is informed of any increases. The type of taxing unit determines its applicable truth-in-taxation requirements.

If certain taxing units fail to comply with the hearing, notice or tax rate adopting process in good faith, a property owner in the taxing unit may seek an injunction to stop the taxing unit from sending tax bills until it convinces the district court that it has complied with the law. ³ A property owner must act to enjoin collections before the taxing unit delivers substantially all of its tax bills. ⁴ This injunction process does not apply to taxing units with low levies or water districts. ⁵

By providing the following information, the Comptroller's office provides technical assistance and not legal advice. Taxing units should consult legal counsel for questions about the meaning of statutes, notice and hearing requirements and other matters that are unclear in the law.

Resources

[Introducing a New TNT Flyer \(PDF\)](#)

[Tax Rate Calculations and Worksheets](#)

[Notice Requirements](#)

[Hearing Requirements](#)

[Database/Website Requirements](#)

[Elections to Approve Tax Rate](#)

[Forms for Tax Rate Adoption](#)

[Important Dates \(PDF\)](#)

[Texas Constitution Provisions \(PDF\)](#)

[Truth-in-Taxation Videos](#)

[Property Tax Rate Calculation Form Committee](#)

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% Taxes

Property Tax Assistance

LEGAL RESOURCES

[2019 Texas Property Tax Code and Laws Order Form](#)

[Court Decisions and Attorney General Options](#)

[Legal Resources Archive](#)

[Property Tax Rules](#)

[Summary of SB 2 Deadlines](#) (XLSX)

[Texas Property Tax Code](#) (PDF)

(May not be downloaded or re-used for commercial purposes)

[Texas Property Tax Laws](#) (PDF)

(May not be downloaded or re-used for commercial purposes)

[Texas Property Tax Laws Changes 2019](#) (PDF)

Order copies of Property Tax Code and Law books

Summary of all property tax related law changes

Property Tax Assistance Division

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