

Texas Statutes Impacting Budget/Tax Rate Adoption as of January 1, 2020

Statutes pertaining to the proposed/adopted tax rate and corresponding public hearing

Tax Code Title 1. Property Tax Code, Subtitle D. Appraisal and Assessment, Chapter 26. Assessment

Section 26.01 Submission of the 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 unit. This is the same as prior years – no change.*
- (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 the 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.*
- (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 in the appraisal roll approved by the appraisal review board and certified by the chief appraiser....*
- (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 are not included on the appraisal roll certified to the assessor....*
- (e) Expected 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.... This is the same as prior years – no change.*
- (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.*

Key Dates from Section 26.01:

April 30th – Certified Estimate of Taxable Value due from Chief Appraiser.

July 20th – If Appraisal Review Board has not approved the appraisal records the chief assessor shall prepare an estimate of taxable values not later than July 25th

July 25th – Chief Appraiser shall prepare and certify the appraisal roll.

Basically, Section 26.01 says the County will have some sort of value (estimated or certified) by July 25th to use for the calculation of the No-New-Revenue and Voter-Approval Tax Rates.

Section 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.*

- (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...*
- (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....*

Same timeline before SB 2 was adopted. The changes are in what we refer to as the effective tax rate and rollback tax rate. Both of these change as of January 1, 2020. The assessor receives the certified roll and then calculates the effective/no-new-revenue tax rate and rollback/voter-approval tax rate for all taxing entities in Collin County.

Section (d) will be added in 2021 requiring the usage of a form prescribed by the comptroller and for the designated officer/employee to certify the tax rate calculation forms used to calculate the tax rates has used values that are the same values as shown in the certified appraisal roll.

Section (e) will be added in 2021 requiring the designated officer/employee to submit the rates to the governing body by August 7th or as soon thereafter as practicable. The chief appraiser will also have to deliver by regular mail or e-mail to each owner of property located in the appraisal district, a notice that the estimated amount of taxes will be imposed on the owner's property by August 7th or as soon thereafter as practicable. The calculation forms will also have to be included in the adopted budget book.

Section 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 41.101, Election Code, that occurs in November of that 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. ... 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."...*

- (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. ...*
- (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. ... [changes the requirement to only one public hearing](#)*
- (d-1) *The governing body of a taxing unit other than a school district may not hold a public hearing on a proposed tax rate or a public meeting to adopt a tax rate until the fifth day after the date the chief appraiser of each appraisal district in which the taxing unit participates has:*
 - (1) *Delivered the notice required by section 26.04(e-2) [this section doesn't take effect until January 2021](#); and*
 - (2) *Complied with section 26.17(f) [worksheets used to calculate the no-new-revenue and voter-approval tax rates must be made available to the public not later than the third business day after the date the information and forms are incorporated into a database. The chief appraiser of each appraisal district shall create and maintain a property tax database.](#)*
- (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).*

[Calculations must be done for the No-New-Revenue and Voter-Approval Tax Rates. These are then sent to CAD to be published in a database and made public. CAD has 3 days to complete their part. We cannot hold a public hearing on the proposed tax rate until 5 days after CAD has posted the worksheets.](#)

Election Code Title 1 Introductory Provisions, Chapter 3 Ordering Election

Section 3.005 Time for Ordering Election

- (a) *Except as provided by subsections (c) and (d), an election ordered by an authority of a political subdivision shall be ordered not later than the 62nd day before the election day.*
- (b) *This section supersedes a law outside this code to the extent of any conflict.*
- (c) *For an election to be held on a uniform election date, the election shall be ordered not later than the 78th day before the election day.*

[Using the 71st day before the election day as the deadline to order the election in S.B. 2 appears to be a drafting mistake by the legislature. The Election Code states that for an election held on a uniform election date, the election shall be ordered not later than the 78th day before the election day. The code also states the 78th day deadline supersedes any law outside of the Election Code. The 78th day before the 2020 uniform election day \(November 3rd\) is August 17th. The Budget & Finance Office recommends adopting the tax rate by this deadline annually as the tax rate for the next year is unknown at the time the budget calendar is established,](#)

Section 26.06 Notice, Hearing, and Vote on Tax Rate 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... At the hearing, the governing body must afford adequate opportunity for proponents and opponents of the tax increase to present their views. Must have 5 days between the publication of the notice and the tax rate public hearing.*
- (b) *The notice of a public hearing may not be smaller than one-quarter of a standard-size or tabloid-size newspaper, and the headline of the notice must be in 24-point or large type.*
- (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) *The meeting to vote on the tax rate 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... This section specifies “increase”. Due to unknown tax rate at the time the calendar is set, the Budget and Finance Office recommends adopting the budget within the 7 day window after the public hearing, but not at the tax rate public hearing.*

Section 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 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. As stated above, the Election Code states that for an election held on a uniform election date, the election shall be ordered not later than the 78th day before the election day. The code also states the 78th day deadline supersedes any law outside of the Election Code.*
- (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.*

Section 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:....*
- (b) The database must include....*
- (c) The database must provide a link to the internet website used by each taxing unit in which the property is located to post the information described by section 26.18.*
- (d) The database must allow property owners 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...*
- (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:*
 - a. The information described by subsections (b)(5), (6), (7), (12), and (13), as applicable as the information becomes available; and*
 - b. 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.*

Once the No-New-Revenue and Voter-Approval Tax Rates are calculated, the worksheets are provided to the taxing unit and to the chief appraiser to be posted in the database and made public. The chief appraiser has 3 days to do this. The Notice of the public hearing on the tax rate must be published at least 5 days before the hearing is held. After the hearing, we have 7 days to adopt the tax rate.

Local Government Code Title 5. Matters Affecting Public Officers and Employees, Subtitle B. County Officers and Employees, Chapter 152 Amount of Compensation, Expenses, and Allowances of County Officers and Employees, Subchapter B. Amount of Compensation, Expenses, and Allowances Generally Applicable

Section 152.013 Procedure for Setting Amounts for Elected Officers.

- (a) Each year the commissioners court shall set the salary, expenses, and other allowances of elected county or precinct officers. The commissioners court shall set the items at a regular meeting of the court during a regular budget hearing and adoption proceedings.*
- (b) Before the 10th day before the date of the meeting, the commissioners court must publish in a newspaper of general circulation in the county a notice of:*
 - (1) Any salaries, expenses, or allowances that are proposed to be increased; and*
 - (2) The amount of the proposed increases.*
- (c) Before filing the annual budget with the county clerk, the commissioners court shall give written notice to each elected county and precinct officer of the officer's salary and personal expenses to be included in the budget.*

In order to adopt the budget, tax rate and elected officials' salaries by August 17, 2020 (78 days prior to the uniform election day), the public notices for the Tax Rate Public Hearing, Proposed Budget Public Hearing, and Proposed Elected Officials Salaries must be published by August 7th .

Statutes relating to the proposed/adopted budget and corresponding public hearings

Local Government Code Title 4. Finances, Subtitle B. County Finances, Chapter 111. County Budget
Collin County operates under Subchapter C. Alternate Method of Budget Preparation in Counties with Population of More than 125,000

Section 111.067 Public Hearing on Proposed Budget

- (a) The commissioners court shall hold a public hearing on the proposed budget. Any taxpayer of the county may attend and may participate in the hearing.*
- (b) The commissioners court shall hold the hearing on a day within 10 calendar days after the date the proposed budget is filed...*
- (c) The commissioners court shall publish notice that it will consider the proposed budget on the date of the hearing.*

This section is silent on when the notice is to be published.

Section 111.0675 Commissioners Court: Special Notice by Publication for Budget Hearing

- (a) A commissioners court shall publish notice before a public hearing relating to a budget in at least one newspaper of general circulation in the county.*
- (b) Notice published under this section is in addition to notice required by other law. Notice under this section shall be published not earlier than the 30th day or later than the 10th day before the date of the hearing.*

Section 111.067 states the public hearing must be held *within 10 days of the proposed budget is filed*, however section 111.0675 states the notice for the public hearing relating to the budget shall be published *not earlier than 30 days or later than the 10th date before the date of the hearing*. In previous years the proposed budget was filed on the 10th day before the date of the hearing thereby meeting the maximum allowable time under section 111.067 and the minimum time under section 111.0675. Due to the changes made to statutes for the timeline on adopting the tax rate, the public hearing notice will need to be published before the proposed budget is filed. Notice for the proposed budget hearing will be published as soon as the Budget Office has the correct wording for the notice. The wording is set by statute and is dependent on the proposed tax rate.

Section 111.068 Adoption of Budget

- (a) At the conclusion of the public hearing, the commissioners court shall take action on the proposed budget. A vote to adopt the budget must be a record vote.*

Due to Tax Code changes, the Proposed Budget Public Hearing will be held on Monday, August 17th. The budget will be adopted at the same meeting.