

# 65<sup>TH</sup> ANNUAL COUNTY AUDITORS INSTITUTE

TRUTH-IN-TAXATION:  
WHAT IS IT???????

INFO FOR COUNTY AUDITORS

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ATTORNEYS AT LAW

# TODAY'S DISCUSSION

1. A Little TNT History
2. TNT Timeline
3. Important TNT Rate Calculations
4. Proposed Tax Rate and Notice
5. Adopted Tax Rate and Postings
6. On Your Mind

• Jan.1 -  
May 15

• May 15  
- July 25

Appraisal

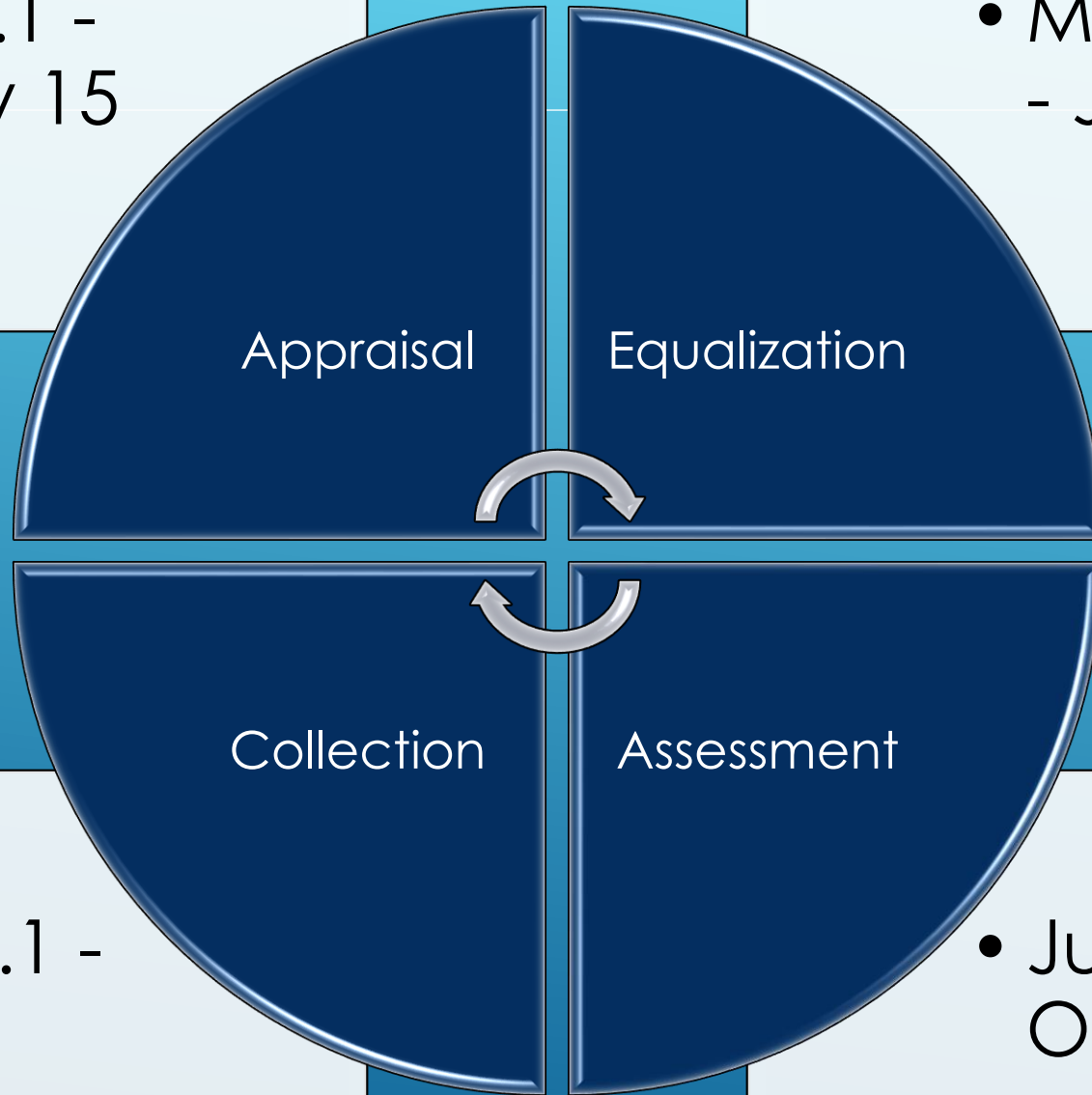
Equalization

Collection

Assessment

• Oct.1 -

• July 25 -  
Oct.1



# A LITTLE HISTORY

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- ▶ Before 1978, the Texas Constitution required all property owners to pay property taxes, except for federal exemptions, government properties, churches, and schools.
- ▶ Farm land benefited from lower valuation but the only individual property exemption was for Texans over the age of 65 who could qualify for a limited, partial reduction on their homestead.
- ▶ Most other real and personal property was taxed, including automobiles, household furniture, stocks, bonds and cash in the bank.

# AN UNFAIR SYSTEM

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- ▶ Although the Texas Constitution requires taxation to be equal, uniform, and based on market value, there was no uniform statewide process in place and each taxing jurisdiction determined their own taxable value and had their own tax assessor/collector/appraiser. Property owners often were taxed on widely varying values on the same property and under various assessment ratios.
- ▶ Protests were decided by the taxing unit Board of Equalization (BOE).
- ▶ County commissioners court served as the County BOE. Cities selected their own BOE.
- ▶ School Districts could each select their own BOE, and though many maintained a district office for assessment, collection and equalization function, ISDs often authorized the city assessor, city collector, and city BOE to act on behalf of the school district in assessment, collection and equalization functions.
- ▶ There was no provision in law for appeal of BOE actions for taxpayers, however they could initiate action in District Court.



## TRUTH-IN-TAXATION EVOLUTION

In 1979 the  
Legislature made  
sweeping  
changes in the  
Texas property  
tax system



# PROPERTY TAX CODE ADOPTED

- ▶ The Texas Property Tax Code was adopted in the 66<sup>th</sup> Legislative Session, and a Constitutional amendment was passed that consolidated the valuation function into one office in each county – the local appraisal district, headed by a chief appraiser who is hired by the Board of Directors.
- ▶ The chief appraiser of each appraisal district determines the value of each property, hires staff, prepares budgets, administers applications for exemptions, and oversees day-to-day district operations.
- ▶ A single Appraisal Review Board was also created to hear value protests by property owners and challenges by taxing units.
- ▶ Chief Appraisers certify the taxable value of property to each taxing unit within the county. Those taxing units then use this taxable value information to determine a tax rate that will fund their individual budgets for their upcoming fiscal year.

# Constitution Article 8 Section 21

## “Truth-in-Taxation”

- ▶ “Truth in Taxation” is a concept embodied in the Texas Constitution and the Tax Code that requires local taxing units to make taxpayers aware of tax rate proposals and to afford taxpayers the opportunity to limit tax increases.
- ▶ It is the duty of the taxing unit to calculate and publish certain benchmark rates using certified or certified estimated values before adopting a tax rate.
- ▶ Truth in Taxation, in most circumstances, requires an automatic election to ratify any adopted tax rate in excess of statutorily stated limits.
- ▶ The 86<sup>th</sup> Legislature made the first significant changes to TNT in over 30 years followed by additional changes in the 87<sup>th</sup> Legislative session(s).



TNT LAW:

**County** – Tax Code Ch. 26

# TAX RATE ADOPTION TIMELINE

**Tax Code:** If last day to act is on Sat/Sun or holiday, next business day.

**April 30** – Preliminary values from CAD – Taxing units begin work on budgets

# TAX CODE

## Section 26.01(a)

**July 25** – Chief appraiser prepares and certifies the appraisal roll to each taxing unit within the appraisal district

# TAX CODE

## Section 26.01(a-1)

If the Appraisal Review Board has not approved the appraisal records **BY JULY 20**, the chief appraiser shall not later than **July 25** certify an estimate of taxable value to be used in **TNT** rate calculations. (Section 26.04(c-2))

**Section 26.04(b) - August 1** or soon thereafter – Tax assessor submits values, including new real and personal property values for this year, to governing body.

**Section 26.04(b) - August 1** or soon thereafter the collector submits this year’s anticipated debt collection rate and any excess debt collections in the previous year to the governing body.

**Section 26.04(c)** – After the appraisal roll has been submitted to the governing body, the assessor shall calculate the “no new revenue rate” and the “voter approval tax rate” for the taxing unit.

# August 7 or as soon as possible

- The assessor submits calculated TNT rates to taxing unit;
- Taxing unit posts TNT rate worksheets on taxing unit website homepage with certain additional info;
- Chief appraiser sends postcard to each property owner about property tax database website.
- Post card must be out five (5) days before taxing unit may hold a public hearing on a tax increase or adopt a tax rate.



**August** – Taxing unit meeting for record vote to propose a tax rate and if necessary announce date, time and location of public hearing to discuss tax increase. (assessor adds proposed rate information to property tax database)

**August/September** — Publish one notice 5 days before meeting to adopt tax rate or public hearing on tax increase; Hold public hearing on tax increase or meeting to adopt tax rate not less than 5-days after notice publication and chief appraiser's mailing of postcards; Adopt tax rate following public hearing or no later than 7 days after public hearing.

# RATE TIMELINE CONT'D

**August 21** - Deadline to adopt tax rate and order election for Nov 8, 2023 General Election. 78 days before Election Day(as per Election Code) if adopted rate will trigger an election

## OTHERWISE

**Before Sept 30** or 60 days after receiving certified values;

**October 1** - Assessor date to mail bills

**November 8** – Election day

# RATE CALCULATIONS

Texas Comptroller

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

under *Assessment & Collection*

***Truth-in-Taxation***

# 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 roll back or limit tax increases. <sup>1</sup> Property owners have the right to know about increases in their property appraised value and to be notified of the estimated taxes that could result from the new value. <sup>2</sup>

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. <sup>3</sup> A property owner must act to enjoin collections before the taxing unit delivers substantially all of its tax bills. <sup>4</sup> This injunction process does not apply to cities, counties, small taxing units or water districts. <sup>5</sup>

### Resources



[Tax Rate Calculations and Worksheets](#)

[Notice Requirements](#)

[Hearing Requirements](#)

[Rollback Elections](#)

[Forms for Tax Rate Adoption](#)

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

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

[Truth-in-Taxation FAQ](#)

[Truth-in-Taxation Videos](#)

# DATA NEEDED FROM COUNTY

- ❖ County Collector - anticipated collection rate for debt
- ❖ County Auditor - Debt payments for next year's budget
- ❖ County Auditor - Unencumbered fund balances – M&O & Debt
- ❖ County Auditor -Additional sales tax collected & spent for M&O
- ❖ Will any sales tax collections be used to offset debt payments? Affidavit to sign
- ❖ County Auditor - County's cost of pollution problem to fix
- ❖ County Auditor – Costs to house state prisoners 22-23 vs 21-22
- ❖ County Auditor - Enhanced Indigent Health Care 22-23 vs 21-22
- ❖ County Auditor - Costs for indigent defense 22-23 vs 21-22
- ❖ County Auditor - Cost to fund county hospital 22-23 vs 21-22
- ❖ County Auditor – Total Paid into TIF/TIRZ in 2022



# Certification of Additional Sales and Use Tax to Pay Debt Services

THE STATE OF TEXAS,

County of \_\_\_\_\_

Chief Financial Officer or Auditor: \_\_\_\_\_

For the taxing unit : \_\_\_\_\_

Hereby certifies that the amount of additional sales and use tax revenue collected to pay debt service has been deducted from the total amount described by Tax Code Section 26.05(e-1), 26.04(e)(3)(C) and 26.05(a)(1).

This certification is submitted to the governing body of \_\_\_\_\_ on \_\_\_\_\_ .

Signature of Financial Officer or Auditor



**Counties use**

**Comptroller Form 50-856**

# TNT RATE NAMES

No-new-revenue rate : NNRR

Voter-approval tax rate: VATR

De minimis rate: DMR

Unused Increment Rate: UIR

Emergency Revenue Rate: ERTR

## **NO-NEW- REVENUE TAX RATE (NNRR)**

**DEFINED:**

**FACT:**

- ▶ **CALCULATED TAX RATE THAT WOULD PROVIDE THE TAXING UNIT WITH ABOUT THE SAME AMOUNT OF REVENUE GENERATED IN THE YEAR BEFORE ON PROPERTIES TAXED IN BOTH YEARS**
- ▶ **IF PROPERTY VALUES RISE, THE NNRR WILL GO DOWN AND VICE VERSA**

# **VOTER APPROVAL TAX RATE (NNRR)**

**DEFINED:**

**FACT:**

- ▶ **A CALCULATED MAXIMUM TAX RATE ALLOWED BY LAW WITHOUT VOTER APPROVAL(Limiting Rate)**
- ▶ **PROVIDES A TAXING UNIT WITH A RATE THAT ALLOWS FOR LIMITED GROWTH OF M & O TAX REVENUE + CURRENT DEBT OBLIGATIONS**

# COUNTY FUNDS

Counties vary from 1 to 3 funds:

County General Fund (rate limit \$0.80)

County Farm-to-Market (FMFC) with  
\$3,000 Homestead Exemption (\$0.30)

County Special Road Fund (\$0.15)

## Counties with several funds –

Calculate each fund separately  
then add each calculated NNRR  
together for a TOTAL NNRR.



# NNRR Worksheet Calculations

**No-new-revenue rate** raises *about* same total \$\$\$ as prior year on properties *taxed in both years*. 27 Steps!

2022 taxes adjusted for lost taxes

2023 value adjusted

x \$100

# VOTER-APPROVAL RATE

Add 2 parts:

**Maintenance & Operations (NNRR M&O) =**  
2022 M&O taxes / 2023 values + 3.5% or 8%

+

**2023 Debt Service Rate (I&S) =** Rate needed to meet upcoming payments on debt secured by property taxes. Note definition of debt.

# VOTER-APPROVAL TAX RATE

## County

**SPECIAL PROVISIONS:** county state criminal justice mandate, indigent health care, county indigent defense, county hospital expense, total of last four quarters of sales tax revenue to reduce property tax collected and the total collected and spent for M & O, disaster declaration

# VOTER-APPROVAL RATE

**2023** Voter Approval M&O rate, add % increase allowed by law:

**3.5%** M&O increase for county

# VOTER-APPROVAL RATE

## Voter approval rate for taxing unit affected by disaster.

8% M&O increase if taxing unit located in a declared disaster area and at least one person is granted the exemption under Tax Code Section 11.35 for property in the taxing unit. The governing body may direct the assessor to calculate the voter approval rate in the manner provided for a special taxing unit.

*If the county qualifies under this scenario, Adjusted Voter Approval M & O Tax Rate is increased by 8% instead of 3.5%.*

# VOTER-APPROVAL RATE

## 2<sup>nd</sup> Part:

**2023 Debt Service Rate (I&S)** – Rate needed to meet upcoming payments on debt secured by property taxes.



# Debt (I&S) Rate: 26.012(7),(8),(9)

(1) paid solely from property tax;

(2) paid for more than one year;

(3) not budgeted as M&O expense;

(4) secured by property tax pledge. **HB1869 Note**

**A.** Total for Debt Schedule

**B.** Less unencumbered fund balances, amounts from sales tax, or other resources

# HB 1869 87<sup>TH</sup> REGULAR SESSION EFFECTIVE 9 /1/2021

## Definition of Debt, cont'd (for debt issued after effective date)

Meets of ONE of the following requirements:

### Section 26.012(7)(A)(ii)

- ▶ (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
- ▶ **Section 26.012(7)(B)** a payment made under contract to secure indebtedness of a similar nature issued by another political subdivision

# Certified 2022 Excess Debt Collections

## Section 26.012(10)

Certified by Collector

If actual 2022 debt tax collected exceeded 2022 TNT worksheet debt requirement, **excess** is certified by tax collector and entered in 2023 worksheet to lower 2023 debt requirement.

# 2023 Anticipated Collection Rate

## Section 26.04(b)

- ✓ By August 1, the Collector certifies anticipated collections rate for 2023 to governing body (current, delinquent, penalty & interest, rollback, etc.) from July 1, 2023 to June 30, 2024.
- ✓ TNT Worksheet: Anticipated Collection Rate used cannot be lower than **actual** collection rate of any of 3 previous years; **may exceed 100%**.
- ✓ Compares to past 3 years of actual collection.
- ✓ Collections anticipated above 100% deducted from debt obligation in deciding 2023 I&S rate.

# 2023 Anticipated Collection Rate

## Example:

2023 Certified Anticipated Rate = 97%

2022 Actual Collection = 100%

2021 Actual Collection = 103%

2020 Actual Collection = 101%

**2023 Anticipated Collection Rate to Use = 100%**

$$\text{Adjusted Debt Total} / \text{2023 Total Taxable Value} = \text{Debt Rate}$$

Includes all taxable property EXCEPT taxable value of tax ceilings and captured value in TIRZ

=

# Additional Sales Tax

## Determine Sales Tax Adjustment Rate

**Adjust** NNRR Rate for new sales tax – do not adjust NNRR if this is not first year to collect sales tax

**Adjust VATR for new AND previously adopted sales tax.**

# Counties: 2023 Voter-Approval Rate

Counties add each fund for a total 2023 county voter-approval rate...

**PRIOR to more adjustments**

May or may not apply to your unit ...  
over 50 steps in VATR process!



**BRACE YOURSELF**

**ADJUSTMENT IS COMING!**

makeameme.org

## M&O Protection for Pollution Control

Needed extra taxes to fix pollution problem.

Requires letter from TCEQ certifying problem and \$\$ amount.

Give letter from TCEQ to tax assessor.

# 63-67 UNUSED INCREMENT RATE

**Unused Increment Rate** (Does not apply if calculating VATR for Disaster Declaration purposes – (8.00% instead of 3.5%))

YEAR	VOTER APPROVAL TAX RATE	Less UIR from Prior Year (Tax Code 26.013)	Adjusted VATR	Less Adopted Tax Rate	Current Year UIR				
2022	0.094421	0.000000	<b>0.094421</b>	0.094421	0.000000	Line 63			
2021	0.098020	0.003800	<b>0.094220</b>	0.094220	0.000000	Line 64			
2020	0.09725	0.000000	<b>0.097250</b>	\$0.093450	0.00380	Line 65			
	Applicable 2022 Line:				<b>0.003800</b>	<b>Line 66</b>			
	49, D49, 50, 58 62, 67, 80						Line 63 is ok to be a negative number unless the adopted tax rate exceeded the VATR due to use of DMR rate allowances		
							If line 63 is a negative number because of use of the DMR Line 63 = 0		
	Applicable 2023 Line:								
	49, D49,50, 58,62	<b>2023 VATR</b>	<b>Add Line 66</b>	<b>Line 67 VATR Adjusted for UIR</b>					
		0.09334	0.00380	<b>0.09714</b>					
Entities may adopt a tax rate equal to the total VATR without triggering an election.									

**Section 26.04(2)(b) definition of VATR:**

**(NNRR M & O RATE X 1.035) + (DEBT RATE + UNUSED INCREMENT RATE)**

# EMERGENCY REVENUE RATE

**Section 26.042(a)** – Allows VATR to be calculated at 8% (VATR worksheet) in response to a declared disaster that is not a drought, epidemic or pandemic and at least one person is granted an exemption under Section 11.35. The designated officer/employee SHALL continue calculating the VATR in this manner until the earlier of:

**SECTION 26.042(a)1** – The first tax year the taxable value for the taxing unit as shown on the appraisal roll submitted for the taxing unit exceeds that total taxable on Jan 1 of the year of the disaster, or

**SECTION 26.042(a)2** – 3rd tax year after tax year in which the disaster occurred

# EMERGENCY REVENUE RATE

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- ▶ Section 26.042(d) – Allows a tax rate to be adopted that exceeds the VATR without an election under Section 26.07, for a tax rate adopted for a year following a year in which the governor has declared a disaster has occurred in any part of the taxing unit and :
  - ▶ Is not drought
  - ▶ Epidemic, or
  - ▶ Pandemic, and
  - ▶ Has affected the taxing unit

# EMERGENCY REVENUE RATE

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- ▶ Tax Rate Adjustment for Emergency Revenue in response to a Declared Disaster
- ▶ Adjustment depends on method of generating Emergency Revenue in the VATR calculation:
  - ▶ Section 26.042(a)
  - ▶ Section 26.042(d)
  - ▶ Section 26.042(e)
- ▶ Results in VATR adjustment for Emergency Revenue Recapture



# DE MINIMIS RATE - ALL COUNTIES

No-new revenue M & O rate

+

Rate applied to total taxable value  
to generate \$500,000

+

Debt Rate

**DMR is only considered if greater than VATR**



# IF DMR EXCEEDS VATR

County may adopt a rate up to total DMR and not trigger an automatic election.

If the adopted rate exceeds the VATR calculated @8% but does not exceed DMR, Voters may petition for election.

# Total Tax Rates

No-New-Revenue Rate (27)

Voter-Approval Rate ( either 49, D49, 50, 58, 62, or 67 less Line 80, if applicable)

De Minimis Rate (72)

# Total Tax Rates Name & Signature

Person who prepared calculations (as authorized by taxing unit) signs and dates calculation worksheet under oath the calculations were done using the certified or certified estimated value supplied by the Appraisal District in accordance with the Tax Code.

# TNT Calculations

- ❖ By August 7 or soon thereafter, assessor submits to taxing unit's governing body
- ❖ Calculations available for inspection in tax office
- ❖ Post on taxing unit's homepage certain items in Sec. 26.04(e)

# Website Posting – Form 50-212 26.04(e)

## COUNTY REQUIRED TO POST.

- ❖ NNR, VAR and how calculated
- ❖ Estimated unencumbered amount of debt fund & M&O fund at end of current fiscal year
- ❖ Schedule of debt obligations showing principal, interest and fees to be paid for debt from 2023 property taxes; Amount debt payment increased by anticipated collection rate; & Total amount of debt, less excess collections in previous year, if any

# Website Posting – 26.04(e) Counties:

- ❖ If state criminal justice mandate, include description and amount (Sec. 26.044c)
- ❖ If indigent health care, include description & amount (Sec. 26.0441c)
- ❖ If county indigent defense compensation, include description & amount (Sec. 26.0442c)
- ❖ If county hospital, include description & amount (Sec. 26.0443c)

# County Website Posting – Sec. 26.18

- Budget for preceding 2 years
- Proposed or adopted budget for current year
- Change in budget from preceding to current year by dollar and %
- M&O & debt revenue budgeted for preceding 2 & current year (not for ISD)
- M&O rate for preceding 2 years
- Debt /I&S tax rate for preceding 2 years
- Proposed M&O rate for current year
- Proposed debt/I&S rate for current year
- Most recent financial audit

# Budget Appendix –Effective 1/1/2021

Add TNT calculation worksheets as an appendix to the budget for the fiscal year the calculations apply.



# NOTICE OF TAX RATE

- ❖ 9 versions depending on proposed rate
- ❖ Lists how elected officials voted on the proposed rate.
- ❖ Includes statement about 86<sup>th</sup> Legislature modified rate calculation to limit growth.
- ❖ Includes chart at bottom of notice comparing average homestead taxes ...  
5 rows, 4 columns.

	<b>2019</b>	<b>2020</b>	<b>Change</b>
<b>Total tax rate (per \$100 of value)</b>	2019 adopted tax rate	2020 proposed tax rate	(Increase/Decrease) of (nominal difference between tax rate for preceding year and proposed tax rate for current year) per \$100, or (percentage difference between tax rate for preceding year and proposed tax rate for current year)%
<b>Average homestead taxable value</b>	2019 average taxable value of residence homestead	2020 average taxable value of residence homestead	(Increase/Decrease) of (percentage difference between average taxable value of residence homestead for preceding year and current year)%
<b>Tax on average homestead</b>	2019 amount of taxes on average taxable value of residence homestead	2020 amount of taxes on average taxable value of residence homestead	(Increase/Decrease) of (nominal difference between amount of taxes imposed on the average taxable value of a residence homestead in the preceding year and the amount of taxes proposed on the average taxable value of a residence homestead in the current year), or (percentage difference between taxes imposed for preceding year and taxes proposed for current year)%
<b>Total tax levy on all properties</b>	2019 levy	(2020 proposed rate x current total value)/100	(Increase/Decrease) of (nominal difference between preceding year levy and proposed levy for current year), or (percentage difference between preceding year levy and proposed levy for current year)%

# NOTICE VERSIONS – NO TAX INCREASE

**50-883 Proposed rate does not exceed the  
lower of the NNRR or VATR**    Sec. 26.061

# NOTICE VERSIONS – W/DE MINIMIS RATE

5 versions depending on proposed rate Sec. 26.063

- ❖ **#5: 50-874** exceeds NNR & VAR & DMR. Election. (b)
- ❖ **#6: 50-875** exceeds NNR & VAR but not DMR. Petition may be required for election. 26.06(b-1) & 26.063(c) or (d)
- ❖ **#7: 50-878** exceeds NNR, VAR & DMR; DMR exceeds VAR 26.06(b-1) and 26.063(b) Election
- ❖ **#8: 50-879** does not exceed NNRR or DMR but exceeds VAR. Petition may be required for election. 26.06(b-3) & 26.063(c) or (d)
- ❖ **#9: 50-880** does not exceed NNRR; exceeds VAR and DMR exceeds VAR. 26.06(b-3) & 26.063(b) Election

# Legal newspaper

- Devotes certain percentage to general interest items.
- Regularly published for at least 12 months before notice placed.
- Entered as periodical postal matter in county where it is published.



## Section 26.17 Database

- ❖ Website database maintained by CAD for each property with preliminary/revised tax information for each taxing unit.
- ❖ Owner can see what proposed taxes will be on property and contact taxing unit about tax increase.
- ❖ CAD sends notice/postcard to each owner by August 7 that estimated amounts are on website, specific statements required on notice.

## Section 26.17 Database

- ❖ Owner may electronically complete & submit opinion on proposed tax rate.
- ❖ Owner must provide name, contact info, property's physical address.
- ❖ Form available at any time from date proposed until adopted rate.

## 5. Adopt Tax Rate

- ❖ Adopt in 2-parts: M&O and Debt (I&S)
- ❖ If tax rate **not** adopted following public hearing, announce before adjourning date, time, place at which vote to adopt tax rate will take place.
- ❖ Later meeting is no later than 7 days after public hearing. *No notice for this meeting.*



# 5. Adopted Tax Rate & Postings

- ❖ Section 26.05
- ❖ IF adopted rate exceeds no-new revenue rate, governing body member reads Sec. 26.05 motion:

*“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.”*

# Adopting Tax Rate

Section 26.05 language **in court order** using larger type if increasing M&O taxes.

On **Website**, too.

*"THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE."*

# Adopting Tax Rate

If adopted (M&O) tax rate exceeds NNR **M&O** rate, statement in court order & on website:

*"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)."*

# Super Majority for Tax Increase

Section 26.05(b):

Taxing unit governing body takes record vote on tax rate with at least 60% in favor, if rate exceeds the lower of the total no-new-revenue or voter approval tax rate.

# County Meeting to Adopt Rate

**County quorum:** at least 4 members must be present to adopt tax rate and at least 3 must vote for rate. County judge considered a member for voting.

# Deadline to Adopt Rate

Section 26.05(a): By Sept. 30 or 60th day after taxing unit received appraisal roll (if later).

**August 21, 2023** -- To exceed voter-approval rate or De Minimis Rate that exceeds the VATR, must adopt tax rate no later than **78 days** before November 8, 2023 election date. (**Election Code - 78 days**)

# Deadline to Adopt Rate

Section 26.05(c):

Failure to adopt by date results in adopting either no-new-revenue rate or last year's rate, whichever is lower.

# **WARNING**

Deadlines in schedule  
are closer than they  
appear



# Failure to Comply:

Assessor or designated officer, chief appraiser or taxing unit failed to comply with computation or posting, property owner may seek injunction to stop rate adoption and/ or sending of tax bills **by filing within 15 days of rate adoption.**

Includes award of **reasonable attorney fees, court costs.** Defense that failure was in good faith.

# 6. On Your Mind



???

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