

The seal of the Texas Comptroller of Public Accounts is visible in the background. It features a central five-pointed star surrounded by a wreath of olive and oak branches. The words "THE COMPTROLLER" are written in a circular path around the top, and "TEXAS" is at the bottom.

Glenn Hegar

Texas Comptroller of Public Accounts

Texas Property

Tax Law

Changes

as of

September 2019

Property Tax Bills: 86th Texas Legislature

This publication includes highlights of recent legislation relating to property tax. The highlights are general summaries and do not reflect the exact or complete text of the legislation highlighted. Not all legislation impacting property tax is addressed. Please be advised that this information is being provided solely as an informational resource. The information provided is not intended for use in lieu of, or as a substitute for, the legislation referenced herein and should not be relied upon as such. Additionally, the information provided neither constitutes nor serves as a substitute for legal advice. Questions regarding the meaning or interpretation of any information included or referenced in this publication should, as appropriate or necessary, be directed to an attorney or other appropriate counsel.

*The Legislature enacted **HB 4172** which made nonsubstantive revisions of certain local laws concerning water and wastewater special districts. The Legislature enacted laws impacting specific special districts that impose a property tax; these bills and **HB 4172** are also not included in this publication.*

*Governor Greg Abbott vetoed three bills with property related provisions, including **SB 1804** which would have modified the definition of “additional sales and use tax” for a hospital district that imposes the sales and use tax under Special District Local Laws Code Chapter 1061, Subchapter G, relating to the Midland County Hospital District of Midland County, Texas. Other bills added a similar provision into law. The Governor vetoed **HB 994** which would have allowed certain taxpayers in one county to appeal appraisal review board determinations to justice court. Finally, the Governor vetoed **HB 2111** which would have allowed certain school districts to continue to receive a Property Value Study deduction related to taxes paid into a tax increment fund for the duration of the reinvestment zone as determined under Tax Code Section 311.017.*

The following acronyms are used in this document:

HB	House Bill
HJR	House Joint Resolution
SB	Senate Bill
PUC	Public Utility Commission of Texas
TCEQ	Texas Commission on Environmental Quality
TDLR	Texas Department of Licensing and Regulation
TEA	Texas Education Agency

The Property Tax Assistance Division at the Texas Comptroller of Public Accounts provides property tax information and resources for taxpayers, local taxing entities, appraisal districts and appraisal review boards.

For more information, visit our website comptroller.texas.gov/taxinfo/proptax or call us toll-free at 1-800-252-9121 (press 2 to access the menu, then press 1 to contact the Information Services Team). In Austin, call (512) 305-9999.


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Tax Code

Chapter 1. General Provisions

Section 1.04

SB 1943 amends this section to add subdivision (20) to provide that “heir property” means real property:

- owned by one or more individuals, at least one of whom claims the property as the individual’s residence homestead; and
- acquired by the owner or owners by will, transfer on death deed, or intestacy, regardless of whether the interests of the owners are recorded in the real property records of the county in which the property is located.

The bill adds subdivision (21) to provide that “heir property owner” means an owner of heir property who claims the property as the individual’s residence homestead.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a tax year that begins on or after the effective date of this bill.

Section 1.045

SB 2 adds this section to provide that unless the context indicates otherwise:

- a reference in law to a taxing unit’s effective maintenance and operations rate is a reference to the taxing unit’s no-new-revenue maintenance and operations rate, as defined by Tax Code Chapter 26;
- a reference in law to a taxing unit’s effective tax rate is a reference to the taxing unit’s no-new-revenue tax rate, as defined by Tax Code Chapter 26; and
- a reference in law to a taxing unit’s rollback tax rate is a reference to the taxing unit’s voter-approval tax rate, as defined by Tax Code Chapter 26.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 1.07

SB 2 amends subsection (a) to add an exception to the existing provision that an official or agency required by the Property Tax Code to deliver a notice to a property owner may deliver the notice by regular first-class mail, with postage prepaid, to include if the parties agree that the notice must be delivered by the method provided under Tax Code Section 1.086.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 1.071

SB 1856 adds this section to require a collector or taxing unit required by the Property Tax Code to deliver a refund to send the refund to the person’s mailing address as listed on the appraisal roll. Notwithstanding this requirement, if a person files a written request with the collector or taxing unit that a refund owed to the person be sent to a particular address, the collector or taxing unit shall send the refund to the address stated in the request.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to a refund made on or after the effective date of this bill.

Section 1.085

SB 2 amends subsection (a) to add information requested under Tax Code Section 41.461(a)(2) to the material that may be delivered in an electronic format if agreed to by the chief appraiser and the owner or the individual designated by the owner.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

HB 1060 adds subsection (m) to provide that notwithstanding any other provision of this section, a property owner need not enter into an agreement under this section to be entitled to electronic delivery of a notice of a protest hearing under Tax Code Section 41.46.

Effective Sept. 1, 2019.

Section 1.086

SB 2 adds this section to require a chief appraiser, on the written request of an owner of a residential property that is occupied by the owner as the owner’s principal residence, to send to the owner’s email address each notice required by the Property Tax Code related to the following:

- a change in value of the property;
- the eligibility of the property for an exemption; or
- the grant, denial, cancellation, or other change in the status of an exemption or exemption application applicable to the property.

A property owner must provide the email address to which the chief appraiser must send these notices. A chief appraiser who delivers the notice electronically is not required to mail

the same notice to the property owner. A request remains in effect until revoked by the property owner in a written revocation filed with the chief appraiser. After a property owner makes a request and before the chief appraiser may deliver the notice electronically, the chief appraiser must send an email to the address provided by the property owner confirming the owner's request to receive notices electronically. A chief appraiser that maintains an Internet website shall provide a form on the website that a property owner may use to make a request electronically.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Chapter 5. State Administration

Section 5.01

SB 2 adds this section to require the Comptroller to appoint the property tax administration advisory board to advise the Comptroller with respect to the division or divisions within the office of the Comptroller with primary responsibility for state administration of property taxation and state oversight of appraisal districts.

The advisory board may make recommendations to the Comptroller regarding improving the effectiveness and efficiency of the property tax system, best practices, and complaint resolution procedures. Any advice to the Comptroller relating to these matters that is provided by a member of the advisory board must be provided at a meeting called by the Comptroller.

The members of the advisory board serve at the pleasure of the Comptroller. The advisory board is composed of at least six members appointed by the Comptroller. The members of the board should include:

- representatives of property taxpayers, appraisal districts, assessors, and school districts; and
- a person who has knowledge or experience in conducting ratio studies.

The bill provides that Government Code Chapter 2110 does not apply to the advisory board.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 5.041

SB 2 amends subsection (b) to require the course for appraisal review board members to be at least eight hours of classroom training and education.

The bill amends subsection (c) to provide that if the training for appraisal review board members is provided to an individual other than a member of the appraisal review board, the Comptroller may assess a fee not to exceed \$50 for each person trained.

The bill amends subsection (e-1) to require the continuing education course for appraisal review board members to be at least four hours of classroom training and education.

The bill amends subsection (e-3) to provide that if the continuing education training for appraisal review board members is provided to an individual other than a member of the appraisal review board, the Comptroller may assess a fee not to exceed \$50 for each person trained.

*Effective Jan. 1, 2020; takes effect only if **HB 3** becomes law; and this section, as amended by this bill, applies only to an appraisal review board member appointed to serve a term of office that begins on or after Jan. 1, 2020.*

Section 5.043

SB 2 adds this section which applies only to persons who have agreed to serve as arbitrators under Tax Code Chapter 41A. The Comptroller shall:

- approve curricula and provide an arbitration manual and other materials for use in training and educating arbitrators;
- make all materials for use in training and educating arbitrators freely available online; and
- establish and supervise a training program on property tax law for the training and education of arbitrators.

The training program must emphasize the requirements regarding the equal and uniform appraisal of property and be at least four hours in length.

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

The Comptroller may contract with service providers to assist with the duties of the arbitration training, but the training program may not be provided by an appraisal district, the

chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit.

The Comptroller may assess a fee to recover a portion of the costs incurred for the training program, but the fee may not exceed \$50 for each person trained. If the training is provided to a person other than a person who has agreed to serve as an arbitrator under Tax Code Chapter 41A, the Comptroller may assess a fee not to exceed \$50 for each person trained.

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

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law. The Comptroller shall implement this section as soon as practicable after Jan. 1, 2020.*

Section 5.05

SB 2 adds subsections (c-1) and (c-2) to require an appraisal district to appraise property in accordance with any appraisal manuals required by law to be prepared and issued by the Comptroller. Appraisal manuals required by law to be prepared and issued by the Comptroller for the purpose of determining the market value of property shall be prepared based on generally accepted appraisal methods and techniques.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law. This section, as amended by this bill, applies only to the appraisal of property for property tax purposes for a tax year beginning on or after Jan. 1, 2020.*

Section 5.061

SB 1943 adds this section to require the Comptroller to prepare and electronically publish a pamphlet that provides information to assist heir property owners in applying for a residence homestead exemption authorized by Tax Code Chapter 11. The bill provides that the pamphlet must include:

- a list of the residence homestead exemptions authorized by Tax Code Chapter 11;
- a description of the process for applying for an exemption as prescribed by Tax Code Section 11.43;

- a description of the documents an owner is required by Tax Code Section 11.43(o) to submit with an application to demonstrate the owner's ownership of an interest in heir property;
- contact information for the division of the State Bar of Texas from which a person may obtain a listing of individuals and organizations available to provide free or reduced-fee legal assistance; and
- a general description of the process by which an owner may record the owner's interest in heir property in the real property records of the county in which the property is located.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a tax year that begins on or after the effective date of this bill. Not later than Jan. 1, 2020, the Comptroller shall make available the pamphlet required by this section, as added by this bill.

Section 5.07

SB 2 adds subsections (f) and (g) to require the Comptroller to prescribe tax rate calculation forms to be used by the designated officer or employee of each:

- taxing unit other than a school district to calculate and submit the no-new-revenue tax rate and the voter-approval tax rate for the taxing unit as required by Tax Code Chapter 26; and
- school district to calculate and submit the no-new-revenue tax rate and the voter-approval tax rate for the district as required by Tax Code Chapter 26; and submit the rate to maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year as required by Tax Code Chapter 26.

The forms must:

- be in an electronic format;
- have blanks that can be filled in electronically;
- be capable of being certified by the designated officer or employee after completion as accurately calculating the applicable tax rates and using values that are the same as the values shown in, as applicable, the taxing unit's certified appraisal roll or the certified estimate of taxable value of property in the taxing unit prepared under Tax Code Section 26.01(a-1); and
- be capable of being electronically incorporated into the property tax database maintained by each appraisal district under Tax Code Section 26.17 and submitted

electronically to the county assessor-collector of each county in which all or part of the territory of the taxing unit is located.

The bill adds subsection (h) to provide that for purposes of subsections (f) and (g), the Comptroller shall use the forms published on the Comptroller's Internet website as of Jan. 1, 2019, modified as necessary to comply with the requirements of this section. The Comptroller shall update the forms as necessary to reflect formatting or other nonsubstantive changes.

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

The bill adds subsection (j) to provide that a meeting of the committee held under subsection (i) is not subject to the requirements of Government Code Chapter 551.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law. The Comptroller shall comply with Tax Code Section 5.07(f), (g), (h), and (i), as added by this bill, as soon as practicable after Jan. 1, 2020.*

Section 5.09

SB 2 amends subsection (a) to add special districts to the types of taxing units for which the Comptroller must include value and tax rate information in the currently required biennial report.

The bill adds subsection (a-1) to require the Comptroller to prescribe the format by which an appraisal district or taxing unit must submit information to the Comptroller for the biennial report. The bill requires the Comptroller to:

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

- collect and review the information submitted that relates to each special district.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law. This section, as amended by this bill, applies only to information submitted to the Comptroller that relates to a tax year beginning on or after Jan. 1, 2020.*

Section 5.091

SB 2 amends subsection (a) to require the Comptroller to prescribe the manner in which and the deadline by which appraisal districts are required to submit tax rates to the Comptroller for the currently required statewide list of tax rates. The bill strikes the provision that the list does not include school district tax rates, requires the Comptroller to prepare the list as reported by each appraisal district, and strikes the provision that the list is prepared for the preceding year. The list of tax rates must be alphabetical according to the county or counties in which each taxing unit is located and the name of each taxing unit (rather than list the tax rates in descending order).

The bill amends subsection (b) to modify the deadline by which the Comptroller must publish the required list in subsection (a) from not later than December 31 of each year to not later than January 1 of the following year.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law. The Comptroller shall comply with this section, as amended by this bill, not later than Jan. 1, 2022, with regard to tax rate information related to a taxing unit located wholly or partly in a county with a population of 120,000 or more. The Comptroller shall comply with this section, as amended by this bill, not later than Jan. 1, 2023, with regard to tax rate information related to a taxing unit located wholly in a county with a population of less than 120,000.*

Section 5.102

HB 3384 amends subsection (a) to rename the taxpayer assistance portion of the Comptroller's appraisal district review from "taxpayer assistance provided" to "the taxpayer assistance provided by each appraisal district."

The bill adds subsection (a-1) to authorize the Comptroller to conduct a limited-scope review in place of the review required by subsection (a), upon chief appraiser request, if the appraisal district is established in a county located wholly or partly in an area declared by the Governor to be a disaster area during the tax year in which the review is required and

the Comptroller determines that one of the following circumstances exists and was caused by the disaster:

- a building used by the appraisal district to conduct business is destroyed or is inaccessible or damaged to the extent that it is unusable for at least 30 days;
- the appraisal district's records are destroyed or are unusable for at least 30 days;
- the appraisal district's computer system is destroyed or is unusable for at least 30 days; or
- due to extraordinary circumstances, the appraisal district does not have the resources to undergo a review unless the review is limited in scope.

The bill adds subsection (a-2) to provide that the current rule-making is for scoring a review under this section (instead of "the" review).

Effective June 7, 2019.

SB 2 amends subsections (a) and (c) to provide that the currently required review of appraisal districts include a review of the compliance with standards, procedures, and methodology prescribed by any appraisal manuals required by law to be prepared and issued by the Comptroller. The bill changes the advisory board the Comptroller consults to establish procedures and standards for conducting and scoring reviews to the property tax administration advisory board (rather than the advisory committee under Government Code Section 403.302).

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and applies to this section, as amended by this bill, only to the appraisal of property for property tax purposes for a tax year beginning on or after Jan. 1, 2020.*

HB 4170 amends subsections (d) and (e) to conform to Chapter 450 (HB 2447), Acts of the 81st Legislature, Regular Session, 2009, to change references from the "Board of Tax Professional Examiners" to "Texas Department of Licensing and Regulation," from "board" to "department," and from "presiding officer" to "executive director."

Effective Sept. 1, 2019.

Section 5.103

SB 2 repeals subsections (e) and (f) which require the Comptroller to prescribe the contents of a survey form for the purpose of providing the public a reasonable opportunity to offer comments and suggestions concerning the appraisal review

board. The bill strikes provisions related to the administration of this survey. The bill also strikes the annual report the Comptroller must issue summarizing survey forms submitted by property owners concerning appraisal review boards.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 5.104

SB 2 adds this section to require the Comptroller to prepare an appraisal review board survey that allows certain individuals to submit comments and suggestions to the Comptroller regarding an appraisal review board. The bill requires the Comptroller to prepare instructions for completing and submitting the survey and to implement and maintain a method that allows certain individuals to electronically complete and submit the survey through a uniform resource locator (URL) address.

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

- a property owner whose property is the subject of the motion or protest;
- the designated agent of the owner; or
- a designated representative of the appraisal district in which the motion or protest is filed.

The survey must allow an individual to submit comments and suggestions regarding the matters listed in Tax Code Section 5.103(b) and any other matter related to the fairness and efficiency of the appraisal review board.

An appraisal district must provide to each property owner or designated agent of the owner who is authorized to submit a survey a notice that states that the owner or agent is entitled to complete and submit the survey, may submit the survey to the Comptroller, and may obtain a paper copy of the survey and instructions for completing the survey at the appraisal office. The notice must include the URL address and state the survey may be submitted in person; by mail; by electronic mail; or through the URL address. An appraisal district must provide the notice to a property owner or the designated agent of the owner:

- at or before the first hearing on the motion or protest; and

- with each order under Tax Code Section 25.25 or Tax Code Section 41.47 determining a motion or protest, as applicable, delivered by the appraisal review board or a panel of the board.

At or before the first hearing on the motion or protest, the appraisal review board or panel must provide verbal notice to the property owner or designated agent of the owner of the owner's or agent's right to complete and submit the survey.

If an appraisal district provides the notice or an appraisal review board provides the verbal notice to a property owner or the designated agent of the owner at or before a hearing, the appraisal district or board, as applicable, is not required to provide another notice in the same manner to the owner or agent at or before another hearing on a motion or protest held on the same day.

The bill provides that an individual who elects to submit the survey must submit the survey to the Comptroller and requires the Comptroller to allow an individual to submit a survey to the Comptroller in the following manner:

- in person;
- by mail;
- by electronic mail; or
- through the URL address.

An individual may submit only one survey for each hearing. An appraisal district may not require a property owner or the designated agent of the owner to complete a survey at the appraisal office.

The Comptroller shall issue an annual report that summarizes the information included in the surveys submitted during the preceding tax year. The report may not disclose the identity of an individual who submitted a survey. The Comptroller may adopt rules necessary to implement this section.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law. The Comptroller shall prepare and make available the survey and instructions for completing and submitting the survey required by this section, as added by this bill, as soon as practicable after Jan. 1, 2020. An appraisal district is not required to provide the survey or instructions under a requirement of this section until the survey and instructions are prepared and made available by the Comptroller.*

Section 5.13

SB 2 amends subsection (d) to provide that when the Comptroller conducts a performance audit, the report includes the extent to which the appraisal district complies with appraisal standards and practices prescribed by any appraisal manuals required by law to be prepared and issued by the Comptroller.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law. This section, as amended by this bill, applies only to the appraisal of property for property tax purposes for a tax year beginning on or after Jan. 1, 2020.*

Chapter 6. Local Administration

Section 6.035

SB 2 amends subsection (a-1) to lower from five years to three years the amount of time an individual is ineligible to serve on the appraisal district board of directors after the individual has engaged in the business of appraising property for compensation for use in a proceeding under the Property Tax Code or has represented property owners for compensation in proceedings under the Property Tax Code.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 6.054

SB 2 adds this section to prohibit an individual from being employed by an appraisal district if the individual is an officer of a taxing unit that participates in the appraisal district or an employee of a taxing unit that participates in the appraisal district.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 6.15

SB 2 adds subsection (c-1) to provide that current subsections (a) and (b), regarding ex parte communications by the board of directors and a chief appraiser, do not prohibit a member of the board of directors of an appraisal district from transmitting to the chief appraiser without comment a complaint by a property owner or taxing unit about the appraisal of a specific property, provided that the transmission is in writing.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 6.16

SB 2 adds this section to authorize a chief appraiser to maintain a list of the following individuals who have designated themselves as an individual who will provide free assistance to an owner of residential property that is occupied by the owner as the owner's principal residence:

- a real estate broker or sales agent licensed under Occupations Code Chapter 1101;
- a real estate appraiser licensed or certified under Occupations Code Chapter 1103; or
- a property tax consultant registered under Occupations Code Chapter 1152.

On the request of these residential property owners, a chief appraiser who maintains a list shall provide to the owner a copy of the list. The bill provides that a list must be organized by county; be available on the appraisal district's Internet website, if the appraisal district maintains a website; and provide the name, contact information, and job title of each individual who will provide free assistance.

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

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 6.41

SB 2 amends subsection (b) to add subsections (b-1) and (b-2) as exceptions to the current requirement that the appraisal review board consists of three members unless increased by the board of directors.

The bill creates subsection (b-1) from the existing ability for the appraisal board of directors to increase the size of the appraisal review board by resolution and adds subsection (b-2) to provide that an appraisal district board of directors for a district established in a county with a population of one million or more by resolution of a majority of the board's members shall increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate to manage the duties of the appraisal review board, including the duties of each special panel established under Tax Code Section 6.425.

The bill adds subsection (d-9) to provide that in selecting individuals who are to serve as members of the appraisal review

board for an appraisal district described by subsection (b-2), the local administrative district judge shall select an adequate number of qualified individuals to permit the chair of the appraisal review board to fill the positions on each special panel established under Tax Code Section 6.425.

*Effective Sept. 1, 2020; takes effect only if **HB 3** becomes law; and Tax Code Section 6.41(d-9), as amended by this bill, applies only to the appointment of appraisal review board members to terms beginning on or after Jan. 1, 2021.*

HB 2179 amends subsection (f) to modify the current grounds for removal of appraisal review board members to strike "clear and convincing" from "clear and convincing evidence of repeated bias or misconduct."

The bill amends subsection (i) to add an exception to the ex parte communication restrictions relating to a local administrative district judge to allow communication between a property tax consultant or a property owner or an agent of the property owner and the local administrative district judge regarding information relating to or described by subsection (f).

Effective June 10, 2019. The changes in law to Tax Code Section 6.41(f), as amended by this bill, apply only to a proceeding to remove an appraisal review board member that begins on or after the effective date of this bill. The changes in law made to Tax Code Section 6.41(i), as amended by this bill, apply only to an offense committed under that subsection before, on, or after the effective date of this bill, except that a final conviction for an offense committed under that subsection before the effective date of this bill is unaffected by this bill.

Section 6.412

SB 2 amends subsection (a) to provide that an individual is ineligible to serve on an appraisal review board if the individual is related within the third degree by consanguinity or within the second degree of affinity, as determined under Government Code Chapter 573, to a member of the appraisal review board.

The bill amends subsection (d) to modify the current county population bracket for individuals in those counties who are ineligible to serve on the appraisal review board if the person meets certain criteria, from a county having a population of more than 100,000 to a county described by Tax Code Section 6.41(d-1), relating to the local administrative district judge appointing appraisal review board members

in a county with a population of 120,000 or more. The bill amends the subsection to add to the criteria that makes an individual ineligible to serve on an appraisal review board member in these counties: if the individual served for all or part of three previous terms as an appraisal review board member or auxiliary board member.

The bill repeals subsection (e) which provides that a person who has served for all or part of three consecutive terms as an appraisal review board member is ineligible to serve on the appraisal review board during a term that begins on the next January 1 following the third of those consecutive terms.

Effective Jan. 1, 2020, and takes effect only if HB 3 becomes law. This section, as amended by this bill, does not affect the eligibility of a person serving on an appraisal review board immediately before Jan. 1, 2020, to continue to serve on the board for the term to which the member was appointed.

Section 6.414

SB 2 amends subsection (d) to prohibit an auxiliary board member from hearing taxpayer protests before a special panel under Tax Code Section 6.425 unless the member is eligible to be appointed to the special panel. If one or more auxiliary board members sit on a special panel established under Tax Code Section 6.425 to conduct a protest hearing, the number of regular appraisal review board members required to constitute a panel is reduced by the number of auxiliary board members.

Effective Sept. 1, 2020, and takes effect only if HB 3 becomes law.

Section 6.42

SB 2 amends subsection (a) to provide that the local administrative district judge under Government Code Chapter 74, Subchapter D in the county (rather than the board of directors of the appraisal district) selects a chair and a secretary from among the appraisal review board members and is encouraged to select a chair who has a background in law and property appraisal, if any.

The bill adds subsection (d) to provide that the concurrence of a majority of the members of the appraisal review board present at a meeting of the board is sufficient for a recommendation, determination, decision, or other action by the board. The concurrence of a majority of the members of a panel of the board present at a meeting of the panel is sufficient for a recommendation by the panel. The concurrence

of more than a majority of the members of the board or panel may not be required.

Effective Jan. 1, 2020; takes effect only if HB 3 becomes law; and Tax Code Section 6.42(d), as added by this bill, applies only to a recommendation, determination, decision, or other action by an appraisal review board or a panel of such a board on or after Jan. 1, 2020.

Section 6.425

SB 2 adds this section to require an appraisal review board for an appraisal district described by Tax Code Section 6.41(b-2), relating to appraisal review boards in a county with a population of one million or more, to establish special panels to conduct protest hearings under Tax Code Chapter 41 relating to property that has an appraised value as determined by the appraisal district equal to or greater than the prescribed minimum eligibility amount and is included in one of the following classifications:

- commercial real and personal property;
- real and personal property of utilities;
- industrial and manufacturing real and personal property; and
- multifamily residential real property.

Each special panel consists of three members of the appraisal review board appointed by the chair of the board. To be eligible to be appointed to a special panel, an appraisal review board member must:

- hold a juris doctor or equivalent degree;
- hold a master of business administration degree;
- be licensed as a certified public accountant under Occupations Code Chapter 901;
- be accredited by the American Society of Appraisers as an accredited senior appraiser;
- possess an MAI professional designation from the Appraisal Institute;
- possess a Certified Assessment Evaluator (CAE) professional designation from the International Association of Assessing Officers;
- have at least 10 years of experience in property tax appraisal or consulting; or
- be licensed as a real estate broker or sales agent under Occupations Code Chapter 1101.

The chair of the appraisal review board may appoint to a special panel an appraisal review board member who does not meet the prescribed qualifications if the number of persons

appointed to the board by the local administrative district judge who meet those qualifications is not sufficient to fill the positions on each special panel and the board member being appointed to the panel holds a bachelor's degree in any field.

In addition to conducting protest hearings in special panels, a special panel may conduct protest hearings under Tax Code Chapter 41 relating to property not eligible for a special panel hearing as assigned by the chair of the appraisal review board.

The minimum eligibility amount for the 2020 tax year is an appraised value equal to \$50 million or greater. For each succeeding tax year, the minimum eligibility amount is equal to the minimum eligibility amount for the preceding tax year as adjusted by the Comptroller to reflect the inflation rate. By February 1 or as soon thereafter as practicable, the Comptroller shall determine the minimum eligibility appraised value amount for the current tax year and publish that amount in the Texas Register. The bill defines “inflation rate” and “Consumer Price Index” for purposes of this section.

*Effective Sept. 1, 2020, and takes effect only if **HB 3** becomes law.*

Chapter 11. Taxable Property and Exemptions

Section 11.13

HB 2441 amends subsection (h) to modify the current prohibition on an eligible disabled person who is 65 or older from receiving both a disabled and an elderly residence homestead exemption but may choose either to provide that it is a prohibition on receiving both exemptions from the same taxing unit in the same year but a person may choose either if a taxing unit has adopted both. The bill provides that an eligible disabled person who is 65 or older may receive both a disabled and an elderly residence homestead exemption in the same year if the person receives the exemptions with respect to taxes levied by different taxing units.

Effective Jan. 1, 2020.

SB 1943 amends subsection (h) to provide that an heir property owner who qualifies heir property as the owner's residence homestead under Tax Code Chapter 11 is considered the sole recipient of any exemption granted to the owner for the residence homestead by or pursuant to this section.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a tax year that begins on or after the effective date.

Section 11.135

SB 443 amends subsection (a) to modify the requirement that to continue to receive a residence homestead exemption under Tax Code Section 11.13 for a qualified residential structure that is rendered uninhabitable or unusable by a casualty or by wind or water damage, the owner must begin active construction of the replacement structure or other physical preparation of the site. The bill provides that in cases of property rendered uninhabitable or unusable as a result of a disaster in a Governor declared disaster area, active construction of the replacement structure or other physical preparation of the site must begin not later than the fifth anniversary of the date the owner ceases to occupy the former qualified residential structure as the owner's principal residence.

The bill adds subsection (a-1) to add an exception to the current provision that an owner may not receive a residence homestead exemption under Tax Code Section 11.13 for a qualified residential structure that is rendered uninhabitable or unusable by a casualty or by wind or water damage for more than two years. The bill provides that a five year limitation applies (instead of the two year limitation) if the property is located in an area declared to be a disaster area by the Governor following a disaster and the residential structure located on the property is rendered uninhabitable or unusable as a result of the disaster.

Effective June 4, 2019.

Section 11.141

HB 2859 adds this section to provide that a person is entitled to a property tax exemption for precious metal that the person owns and that is held in a precious metal depository located in this state, regardless of whether the precious metal is held or used by the person for the production of income. The bill provides that notwithstanding Tax Code Section 11.14(c), the governing body of a taxing unit may not provide for the taxation of precious metal exempted under this section.

The bill defines for purposes of this section:

- “Precious metal” has the meaning assigned by Government Code Section 2116.001.
- “Precious metal depository” means a depository that is primarily engaged in the business of providing

precious metal storage to the general public and maintains sufficient insurance to cover precious metal deposited in the depository.

Effective Jan. 1, 2020, contingent on voter approval of HJR 95, and applies only to a tax year beginning on or after the effective date.

Section 11.161

HB 1526 adds subsection (b) to provide for purposes of subsection (a), a nursery stock weather protection unit, as defined by Agriculture Code Section 71.041, is considered to be an implement of husbandry.

Effective Jan. 1, 2020, and applies only to a tax year that begins on or after the effective date.

Section 11.24

SB 2 adds subsections (a) and (b) to prohibit the governing body of a taxing unit from repealing or reducing the amount of a historic site exemption for a property that otherwise qualifies for the exemption unless the owner of the property consents to the repeal or reduction; or the taxing unit provides written notice of the repeal or reduction to the owner not later than five years before the date the governing body repeals or reduces the exemption.

Effective Jan. 1, 2020, and takes effect only if HB 3 becomes law. This section, as amended by this bill, applies only to an authorized exemption that is repealed or reduced on or after Jan. 1, 2020.

Section 11.252

SB 58 amends the title of the section to “Motor Vehicles Leased for Use Other Than Production of Income.” The bill amends subsection (b) to add to the circumstances in which a motor vehicle is presumed to be used primarily for activities that do not involve the production of income to include when:

- the motor vehicle is leased to this state or a political subdivision of this state; or
- the motor vehicle is leased to an organization that is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code; and would be exempt from taxation if the vehicle were owned by the organization.

The bill amends subsection (d) to specify that the current requirement that the form completed by a lessee require a

lessee to provide the lessee’s name, address, and driver license or personal identification certification number applies to a lessee who is an individual. The bill provides that a form shall require a lessee that is an entity described by subsection (b) to provide the lessee’s name, address, and, if applicable, federal tax identification number. The bill modifies the current certification under oath that the lessee does not hold the vehicle for the production of income and that the vehicle is used primarily for activities that do not involve the production of income to require that the form require a lessee who is an individual, or the authorized representative of a lessee that is an entity described by subsection (b), to make the certification.

The bill amends subsection (e) to modify the current provisions that an owner of a motor vehicle subject to a lease maintain a form completed by the lessee, make the form available for inspection and copying by a chief appraiser, and if a completed form is not maintained, the owner must render the vehicle and may not file an exemption application for the vehicle to specify that this includes the form, an electronic image of the form, or a certified copy of the form.

Effective Sept. 1, 2019, and applies only to taxes imposed for a tax year beginning on or after the effective date.

Section 11.26

HB 1313 amends subsection (i) to modify the provision that a surviving spouse of an individual who qualifies for an exemption provided by Tax Code Section 11.13(c), relating to residence homestead exemptions for those individuals who are 65 years of age or older or disabled, is entitled to the school district tax limitation under certain circumstances by striking the requirement that this applies only to a surviving spouse of an individual who is 65 years of age or older.

The bill adds subsection (i-1) to provide that a limitation under subsection (i) applicable to the residence homestead of a surviving spouse of an individual who was disabled and who died before Jan. 1, 2020, is calculated as if the surviving spouse was entitled to the limitation when the individual died.

Effective Jan. 1, 2020, and applies only to a tax year beginning on or after that effective date. An amendment to the Texas Constitution, Article VIII, Section 1-b(d), was not passed by the 86th Texas Legislature.

SB 1943 adds subsection (p) to provide that an heir property owner who qualifies heir property as the owner’s residence homestead under Tax Code Chapter 11 is considered the sole owner of the property for the purposes of this section.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a tax year that begins on or after the effective date.

Section 11.261

SB 1943 adds subsection (n) to provide that an heir property owner who qualifies heir property as the owner’s residence homestead under Tax Code Chapter 11 is considered the sole owner of the property for the purposes of this section.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a tax year that begins on or after the effective date.

Section 11.35

HB 492 adds this section to create a temporary exemption for qualified property damaged by a disaster. The bill adds subsection (a) to provide that in this section, “qualified property” means property located in an area declared by the Governor to be a disaster area following a disaster, that is at least 15 percent damaged by the disaster (as determined by the chief appraiser), and that consists of:

- tangible personal property used for the production of income and is the subject of a rendition statement or property report filed by the property owner under Tax Code Section 22.01 that demonstrates that the property had taxable situs in the disaster area for the tax year in which the disaster occurred;
- an improvement to real property; or
- a manufactured home as that term is defined by Occupations Code Section 1201.003 that is used as a dwelling, regardless of whether the owner of the manufactured home elects to treat the manufactured home as real property under Occupations Code Section 1201.2055.

The bill adds subsection (b) to provide that a person is entitled to the exemption of a portion of the appraised value of qualified property that the person owns in an amount determined under subsection (h).

The bill adds subsections (c), (d), and (e) to provide that notwithstanding subsection (b), if the Governor first declares territory in a taxing unit to be a disaster area as a result of

a disaster on or after the date a taxing unit adopts a tax rate for the tax year in which the declaration is issued, a person is not entitled to the exemption for that tax year unless the governing body of the taxing unit adopts the exemption in the manner provided by law for official action by the body. An exemption adopted by the governing body of a taxing unit must specify the disaster to which the exemption pertains and be adopted not later than the 60th day after the date the Governor first declares territory in the taxing unit to be a disaster area as a result of the disaster. Not later than the seventh day after the date a governing body adopts the exemption, the taxing unit shall notify the chief appraiser of each appraisal district in which the taxing unit participates, the assessor for the taxing unit, and the Comptroller of the adoption of the exemption.

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

The bill adds subsection (g) to require a chief appraiser to assign to an item of qualified property one of the following damage assessment ratings:

- **Level I:** if the property is at least 15 percent, but less than 30 percent, damaged, meaning that the property suffered minimal damage and may continue to be used as intended;
- **Level II:** if the property is at least 30 percent, but less than 60 percent, damaged, which, for qualified property that is an improvement to real property or a manufactured home, means that the property has suffered only nonstructural damage, including nonstructural damage to the roof, walls, foundation, or mechanical components, and the waterline, if any, is less than 18 inches above the floor;
- **Level III:** if the property is at least 60 percent damaged but is not a total loss, which, for qualified property that is an improvement to real property or a manufactured home, means that the property has suffered significant

structural damage requiring extensive repair due to the failure or partial failure of structural elements, wall elements, or the foundation, or the waterline is at least 18 inches above the floor; or

- **Level IV:** if the property is a total loss, meaning that repair of the property is not feasible.

The bill adds subsection (h) to provide that subject to subsection (i), the exemption amount is determined by multiplying the appraised value, determined for the tax year in which the disaster occurred, of the property by:

- 15 percent, if the property is assigned a Level I damage assessment rating;
- 30 percent, if the property is assigned a Level II damage assessment rating;
- 60 percent, if the property is assigned a Level III damage assessment rating; or
- 100 percent, if the property is assigned a Level IV damage assessment rating.

The bill adds subsections (i) and (j) to provide that if a person qualifies for the exemption after the beginning of the tax year, the amount of the exemption is calculated by multiplying the amount determined under subsection (h) by a fraction, the denominator of which is 365 and the numerator of which is the number of days remaining in the tax year after the day on which the Governor first declares the area in which the person's qualified property is located to be a disaster area, including the day on which the Governor makes the declaration. If a person qualifies for the exemption after the tax due on the qualified property is calculated and the effect of the qualification is to reduce the tax due, the assessor for each applicable taxing unit shall recalculate the tax due and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall mail a corrected tax bill to the person in whose name the property is listed on the tax roll or to the person's authorized agent. If the tax on the property has been paid, the tax collector for the taxing unit shall refund to the person who paid the tax the amount by which the payment exceeded the tax due. The bill provides that no interest is due on a refunded amount.

The bill adds subsection (k) to provide that the exemption expires as to an item of qualified property on January 1 of the first tax year in which the property is reappraised under Tax Code Section 25.18.

*Effective Jan. 1, 2020 upon voter approval of **HJR 34**, and applies only to taxes imposed for a tax year that begins on or after the effective date.*

Section 11.41

SB 1943 adds subsection (c) to provide that an heir property owner who qualifies heir property as the owner's residence homestead under Tax Code Chapter 11 is considered the sole owner of the property for the purposes of this section.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a tax year that begins on or after the effective date of this bill.

Section 11.42

HB 2859 amends subsection (b) to add Tax Code Section 11.141, relating to the exemption for precious metal held in a precious metal depository, to the list of exemptions that are effective immediately on qualification for the exemption.

*Effective Jan. 1, 2020 upon voter approval of **HJR 95**.*

HB 492 amends subsection (e) to add Tax Code Section 11.35, relating to a temporary exemption for qualified property damaged by a disaster, to the exemptions that when a person qualifies for the exemption, the person may receive the exemption for the applicable portion of that tax year immediately on qualification.

*Effective Jan. 1, 2020 contingent on voter approval of **HJR 34**, and applies only to taxes imposed for a tax year that begins on or after the effective date.*

Section 11.43

HB 2859 amends subsection (a) to add Tax Code Section 11.141, relating to the exemption for precious metal held in a precious metal depository, to the list of exemptions that do not require an application to claim the exemption.

*Effective Jan. 1, 2020 upon voter approval of **HJR 95**.*

HB 492 amends subsection (c) to add Tax Code Section 11.35, relating to a temporary exemption for qualified property damaged by a disaster, to the exemptions that once allowed do not need to be claimed in subsequent years except as otherwise provided.

*Effective Jan. 1, 2020 contingent on voter approval of **HJR 34**.*

HB 4173 amends subsection (j) to update a reference to the address confidentiality program administered by the attorney general under the Code of Criminal Procedure, Chapter 58, Subchapter B (previously under the Code of Criminal Procedure, Chapter 56, Subchapter C).

Effective Jan. 1, 2021. This bill is enacted under Texas Constitution, Article III, Section 43. This bill is intended as a codification only, and this bill intends no substantive change in the law. Government Code Chapter 311 (Code Construction Act) applies to the construction of each provision in the Code of Criminal Procedure that is enacted under Texas Constitution, Article III, Section 43 (authorizing the continuing statutory revision program), in the same manner as to a code enacted under the continuing statutory revision program, except as otherwise expressly provided by the Code of Criminal Procedure. A reference in a law to a statute or a part of a statute in the Code of Criminal Procedure enacted under Texas Constitution, Article III, Section 43 (authorizing the continuing statutory revision program), is considered to be a reference to the part of that code that revises that statute or part of that statute.

SB 1943 amends subsection (o) to modify provisions relating to an applicant for an exemption under Tax Code Section 11.13(c) or (d), relating to residence homestead exemptions for those individuals who are 65 years of age or older or disabled, to submit an affidavit or other compelling evidence to establish ownership if the applicant is not specifically identified on a deed or other appropriate instrument recorded in the real property records. The bill provides that these provisions apply to an applicant for a residence homestead exemption (and strikes language that the exemption must be under Tax Code Section 11.13(c) or (d)), to heir property owners, and the provisions apply when an applicant is not specifically identified on a deed or other appropriate instrument recorded in the real property records of the county in which the property is located. The bill provides that these applicants must provide:

- an affidavit (and strikes the provision that it can be other compelling evidence) establishing ownership of an interest in the property;
- a copy of the death certificate of the prior owner of the property, if the applicant is an heir property owner;
- a copy of the most recent utility bill for the property, if the applicant is an heir property owner; and
- a citation of any court record relating to the applicant's ownership of the property if available.

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

The bill adds subsection (o-2) to provide that a residence homestead exemption application form must require:

- an applicant who is an heir property owner to state that the property for which the application is submitted is heir property; and
- each owner of an interest in heir property who occupies the property as the owner's principal residence, other than the applicant, to provide an affidavit that authorizes the submission of the application.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a tax year that begins on or after the effective date.

HB 492 adds subsection (s) to provide that a person who qualifies for a temporary exemption for qualified property damaged by a disaster under Tax Code Section 11.35(b) must apply for the exemption not later than the 105th day after the date the Governor declares the area in which the person's qualified property is located to be a disaster area. A person who qualifies for an exemption under Tax Code Section 11.35(c) must apply for the exemption not later than the 45th day after the date the governing body of the taxing unit adopts the exemption. The chief appraiser may extend the deadlines for good cause shown.

Effective Jan. 1, 2020 contingent on voter approval of HJR 34.

Section 11.431

SB 1856 amends subsection (b) to provide that for a refund when the tax has been paid and a late homestead exemption application is approved, the refund shall be to the person who was the owner of the property on the date the tax was paid.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to a refund made on or after the effective date.

Section 11.439

SB 1856 amends subsection (b) to provide that for a refund when the tax has been paid and a late disabled veteran exemption application is approved, the refund shall be to the

person who was the owner of the property on the date the tax was paid.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to a refund made on or after the effective date.

Section 11.4391

SB 2 amends subsection (a) to modify the deadline for the late application for the freeport exemption from not later than June 15 to on or before the later of June 15 or if applicable, the 60th day after the date on which the chief appraiser delivers notice to the property owner under Tax Code Section 22.22, relating to the method for requiring a rendition or report.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law. This section, as amended by this bill, applies only to property taxes imposed for a tax year beginning on or after Jan. 1, 2020.*

Section 11.45

HB 492 adds subsection (e) to provide that if a chief appraiser approves, modifies, or denies an application for a temporary exemption for qualified property damaged by a disaster under Tax Code Section 11.35, the chief appraiser shall deliver a written notice of the approval, modification, or denial to the applicant not later than the fifth day after the date the chief appraiser makes the determination. The notice must include the damage assessment rating assigned by the chief appraiser to each item of qualified property that is the subject of the application and a brief explanation of the procedures for protesting the chief appraiser's determination. The notice required under this subsection is in lieu of any notice that would otherwise be required under subsection (d), relating to a chief appraiser providing written notice of a modification or denial of an exemption application.

*Effective Jan. 1, 2020 contingent on voter approval of **HJR 34**.*

Section 11.49

SB 1943 adds this section to provide that the granting or denying of an application by an heir property owner for a residence homestead exemption under Tax Code Chapter 11 does not affect the legal title of the property subject to the application and does not operate to transfer title to that property. The bill provides that an appraisal district, chief appraiser, appraisal review board, or county assessor-collector may not

be made a party to a proceeding to adjudicate ownership of such property except as prescribed by the Property Tax Code.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a tax year that begins on or after the effective date.

Chapter 21. Taxable Situs

Section 21.01

HB 3 amends this section to update a reference to Education Code Chapter 41 to Education Code Chapter 49 in provisions relating to situs of real property.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 21.02

HB 3 amends subsections (b) and (c) to update references to Education Code Chapter 41 to Education Code Chapter 49 in provisions relating to situs of tangible personal property.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 21.09

HB 1815 amends subsection (b) to modify the general deadline to file an allocation application from before April 1 to before May 1.

Effective Jan. 1, 2020, and applies only to the allocation of the value of property for property tax purposes for a tax year beginning on or after the effective date.

Chapter 22. Renditions and Other Reports

Section 22.23

SB 2 repeals subsection (c) relating to the April 1 rendition deadline, and the extension of that deadline, for property located in an appraisal district in which one or more taxing units exempt freeport property under Tax Code Section 11.251.

The bill amends subsection (d) to modify the extension of the rendition deadline for property owners regulated by the PUC, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission from an authorization of the chief appraiser to extend the filing deadline 15 days for good cause shown in writing by the property owner to requiring the chief appraiser to extend the deadline to May 15 on written request by the property owner and authorizing the chief appraiser to further extend the deadline an additional 15 days for good cause shown in writing by the property owner.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and Tax Code Section 22.23(d), as amended by this bill, applies only to property taxes imposed for a tax year beginning on or after Jan. 1, 2020.*

Chapter 23. Appraisal Methods and Procedures

Section 23.01

HB 1313 amends subsection (e) to modify the current prohibition on a chief appraiser from increasing the appraised value of property if the appraised value is lowered under Tax Code, Title 1, Subtitle F, Remedies, unless reasonably supported by evidence. The bill provides that in the next tax year in which the property is appraised (rather than the following tax year), the chief appraiser may not increase the appraised value unless the increase is supported by clear and convincing evidence (rather than substantial evidence). These changes would also apply to appraised values determined in a protest under Tax Code Section 41.41(a)(2) or an appeal under Tax Code Section 42.26, relating to unequal appraisal.

Effective Jan. 1, 2020, and applies only to a tax year beginning on or after that effective date.

SB 2 adds subsection (h) to provide that appraisal methods and techniques included in the most recent versions of the

following are considered generally accepted appraisal methods and techniques for the purposes of the Property Tax Code:

- the Appraisal of Real Estate published by the Appraisal Institute;
- the Dictionary of Real Estate Appraisal published by the Appraisal Institute;
- the Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation; and
- a publication that includes information related to mass appraisal.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as amended by this bill, applies only to the appraisal of property for property tax purposes for a tax year beginning on or after Jan. 1, 2020.*

Section 23.02

HB 492 repeals this section relating to reappraisal of property damaged in a disaster area.

*Effective Jan. 1, 2020 contingent on voter approval of **HJR 34**.*

Section 23.23

SB 812 amends subsection (g) to modify the definition of “disaster recovery program” to add additional entities who administer a program to include a political subdivision of this state (in addition to the current administration by the General Land Office) and to modify the referenced law that authorizes the funding to federal law (rather than the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 [Pub. L. No. 110-329] and the Consolidated and Further Continuing Appropriations Act, 2012 [Pub. L. No. 112-55]).

Effective May 7, 2019, and applies only to the appraisal of a residence homestead for property tax purposes for a tax year that begins on or after Jan. 1, 2019. As soon as practicable after the effective date of this bill, but not later than the 14th day after that date, the General Land Office and each political subdivision that administers a disaster recovery program described by Tax Code Section 23.23(g), as amended by this bill, shall prepare a list of each replacement structure described by Tax Code Section 23.23(g), that has been constructed since Jan. 1, 2018, under a disaster recovery program administered by the entity; and provide a list to the appropriate chief appraiser.

As soon as practicable, but not later than the 60th day after the date a chief appraiser receives a list, the chief appraiser shall, if necessary, take the following actions regarding each affected property on the list:

- *correct or supplement, as appropriate, the appraisal records for the appraisal district to indicate the correct appraised value for the affected property for the current tax year;*
- *deliver a corrected notice of appraised value to the owner of the affected property if a notice of appraised value for that property was previously sent to the property owner for the current tax year; and*
- *notify the assessor and collector for each taxing unit in which the affected property is located of the correction or supplementation of the appraisal records for the appraisal district if the appraisal records have been approved for the current tax year.*

As soon as practicable, but not later than the 60th day after the date a chief appraiser receives a list:

- *the assessor for each taxing unit all or part of the territory of which is located in the appraisal district shall deliver a corrected tax bill to each owner of property for which the chief appraiser corrected the appraised value if the taxing unit previously delivered a bill for the taxes on the property for the current tax year and the taxes on the property have not been paid; and*
- *the collector for each taxing unit all or part of the territory of which is located in the appraisal district shall refund to each owner of property for which the chief appraiser corrected the appraised value the amount by which the taxes paid exceeded the amount of taxes due if the taxing unit previously delivered a bill for the taxes on the property for the current tax year and the taxes on the property have been paid.*

Section 23.42

HB 1254 amends subsection (a) and repeals subsection (a-1) to strike a provision that an individual is not entitled to have land designated for agricultural use if the land secures a home equity loan described by Texas Constitution, Article XVI, Section 50(a)(6) on or after Jan. 1, 2008.

Effective Jan. 1, 2020.

Section 23.426

HB 3348 adds this section to provide for a temporary cessation of agricultural use due to a quarantine for ticks. The bill adds

subsection (a) to provide that the entitlement of an individual to have land the individual owns designated for agricultural use under Tax Code Chapter 23, Subchapter C, Land Designated for Agricultural Use, does not end because the individual ceases exclusively or continuously using the land for agriculture as an occupation or a business venture for profit for the period prescribed by subsection (b) if the land:

- is subject to a temporary quarantine established at any time during the tax year by the Texas Animal Health Commission for the purpose of regulating the handling of livestock and eradicating ticks or exposure to ticks under Agriculture Code Chapter 167, and
- otherwise continues to qualify for the designation under Tax Code Section 23.42.

The bill adds subsection (b) to provide that subsection (a) applies to land eligible for appraisal under Tax Code Chapter 23, Subchapter C, Land Designated for Agricultural Use, only during the period that begins on the date the land is designated as a tick eradication area and that ends on the date the land is released from quarantine by the Texas Animal Health Commission.

The bill adds subsections (c) and (d) to provide that not later than the 30th day after the date land is designated as a tick eradication area, a landowner under this section must notify in writing the chief appraiser for each appraisal district in which the land is located that the land is located in a tick eradication area. Not later than the 30th day after the date land is released from quarantine by the Texas Animal Health Commission, these landowners must notify in writing the chief appraiser for each appraisal district in which the land is located of the release.

Effective May 21, 2019, and a change in law made by this bill does not affect an additional tax imposed as a result of a change of use of land appraised under Tax Code Chapter 23, Subchapter C or D, that occurred before the effective date.

Section 23.51

HB 639 amends subdivision (1) to modify the definition of “qualified open-space land” to provide that land used principally as an ecological laboratory by a public or private college or university must have been used principally in that manner by a college or university for five of the preceding seven years.

Effective Jan. 1, 2021, and the change in law made by this bill applies beginning with the tax year that begins Jan. 1, 2021,

except for land that first qualified for appraisal under Tax Code Chapter 23, Subchapter D, Appraisal of Agricultural Land, on the basis of its use as an ecological laboratory in the 2014, 2015, 2016, 2017, 2018, 2019, or 2020 tax year. For land that first qualified for open-space appraisal on the basis of its use as an ecological laboratory for those tax years, the qualification of land applies for appraisal under Tax Code Chapter 23, Subchapter D, Appraisal of Agricultural Land, on the basis of its use as an ecological laboratory is governed by the law as it existed immediately before the effective date of this bill, and the former law is continued in effect for that purpose for the 2021, 2022, 2023, 2024, 2025, and 2026 tax years; and the law change applies beginning with the tax year that begins with Jan. 1, 2027.

Section 23.524 and 23.525

HB 4170 provides that Tax Code Section 23.524, as added by Chapter 365 (HB 3198), Acts of the 85th Legislature, Regular Session, 2017, relating to oil and gas operations on land, is redesignated as Tax Code Section 23.525.

Effective Sept. 1, 2019.

Section 23.526

HB 3348 adds this section to provide for a temporary cessation of agricultural use due to a quarantine for ticks. The bill adds subsection (a) to provide that the eligibility of land for appraisal under Tax Code Chapter 23, Subchapter D, Appraisal of Agricultural Land, does not end because the land ceases to be devoted principally to agricultural use to the degree of intensity generally accepted in the area for the period prescribed by subsection (b) if the land:

- is subject to a temporary quarantine established at any time during the tax year by the Texas Animal Health Commission for the purpose of regulating the handling of livestock and eradicating ticks or exposure to ticks under Agriculture Code Chapter 167,
- is appraised under Tax Code Chapter 23, Subchapter D, Appraisal of Agricultural Land, primarily on the basis of the livestock located in the area subject to quarantine in the tax year; and
- otherwise continues to qualify for appraisal under Tax Code Chapter 23, Subchapter D, Appraisal of Agricultural Land.

The bill adds subsection (b) to provide that subsection (a) applies to land eligible for appraisal under Tax Code Chapter 23, Subchapter D, Appraisal of Agricultural Land, only

during the period that begins on the date the land is designated as a tick eradication area and that ends on the date the land is released from quarantine by the Texas Animal Health Commission.

The bill adds subsections (c) and (d) to provide that not later than the 30th day after the date land is designated as a tick eradication area, a landowner under this section must notify in writing the chief appraiser for each appraisal district in which the land is located that the land is located in a tick eradication area. Not later than the 30th day after the date land is released from quarantine by the Texas Animal Health Commission, these landowners must notify in writing the chief appraiser for each appraisal district in which the land is located of the release.

Effective May 21, 2019, and a change in law made by this bill does not affect an additional tax imposed as a result of a change of use of land appraised under Tax Code Chapter 23, Subchapter C or D, that occurred before the effective date.

Section 23.55

HB 1743 amends subsection (a) to decrease the rollback period from five years to three years and to decrease the annual rollback interest from seven percent to five percent when there is a change of use under Tax Code Chapter 23, Subchapter D, Appraisal of Agricultural Land.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a change of use of land appraised under Tax Code Chapter 23, Subchapter D or E, that occurs on or after the effective date.

Section 23.72

HB 1409 adds subsection (b) to provide that in determining whether land is currently and actively devoted principally to the production of timber or forest products to the degree of intensity generally accepted in an area, a chief appraiser may not consider the purpose for which a portion of a parcel of land is used if the portion is:

- used for the production of timber or forest products, including a road, right-of-way, buffer area, or fire-break; or
- subject to a right-of-way that was taken through the exercise of the power of eminent domain.

For the purpose of the appraisal of land under Tax Code Chapter 23, Subchapter E, Appraisal of Timberland, a portion of a parcel of land described by subsection (b) is considered

land that qualifies for appraisal under that subchapter if the remainder of the parcel of land qualifies for appraisal under that subchapter.

Effective Sept. 1, 2019, and this section, as amended by the bill, applies only to the appraisal of land for property tax purposes for a tax year that begins on or after the effective date.

Section 23.76

HB 1743 amends subsection (a) to decrease the rollback period from five years to three years and to decrease the annual rollback interest from seven percent to five percent when there is a change of use under Tax Code Chapter 23, Subchapter E, Appraisal of Timberland.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a change of use of land appraised under Tax Code Chapter 23, Subchapter D or E, that occurs on or after the effective date.

Section 23.765

HB 1409 adds this section to provide that the eligibility of land for appraisal under Tax Code Chapter 23, Subchapter E, Appraisal of Timberland, does not end because a lessee under an oil and gas lease begins conducting oil and gas operations over which the Railroad Commission of Texas has jurisdiction on the land if the portion of the land on which oil and gas operations are not being conducted otherwise continues to qualify for appraisal under that subchapter.

Effective Sept. 1, 2019, and does not affect an additional tax imposed as a result of a change of use of land appraised under Tax Code Chapter 23, Subchapter E that occurred before the effective date.

Section 23.9802

HB 1409 adds subsection (d) to provide that in determining whether land qualifies for appraisal as provided by Tax Code Chapter 23, Subchapter H, Appraisal of Restricted-Use Timberland, a chief appraiser may not consider the purpose for which a portion of a parcel of land is used if the portion is:

- used for the production of timber or forest products, including a road, right-of-way, buffer area, or fire-break; or
- subject to a right-of-way that was taken through the exercise of the power of eminent domain.

The bill adds subsection (e) to provide that for the purpose of the appraisal of land under Tax Code Chapter 23, Subchapter H, Appraisal of Restricted-Use Timberland, a portion of a parcel of land described by subsection (d) is considered land that qualifies for appraisal under that subchapter if the remainder of the parcel of land qualifies for appraisal under that subchapter.

Effective Sept. 1, 2019, and this section, as amended by the bill, applies only to the appraisal of land for property tax purposes for a tax year that begins on or after the effective date.

Section 23.9808

HB 1409 adds this section to provide that the eligibility of land for appraisal under Tax Code Chapter 23, Subchapter H, Appraisal of Restricted-Use Timberland, does not end because a lessee under an oil and gas lease begins conducting oil and gas operations over which the Railroad Commission of Texas has jurisdiction on the land if the portion of the land on which oil and gas operations are not being conducted otherwise continues to qualify for appraisal under that subchapter.

Effective Sept. 1, 2019, and does not affect an additional tax imposed as a result of a change of use of land appraised under Tax Code Chapter 23, Subchapter H that occurred before the effective date.

Chapter 25. Local Appraisal

Section 25.025

HB 2446, **SB 662**, and **SB 1494** reenact and amend subsection (a) as amended by Chapters 34 (SB 1576), 41 (SB 256), 193 (SB 510), 1006 (HB 1278), and 1145 (HB 457), Acts of the 85th Legislature, Regular Session, 2017, to renumber subdivisions and to add the following individuals to whom provisions relating to confidentiality of certain home address information apply:

- current or former child protective services caseworker, adult protective services caseworker, or investigator for the Department of Family and Protective Services or a current or former employee of a department contractor performing child protective services caseworker, adult protective services caseworker, or investigator functions for the contractor on behalf of the department (**SB 1494**);

- state officer elected statewide or a member of the Legislature (**SB 662** and **SB 1494**); and
- firefighter or volunteer firefighter or emergency medical services personnel as defined by Health and Safety Code Section 773.003 (**HB 2446**).

*Effective June 14, 2019 (**HB 2446** and **SB 662**). Effective June 10, 2019 (**SB 1494**). The changes in law made by these bills to this section apply only to a request for information that is received by a governmental body or an officer on or after the effective date; and to the extent of any conflict, these bills prevails over another bill of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes (**HB 2446**, **SB 662**, and **SB 1494**).*

HB 4170 and **HB 4173** reenact and amend subsection (a) as amended by Chapters 34 (SB 1576), 41 (SB 256), 193 (SB 510), 1006 (HB 1278), and 1145 (HB 457), Acts of the 85th Legislature, Regular Session, 2017, to renumber subdivisions. **HB 4173** also updates references to the Code of Criminal Procedure, including updating a reference to protective orders issued under Code of Criminal Procedure Chapter 7B, Subchapter A or B (rather than Code of Criminal Procedure Chapter 7A or Article 6.09), a reference to the address confidentiality program administered by the attorney general under Code of Criminal Procedure, Chapter 58, Subchapter B (rather than Code of Criminal Procedure, Chapter 56, Subchapter C), and a reference to proof of certification under Code of Criminal Procedure Article 58.059 (rather than Code of Criminal Procedure Article 56.84).

*Effective Sept. 1, 2019 (**HB 4170**). Effective Jan. 1, 2021; this bill is enacted under Texas Constitution, Article III, Section 43, is intended as a codification only, and this bill intends no substantive change in the law; Government Code Chapter 311 (Code Construction Act) applies to the construction of each provision in the Code of Criminal Procedure that is enacted under Texas Constitution, Article III, Section 43 (authorizing the continuing statutory revision program), in the same manner as to a code enacted under the continuing statutory revision program, except as otherwise expressly provided by the Code of Criminal Procedure; and a reference in a law to a statute or a part of a statute in the Code of Criminal Procedure enacted under Texas Constitution, Article III, Section 43 (authorizing the continuing statutory revision program), is considered to be a reference to the part*

*of that code that revises that statute or part of that statute (**HB 4173**).*

SB 73 and **SB 489** amend subsection (b) to strike that a federal or state judge is defined by Government Code Section 572.002 in provisions relating to confidential home address in appraisal records.

*Effective Sept. 1, 2019 (**SB 73** and **SB 489**).*

Section 25.19

SB 2 repeals subsection (b-2) regarding sending with the notice of appraised value a notice for residential real property that has not qualified for a residence homestead exemption in the current tax year that the property may qualify as a residence homestead if certain criteria are met and sending with this notice a residence homestead application.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

SB 2 adds subsection (b-3) to provide that for an appraisal district described by Tax Code Section 6.41(b-2), relating to appraisal review boards in a county with a population of one million or more, the chief appraiser shall state in a notice of appraised value that the property owner has the right to have a protest heard by a special panel of the appraisal review board.

*Effective Jan. 1, 2021, and takes effect only if **HB 3** becomes law.*

SB 2 adds subsection (b-4) to provide that subsection (b)(5), relating to a notice of appraised value including the amount of tax that would be imposed on the property as specified, applies only to a notice of appraised value required to be delivered in a county with a population of less than 120,000. This subsection expires Jan. 1, 2022.

*Effective Jan. 1, 2021, and takes effect only if **HB 3** becomes law.*

SB 2 amends subsections (b) and (i) to strike the requirement that the notice of appraised value include the amount of tax that would be imposed on the property on the basis of the tax rate for the preceding year if the appraised value is greater than it was in the preceding year.

*Effective Jan. 1, 2022, and takes effect only if **HB 3** becomes law.*

SB 2060 adds subsection (l) to provide that in addition to the information currently required, the chief appraiser shall include with a notice of appraised value a brief explanation of each total or partial exemption required or authorized by the Property Tax Code that is available to:

- a disabled veteran or the veteran’s surviving spouse or child;
- an individual who is 65 years of age or older or the individual’s surviving spouse;
- an individual who is disabled or the individual’s surviving spouse;
- the surviving spouse of a member of the armed services of the United States who is killed in action; or
- the surviving spouse of a first responder who is killed or fatally injured in the line of duty.

Effective Jan. 1, 2020, and the change in law made by this bill applies only to a notice of appraised value for a tax year beginning on or after the effective date.

Section 25.192

SB 2 adds this section to provide that for residential property that has not qualified for a residence homestead exemption in the current tax year, the chief appraiser must send a notice with prescribed language if the records of the appraisal district indicate that the address of the property is also the address of the owner of the property. The prescribed notice includes statements that the property is currently not being allowed a residence homestead exemption, the property may qualify for such exemption, the form to apply for a residence homestead exemption is enclosed with the notice, deadlines for the application, and that there is no application filing fee. The notice must include the address to which the notice is sent. The notice must be accompanied by a residence homestead exemption application form.

If a property owner has elected to receive notices by email as provided by Tax Code Section 1.086, this notice must be sent in that manner separately from any other notice sent to the property owner by the chief appraiser.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as added by this bill, applies only to a notice for a tax year beginning on or after Jan. 1, 2020.*

Section 25.193

SB 2 adds this section to require the chief appraiser to deliver a clear and understandable written notice to a property owner

if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year. The notice must be sent by April 1 or as soon thereafter as practicable if the property is a single-family residence that qualifies for an exemption under Tax Code Section 11.13, or by May 1 or as soon thereafter as practicable in connection with residential property that does not qualify for an exemption under Tax Code Section 11.13.

If a property owner has elected to receive notices by email as provided by Tax Code Section 1.086, this notice must be sent in that manner regardless of whether the information was also included in a notice of appraised value under Tax Code Section 25.19 and must be sent separately from any other notice sent to the property owner by the chief appraiser.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as added by this bill, applies only to a notice for a tax year beginning on or after Jan. 1, 2020.*

Section 25.25

HB 2159 amends subsection (d) and adds subsection (d-1) to provide that at any time prior to the date the taxes become delinquent, a property owner or the chief appraiser may file a motion with the appraisal review board to change the appraisal roll to correct an error that resulted in an incorrect appraised value that exceeds by more than one-fourth the correct appraised value, in the case of property that qualifies as the owner’s residence homestead under Tax Code Section 11.13. The bill specifies that the current requirement that for an error to be corrected it must have resulted in an appraised value that exceeds by more than one-third the correct appraised value is in the case of property that does not qualify as the owner’s residence homestead under Tax Code Section 11.13.

Effective June 14, 2019, and the change in law made by this bill applies only to a motion to correct an appraisal roll filed on or after the effective date.

HB 3 amends subsection (k) to update a reference to Education Code Chapter 49, Subchapter C or G (rather than Education Code Chapter 41, Subchapter C or G) regarding chief appraisers updating appraisal records and school district appraisal rolls to reflect the detachment and annexation of property among school districts.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the

invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Chapter 26. Assessment

Section 26.01

SB 2 adds subsection (a-1) to provide that if by July 20 the appraisal review board for an appraisal district has not approved the appraisal records for the district as required under Tax Code 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.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.012

HB 279 and **SB 1621** amend subdivision (1) to modify the definition of “additional sales and use tax” to provide that the exceptions to additional sales and use tax imposed by a hospital district include a hospital district that imposes the sales and use tax under Special District Local Laws Code Chapter 1061, Subchapter G, relating to the Midland County Hospital District of Midland County, Texas.

*Effective June 10, 2019 (**HB 279**) and effective Sept. 1, 2019 (**SB 1621**).*

SB 2 adds subdivision (8-a) to provide that “de minimis rate” means the rate equal to the sum of:

- a taxing unit’s no-new-revenue maintenance and operations rate;
- the rate that, when applied to a taxing unit’s current total value, will impose an amount of taxes equal to \$500,000; and
- a taxing unit’s current debt rate.

The bill amends subdivision (10) to update a reference to the “rollback rate” to the “voter-approval tax rate” in the current definition of “excess collections.”

The bill amends subdivision (13) to modify the definition of “last year’s levy” to include the portion of taxable value

of property that is the subject of an appeal under Tax Code Chapter 42 on July 25 that is not in dispute.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

HB 492 amends subdivision (15) to modify the definition of “lost property levy” to provide property exempt under Tax Code Section 11.35, relating to the temporary exemption for qualified property damaged by a disaster, are not included in the amount of taxes levied in the preceding year but not taxable in the current year because the property is exempt.

*Effective Jan. 1, 2020 contingent on voter approval of **HJR 34**.*

SB 2 redesignates subdivision (9) as subdivision (18) and amends the subdivision to update a reference to “effective maintenance and operations rate” to the “no-new-revenue maintenance and operations rate.”

The bill adds subdivision (19) to define “special taxing unit” as:

- 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;
- a junior college district; or
- a hospital district.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.013

SB 2 adds this section to provide that in this section:

- “Actual tax rate” means a taxing unit’s actual tax rate used to levy taxes in the applicable preceding tax year.
- “Voter-approval tax rate” means a taxing unit’s voter-approval tax rate in the applicable preceding tax year less the unused increment rate for that preceding tax year.
- “Year 1” means the third tax year preceding the current tax year.
- “Year 2” means the second tax year preceding the current tax year.
- “Year 3” means the tax year preceding the current tax year.

The bill provides that in Tax Code Chapter 26 the “unused increment rate” means the greater of:

- zero; or
- the rate expressed in dollars per \$100 of taxable value calculated according to a specified formula.

The specified formula is the aggregate of the difference in the voter-approval tax rate and the actual tax rate for the three preceding tax years; except for each tax year before the 2020 tax year, the difference between the taxing unit’s voter-approval tax rate and actual tax rate is considered to be zero. This exception expires Dec. 31, 2022.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.04

SB 2 amends the title of the section to update a reference to “effective” tax rates to “no-new-revenue” tax rates and a reference to “rollback” tax rates to the “voter-approval” tax rates.

The bill amends subsection (b) to modify the current requirement that a taxing unit’s collector certify an estimated collection rate to a requirement that a taxing unit’s collector certify the anticipated collection rate as calculated under subsections (h), (h-1), and (h-2).

The bill amends subsection (c) to specify that the current requirement that an officer or employee designated by a governing body calculate certain tax rates is required after the taxing unit’s assessor submits the appraisal roll for the taxing unit to the governing body of the taxing unit. The bill prescribes the voter-approval tax rate for a special taxing unit which is:

$$\text{Voter-approval tax rate} = (\text{No-New-Revenue Maintenance and Operations Rate} \times 1.08) + \text{Current Debt Rate}$$

The bill prescribes the voter-approval tax rate for a taxing unit other than a special taxing unit which is:

$$\text{Voter-approval tax rate} = (\text{No-New-Revenue Maintenance and Operations Rate} \times 1.035) + (\text{Current Debt Rate} + \text{Unused Increment Rate})$$

The bill adds subsection (c-1) to provide that notwithstanding any other provision of this section, the governing body of a taxing unit other than a special taxing unit may direct the

designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the Governor or by the President of the United States. The designated officer or employee shall continue calculating the voter-approval tax rate in the manner provided by this subsection until the earlier of:

- the second tax year in which the total taxable value, as specified, exceeds the total taxable value on January 1 of the tax year in which the disaster occurred; or
- the third tax year after the tax year in which the disaster occurred.

The bill adds subsection (c-2) to provide that notwithstanding any other provision of this section, if an assessor receives a certified estimate of the taxable value of property in a taxing unit under Tax Code 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.

The bill adds subsection (d-1) to require a designated officer or employee to use the tax rate calculation forms prescribed by the Comptroller under Tax Code Section 5.07 in calculating the no-new-revenue tax rate and the voter-approval tax rate.

The bill adds subsection (d-2) to prohibit a designated officer or employee from submitting the no-new-revenue tax rate and the voter-approval tax rate to the governing body of the taxing unit and to prohibit the taxing unit from adopting 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.

The bill adds subsection (d-3) to provide that as soon as practicable after a 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.

The bill amends subsection (e) to require a designated officer or employee to post prominently on the homepage of the taxing unit’s Internet website (instead of mail or publish in a newspaper) a form prescribed by the Comptroller with

specified information. The bill amends the required specified information to strike the following information:

- Amount of additional sales and use tax revenue anticipated;
- Statement regarding last year's levy compared to the current year's levy with an adoption of a tax rate equal to the effective tax rate; and
- Schedule that include elements regarding the transfer of a department, function, or activity from one taxing unit to another taxing unit.

The bill modifies subsection (e-1) from providing that certain notice requirements do not apply to school districts to providing that the tax rate certification requirements imposed by subsection (d-2) and the notice requirements imposed by subsections (e)(1)-(3) do not apply to school districts.

The bill adds subsections (e-2), (e-3), and (e-4) to provide that by August 7 or as soon thereafter as practicable, the chief appraiser shall deliver by regular mail or email to each owner of property located in the appraisal district a notice that the estimated amount of taxes to be imposed on the owner's property by each taxing unit in which the property is located may be found in the property tax database maintained by the appraisal district under Tax Code Section 26.17. The notice must include:

- a statement (which must include a heading in bold, capital letters and in type larger than the rest of the notice) directing the property owner to an Internet website from which the owner may access information related to the actions taken or proposed to be taken by each taxing unit in which the property is located that may affect the taxes imposed on the owner's property;
- 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 Tax Code Section 6.24(b), contact information for the assessor for each taxing unit in which the property is located, who must provide the information described by this subsection to the owner on request; and
- 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 Tax Code Section 6.24(b).

The Comptroller, with the advice of the property tax administration advisory board, shall adopt rules prescribing the form of the notice and may adopt rules regarding the format and delivery of the notice.

The bill adds subsection (e-5) to require the governing body of a taxing unit to 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.

The bill amends subsection (g) to modify the current entitlement of a person who owns taxable property to an injunction prohibiting the adoption of a tax rate if the assessor or designated officer or employee of the taxing unit has not complied in good faith with computation or publication requirements of this section to the entitlement of such injunction 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 Tax Code Section 26.16, 26.17, or 26.18. The bill provides it is a defense in an action for an injunction under this subsection that the failure to comply was in good faith.

The bill adds subsection (h-1) to provide that 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 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.

The bill adds subsection (h-2) to provide that 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.

The bill also amends subsections (c), (d), (e), (f), (i), and (j) to update references to the "effective" tax rate to "no-new-revenue" tax rate and references to the "rollback" tax rate to the "voter-approval" tax rate.

*For Tax Code Sections 26.04(d-1), (d-2), (d-3), (e-1), (e-5), and (g), effective Jan. 1, 2021, and takes effect only if **HB 3** becomes law. For subsections in this section other than*

*Tax Code Sections 26.04(d-1), (d-2), (d-3), (e-1), (e-5), and (g), the subsections are effective Jan. 1, 2020 and take effect only if **HB 3** becomes law. The bill provides that an appraisal district established in a county with a population of 200,000 or more and each taxing unit located wholly or primarily in such an appraisal district shall comply with Tax Code Section 26.04(e-2), as added by this bill, beginning with the 2020 tax year. The bill provides that an appraisal district established in a county with a population of less than 200,000 and each taxing unit located wholly or primarily in such an appraisal district shall comply with Tax Code Section 26.04(e-2), as added by this bill, beginning with the 2021 tax year.*

Section 26.041

SB 2 amends subsection (a) to prescribe the voter-approval tax rate for a special taxing unit in the first year in which an additional sales and use tax is required to be collected which is:

$$\text{Voter-approval tax rate for special taxing unit} = (\text{No-New-Revenue Maintenance and Operations Rate} \times 1.08) + (\text{Current Debt Rate} - \text{Sales Tax Gain Rate})$$

The bill also prescribes the voter-approval tax rate for a taxing unit other than a special taxing unit in the first year in which an additional sales and use tax is required to be collected which is:

$$\text{Voter-approval tax rate for taxing unit other than special taxing unit} = (\text{No-New-Revenue Maintenance and Operations Rate} \times 1.035) + (\text{Current Debt Rate} + \text{Unused Increment Rate} - \text{Sales Tax Gain Rate})$$

The bill amends subsection (b) to prescribe the voter-approval tax rate for a special taxing unit in a year in which a taxing unit imposes an additional sales and use tax, except as provided by subsections (a) and (c), which is:

$$\text{Voter-approval tax rate for special taxing unit} = [(\text{Last Year's Maintenance and Operations Expense} \times 1.08) / (\text{Current Total Value} - \text{New Property Value})] + (\text{Current Debt Rate} - \text{Sales Tax Revenue Rate})$$

The bill also prescribes the voter-approval tax rate for a taxing unit other than a special taxing unit in a year in which a taxing unit imposes an additional sales and use tax, except as provided by subsections (a) and (c), which is:

$$\text{Voter-approval tax rate for a taxing unit other than a special taxing unit} = [(\text{Last Year's Maintenance and Operations Expense} \times 1.035) / (\text{Current Total Value} - \text{New Property Value})] + (\text{Current Debt Rate} + \text{Unused Increment Rate} - \text{Sales Tax Revenue Rate})$$

The bill amends subsection (c) to prescribe the voter-approval tax rate for a special taxing unit in a year in which a taxing unit that has been imposing an additional sales and use tax ceases to impose the additional sales and use tax, which is:

$$\text{Voter-approval tax rate for special taxing unit} = [(\text{Last Year's Maintenance and Operations Expense} \times 1.08) / (\text{Current Total Value} - \text{New Property Value})] + \text{Current Debt Rate}$$

The bill also prescribes the voter-approval tax rate for a taxing unit other than a special taxing unit in year in which a taxing unit that has been imposing an additional sales and use tax ceases to impose the additional sales and use tax, which is:

$$\text{Voter-approval tax rate for a taxing unit other than a special taxing unit} = [(\text{Last Year's Maintenance and Operations Expense} \times 1.035) / (\text{Current Total Value} - \text{New Property Value})] + (\text{Current Debt Rate} + \text{Unused Increment Rate})$$

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

- the second tax year in which the total taxable value, as specified, 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
- the third tax year after the tax year in which the disaster occurred.

The bill also updates references in subsection (a), (b), (c), (e), (g), and (h) from “effective” tax rate to “no-new-revenue” tax

rate and references of the “rollback” tax rate to the “voter-approval” tax rate.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

HB 4174 amends subsection (j) to update a reference to Government Code Chapters 476 or 477 in regard to the amount derived from the sales and use tax that is retained by the Comptroller.

Effective April 1, 2021.

Sections 26.043, 26.044, and 26.0441

SB 2 amends these sections, including the title of Tax Code Sections 26.043 and 26.044, to update references to “effective” tax rate to “no-new-revenue” tax rate and references to “rollback” tax rate to “voter-approval” tax rate.

The bill amends Tax Code Sections 26.044 and 26.0441 to modify the current requirement that a notice of an increase in the no-new-revenue maintenance and operations rate (and related information on the state criminal justice mandate or enhanced indigent health care expenditures, as appropriate) be included in the information published under Tax Code Section 26.04(e) and Tax Code Section 26.06(b) to require that the notice be included in the information published under Tax Code Section 26.04(e) (relating to the Comptroller prescribed form that taxing units must post on the taxing unit’s Internet website) and as applicable, in the notice prescribed by Tax Code Section 26.06 (notice, hearing, and vote on tax increase) or Tax Code Section 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).

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.0442

SB 2 adds this section to provide for a tax rate adjustment for county indigent defense compensation expenditures. The bill provides that for this section “indigent defense compensation expenditures” for a tax year means the amount paid by a county to provide appointed counsel for indigent individuals in criminal or civil proceedings in accordance with the schedule of fees adopted under Code of Criminal Procedure Article 26.05, in the period beginning on July 1 of the tax year preceding the tax year for which the tax is adopted and ending on June 30 of the tax year for which the tax is

adopted, less the amount of any state grants received by the county during that period for the same purpose.

The bill provides that 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:

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

or

$$\frac{\text{(Preceding Tax Year's Indigent Defense Compensation Expenditures} \times 0.05)}{\text{(Current Total Value - New Property Value)}}$$

The bill requires the county to include a notice of such an increase in the no-new-revenue maintenance and operations rate, including a description and the amount of indigent defense compensation expenditures, in the information published under Tax Code Section 26.04(e) (relating to the Comptroller prescribed form that taxing units must post on the taxing unit’s Internet website) and as applicable, in the notice prescribed by Tax Code Section 26.06 (notice, hearing, and vote on tax increase) or Tax Code Section 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).

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.0443

SB 2 adds this section to provide a tax rate adjustment for eligible county hospital expenditures. The bill provides that in this section “eligible county hospital” means a hospital that is owned or leased by a county and operated in accordance with Health and Safety Code Chapter 263 or owned or leased jointly by a municipality and a county and operated in accordance with Health and Safety Code Chapter 265, and is located in an area not served by a hospital district created under Texas Constitution, Article IX, Sections 4 through 11.

The bill provides that in this section “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.

The bill provides that 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)

The bill requires the county or municipality to include a notice of such an increase in the no-new-revenue maintenance and operations rate, including a description and amount of eligible county hospital expenditures, in the information published under Tax Code Section 26.04(e) (relating to the Comptroller prescribed form that taxing units must post on the taxing unit's Internet website) and as applicable, in the notice prescribed by Tax Code Section 26.06 (notice, hearing, and vote on tax increase) or Tax Code Section 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).

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.045

SB 2 amends this section, including the title of the section, to update references to "rollback" tax rate to "voter-approval" tax rate.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.05

SB 2 amends subsection (a) to add an exception to the current requirement that a governing body 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, 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 Election Code Section 41.001 that occurs in November of that year.

The bill modifies the debt rate component of the adopted tax rate to provide that the debt rate component for a taxing unit other than a school district is the rate that, if applied to the total taxable value, will impose the total amount described (rather than published) under Tax Code Section 26.04(e)(3)(C) less specified amounts.

The bill amends subsection (b)(2) to modify the current requirement that a taxing unit include specific statements regarding increasing the amount of maintenance and operations taxes levied from the previous year on the home page of the Internet website of the taxing unit (rather than on the home page of any Internet website operated by the taxing unit) if the tax rate will impose taxes to fund more maintenance and operations expenditures than in the preceding year.

The bill amends subsection (d) to provide that a governing body of a taxing unit other than a school district must hold a public hearing (rather than two public hearings) before adopting a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate.

The bill adds subsections (d-1) and (d-2) to provide that 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 delivered the notice required by Tax Code Section 26.04(e-2), relating to the chief appraiser sending notice that the estimated amount of taxes may be found in the property tax database, and complied with Tax Code Section 26.17(f), relating to the chief appraiser making publicly available tax rates, public hearing and public meeting information, and tax rate calculation forms. 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 these requirements.

The bill amends subsection (e) to modify the entitlement of a person who owns taxable property 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 in good faith with the requirements of this section to provide

that a property owner is entitled to an injunction if a taxing unit has not complied with the requirements this section or Tax Code Section 26.04, relating to the submission of the roll to a governing body and no-new-revenue and voter-approval tax rates. The bill provides that it is a defense in an action for an injunction under this subsection that the failure to comply was in good faith. The bill modifies when the injunction must be filed from prior to the date a taxing unit delivers substantially all of its tax bills to provide that 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. The bill provides that 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.

The bill adds subsection (e-1) to provide that 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, relating to the debt tax rate, 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 Tax Code 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.

The bill amends subsections (b), (c), (d), and (g) to update references to "effective" tax rate to "no-new-revenue" tax rate and references to "rollback" tax rate to "voter-approval" tax rate.

*For Tax Code Section 26.05(e), the bill is effective Jan. 1, 2021 and takes effect only if **HB 3** becomes law. For subsections in this section other than Tax Code Section 26.05(e), the bill is effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

A taxing unit that does not own, operate, or control an Internet website is not required to comply with Tax Code Section

26.05(b)(2), as amended by this bill, until the first tax year in which the taxing unit is required by law to maintain or have access to an Internet website.

The bill provides that an appraisal district established in a county with a population of 200,000 or more and each taxing unit located wholly or primarily in such an appraisal district shall comply with Tax Code Sections 26.05(d-1) and (d-2), as added by this bill, beginning with the 2020 tax year. The bill provides that an appraisal district established in a county with a population of less than 200,000 and each taxing unit located wholly or primarily in such an appraisal district shall comply with Tax Code Sections 26.05(d-1) and (d-2), as added by this bill, beginning with the 2021 tax year.

Section 26.052

SB 2 amends subsection (e) to update references to "effective" tax rate to "no-new-revenue" tax rate.

The bill adds subsection (f) to provide that a taxing unit to which this section applies that elects to provide public notice of its proposed tax rate under subsection (c)(2), relating to providing notice in the legal notices section of a newspaper having general circulation in the taxing unit, must also provide public notice of its proposed tax rate by posting the notice, including information prescribed by subsection (e), prominently on the home page of the Internet website of the taxing unit.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.06

SB 2 amends subsection (a) to modify when the public hearing required by Tax Code Section 26.05 must be held to not before the fifth (rather than before the seventh) day after the date the notice of the public hearing is given. The bill strikes the provision that a second hearing may not be held earlier than the third day after the date of the first hearing.

The bill modifies subsection (b) and adds subsections (b-1), (b-2), and (b-3) to strike the prescribed notice of the hearing and prescribe different notices of the hearing for each of the following circumstances:

- the proposed tax rate exceeds the no-new-revenue tax rate and the voter-approval tax rate of the taxing unit;
- the proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate of the taxing unit; and

- 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 bill adds subsection (b-4) to provide that 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 Tax Code Section 26.062, relating to additional information to be included in tax rate notices.

The bill amends subsection (c) to modify the requirement that the hearing notice be posted on the taxing unit's website if the taxing unit operates an Internet website to provide that 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 until the public hearing is concluded. Previously, the notice had to be published until the second public hearing concluded.

The bill amends subsection (d) to authorize a governing body to vote on the proposed tax rate at the public hearing or announce at the public hearing the date, time, and place of the meeting at which the governing body will vote on the proposed rate (rather than requiring a governing body to announce the meeting to adopt the tax rate). The bill strikes the prescribed notice for the meeting to adopt the tax rate.

The bill amends subsection (e) to modify when the meeting to vote on the tax increase may be held from not earlier than the third day or later than the 14th day after the date of the second public hearing to not later than the seventh day after the date of the public hearing. The bill strikes a provision related to a governing body giving new notice if the governing body did not meet the deadline to vote on the tax increase.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.061

SB 2 adds this section to apply 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 Tax Code Chapter 26. For these taxing units, the bill prescribes the notice of the meeting at which the governing body of the taxing unit will vote on the proposed tax rate. The bill provides that in addition to the prescribed information, the notice must include the information described by Tax Code Section 26.062, relating to additional information

to be included in tax rate notices. The notice required under this section must be provided in the manner required under Tax Code Section 26.06(c), relating to providing notice of a public hearing by mail or published in a newspaper and the taxing unit's Internet website.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.062

SB 2 adds subsection (a) to provide that in addition to the information described by Tax Code Section 26.06(b-1), (b-2), or (b-3) or Tax Code Section 26.061, as applicable, a notice required by that provision must include at the end of the notice a prescribed statement regarding assistance with the calculations and a table that compares the taxes imposed on the average residence homestead by the taxing unit last year to the taxes proposed to be imposed on the average residence homestead in the current tax year.

The bill adds subsections (b), (c), (d), (e), (f), and (g) to prescribe the contents of the required table. The bill adds subsection (h) to provide that 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.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.063

SB 2 adds this section to apply only to a taxing unit that is 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; and

- that is required to provide notice under Tax Code Section 26.06(b-1) or (b-3), when the proposed tax rate exceeds the voter-approval rate (and does or does not exceed the no-new-revenue rate); and
- for which the de minimis rate exceeds the voter-approval tax rate.

The bill adds subsection (b) to provide that this subsection applies only to a taxing unit that is required to hold an election under Tax Code Section 26.07. In the notice required to be provided by the taxing unit under Tax Code Section 26.06(b-1) or (b-3), as applicable, the taxing unit shall add prescribed

language to the end of the list of rates included in the notice. The prescribed language lists the de minimis rate, adds the definition of “de minimis rate,” provides a substitute definition of “voter-approval tax rate,” and substitutes language regarding the notice that an election is required to include that the proposed tax rate is greater than the voter-approval tax rate and the de minimis rate, an election is required, election information, and if the proposed rate is not approved by voters, the tax rate will be the voter-approval tax rate.

The bill adds subsection (c) to provide that this subsection applies only to a taxing unit for which the qualified voters of the taxing unit may petition to hold an election under Tax Code Section 26.075. In the notice required to be provided by the taxing unit under Tax Code Section 26.06(b-1) or (b-3), as applicable, the taxing unit shall add prescribed language to the end of the list of rates included in the notice. The prescribed language lists the de minimis rate, adds the definition of “de minimis rate,” provides a substitute definition of “voter-approval tax rate,” and substitutes language regarding the notice that an election is required to include that the proposed tax rate is greater than the voter-approval tax rate but not greater than the de minimis rate, the proposed tax rate exceeds the rate that allows voters to petition for an election under Tax Code Section 26.075, and if there is an election and the proposed rate is not approved by voters, the tax rate will be the voter-approval tax rate.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.065

SB 2 amends subsection (b) to modify the requirement that if a taxing unit owns, operates, or controls an Internet website, the taxing unit must post notice of a public hearing required under Tax Code Section 26.05(d), relating to a public hearing required when the proposed tax rate exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate, on the website to requiring the taxing unit to post notice of the public hearing prominently on the home page of the Internet website of the taxing unit.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law. A taxing unit that does not own, operate, or control an Internet website is not required to comply with Tax Code Section 26.065(b), as amended by this bill, until the first tax year in which the taxing unit is required by law to maintain or have access to an Internet website.*

Section 26.07

SB 2 amends this section to strike the petition requirements to hold a tax rate election and instead provides for the automatic election to approve the tax rate for a taxing unit other than a school district. The bill provides that registered voters of a taxing unit must determine whether to approve the adopted tax rate if:

- the governing body of a special taxing unit adopts a tax rate that exceeds the voter-approval tax rate;
- a municipality with a population of 30,000 or more adopts a tax rate that exceeds the voter-approval tax rate;
- the governing body of a taxing unit other than a special taxing unit adopts a tax rate that exceeds the greater of the voter-approval tax rate or de minimis rate;
- 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 voter-approval tax rate or de minimis rate.

The bill provides that an election is not required under this section for the year following the year in which a disaster occurs when an increased expenditure of money by a taxing unit is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, that has impacted the taxing unit and the Governor has declared any part of the area in which the taxing unit is located as a disaster area.

The bill requires a governing body to order that an election be held in the taxing unit on the uniform election date prescribed by Election Code Section 41.001 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. The bill prescribes the ballot language for the election.

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. If the proposition is not approved, the taxing unit’s tax rate for the current tax year is the voter-approval tax rate. If after tax bills for the taxing unit have been mailed, a proposition to approve the adopted tax rate is not approved by the voters at an election held under this section, the assessor shall prepare and mail corrected tax bills. The bill sets forth refund procedures for when a property owner pays taxes calculated using the originally adopted tax rate of the taxing unit and then the adopted tax rate is not approved by voters.

The bill amends the section to update references to “effective” tax rate to “no-new-revenue” tax rate and references to “rollback” tax rate to “voter-approval” tax rate.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.075

SB 2 adds this section to apply only to a taxing unit other than:

- a special taxing unit;
- a school district; or
- a municipality with a population of 30,000 or more.

This section applies to a taxing unit only in a tax year in which the taxing unit’s de minimis rate exceeds the voter-approval tax rate and the adopted tax rate is:

- equal to or lower than the taxing unit’s de minimis rate; and
- greater than the greater of the:
 - voter-approval tax rate calculated as if the taxing unit were a special taxing unit; or
 - voter-approval tax rate.

The bill provides that 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. The bill sets forth the criteria for a valid petition, including requiring the signatures of at least three percent of the registered voters of the taxing unit determined according to the most recent list of those voters. The petition must be 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. The governing body shall determine whether the petition is valid and must by resolution state the governing body’s determination not later than the 20th day after the date on which a petition is submitted. If the governing body fails to make the determination in the required time and manner, the petition is considered to be valid.

If the governing body determines that the petition is valid or fails to make the determination in the required time and manner, 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. The bill sets forth the ballot language.

The bill provides that 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. If the proposition is not approved, the tax rate for the taxing unit for the current tax year is the tax rate adopted by the governing body for the current tax year.

The bill provides that if the tax rate is reduced by an election after tax bills for the taxing unit have been mailed, the assessor for the taxing unit shall prepare and mail corrected tax bills and include a brief explanation of the reason for and effect of the corrected bill. The bill provides that the date on which the taxes become delinquent for the tax year is extended by the number of days between the date the first tax bills were sent and the date the corrected tax bills were sent. The bill sets forth refund provisions, including a refund application deadline, 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 bill provides that 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 Tax Code Section 26.07 does not apply to a tax imposed by the taxing unit.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.08

SB 2 modifies the title of the section to “Automatic Election To Approve Tax Rate of School District.”

HB 3 amends subsection (a-1) and **SB 2** amends subsection (a) to add “wildfire” to the list of disasters that when it increases a school district’s expenditures, the school district is not required to hold an election to approve the tax rate for the year following the year in which the disaster occurs.

HB 3 amends subsection (a) to update a reference to the “rollback” tax rate to the “voter-approval” tax rate.

HB 3 amends subsection (a-1) to provide that a school district tax rate adopted under this subsection, relating to school districts not required to have a tax rate election after a disaster, applies only in the year for which the rate is adopted. If a school district adopts a tax rate under this subsection, the amount by which that rate exceeds the voter-approval tax rate

for that tax year may not be considered when calculating the voter-approval tax rate for the tax year following the year in which the school district adopts the rate.

The bill amends subsection (b) to require that a school district tax rate election be held on the next uniform election date prescribed by Election Code Section 41.001 that occurs after the date of the election order and that allows sufficient time to comply with the requirements of other law (rather than an election not less than 30 or more than 90 days after the day the tax rate is adopted). The bill also modifies the ballot language for the election.

The bill amends subsection (i) to provide that “enrichment tax rate” for purposes of this section has the meaning assigned by Education Code Section 45.0032 and to strike the provision defining the effective maintenance and operation tax rate for school districts.

The bill amends subsection (n) to provide that a school district voter-approval tax rate for the 2019 tax year is the sum of the following:

- the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Education Code Section 48.255, for the 2019 tax year and \$1.00;
- the greater of the rate of \$0.04 per \$100 of taxable value or the district’s 2018 maintenance and operations tax rate, less the sum of \$1.00 and any amount by which the district is required to reduce the district’s enrichment tax rate under Education Code Section 48.202(f) in the 2019 tax year; and
- the district’s current debt rate.

The bill provides that a school district voter-approval tax rate for the 2020 and subsequent tax year is the sum of the following:

- the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Education Code Section 48.255, for the current year and \$1.00;
- the greater of the rate of \$0.05 per \$100 of taxable value or 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 Education Code Section 48.202(f), in the current tax year; and
- the district’s current debt rate.

The bill adds subsection (n-1) to provide that for the 2020 tax year, a school district shall substitute “\$0.04” for “\$0.05” in the voter-approval tax rate calculation if the governing body of the district does not adopt by unanimous vote for that tax year a maintenance and operations tax rate at least equal to the sum of the compressed \$1.00 rate and the rate of \$0.05 per \$100 of taxable value.

The bill also repeals subsections (o) and (p) regarding the rollback tax rate for school districts with a maintenance and operations tax rate for the 2005 tax year greater than \$1.50 and regarding the rollback tax rate for school districts that adopt a maintenance and operations tax rate lower than the effective maintenance and operations tax rate in the preceding year.

Effective Jan. 1, 2020, the bill amends subsections (d) and (g) to update a reference to the “rollback” tax rate to the “voter-approval” tax rate.

Effective Jan. 1, 2020, the bill amends subsection (n) to provide that a school district voter-approval tax rate is the sum of the following

- the rate per \$100 of taxable value that is equal to the district’s maximum compressed tax rate, as determined under Education Code Section 48.2551, for the current year;
- the greater of the rate of \$0.05 per \$100 of taxable value or 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 Education Code Section 48.202(f), in the current tax year; and
- the district’s current debt rate.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law (**SB 2**). Effective Sept. 1, 2019; if any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable; to the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment; except as otherwise provided by this bill, this section, as amended by this bill, applies beginning with the 2019 tax year; and a school district is required to calculate the voter-approval tax rate for the 2019 tax year in the manner provided by this section, as amended by this*

bill, regardless of whether the district has already calculated that rate or adopted a tax rate for the 2019 tax year before Sept. 1, 2019 (**HB 3**).

Section 26.11

SB 2083 amends subsection (a) to provide that if the federal government, the state, or a political subdivision takes possession of taxable property under a possession and use agreement or under Property Code Section 21.021, the amount of the tax due on the property is calculated by multiplying the amount of the taxes imposed on the property for the entire year by a fraction, the denominator of which is 365 and numerator of which is the number of days that elapsed prior to either the effective date of the possession and use agreement or the date the entity took possession under Property Code Section 21.021, as applicable.

Effective June 10, 2019, and applies only to a possession and use agreement entered into or an award made under Property Code Section 21.021 on or after the effective date.

Section 26.112

SB 1856 amends subsection (b) to provide that for a refund when the tax has been paid and an individual qualifies for an exemption under Tax Code Section 11.13(c) or (d) (relating to a residence homestead exemption for an individual who is 65 or older or disabled), Tax Code Section 11.133 (relating to a residence homestead exemption of a surviving spouse of an armed services member killed in action), or Tax Code Section 11.134 (relating to a residence homestead exemption of a surviving spouse of a first responder killed in the line of duty) that reduces the amount of tax due, the refund shall be to the person who was the owner of the property on the date the tax was paid.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to a refund made on or after the effective date.

Section 26.1125

SB 1856 amends subsection (b) to provide that for a refund when the tax has been paid and an individual qualifies for an exemption under Tax Code Section 11.131 (relating to a residence exemption of 100 percent or totally disabled veteran) that reduces the amount of tax due, the refund shall be to the person who was the owner of the property on the date the tax was paid.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to a refund made on or after the effective date.

Section 26.1127

SB 1856 amends subsection (b) to provide that for a refund when the tax has been paid and an individual qualifies for an exemption under Tax Code Section 11.132 (relating to an exemption of a donated residence homestead of partially disabled veteran) that reduces the amount of tax due, the refund shall be to the person who was the owner of the property on the date the tax was paid.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to a refund made on or after the effective date.

Section 26.151

HB 3 adds this section titled “Escrow Account for Property Taxes” and defines for this section:

- “Home loan” has the meaning assigned by Finance Code Section 343.001.
- “Home loan servicer” means a person who receives scheduled payments from a borrower under the terms of a home loan, including amounts for escrow accounts; and makes the payments of principal and interest to the owner of the loan or other third party and makes any other payments with respect to the amounts received from the borrower as may be required under the terms of the servicing loan document or servicing contract.
- “Property tax escrow account” means an escrow account maintained by a lender or loan servicer to hold funds prepaid by the borrower on a loan for the payment of property taxes on real property securing the loan as the taxes become due.

The bill provides that to the extent that this bill has the effect of reducing property taxes in this state, a lender or home loan servicer of a home loan that maintains a property tax escrow account must take into account the effect of that legislation in establishing the borrower’s annual property tax payments to be held in that account and immediately adjust the borrower’s monthly payments accordingly.

The bill provides that this section expires Sept. 1, 2023.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the

invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 26.16

SB 2 amends the title of the section to “Posting of Tax-Related Information on County’s Internet Website” and amends subsection (a) to require each county to maintain an Internet website. The bill modifies the requirement that the county assessor-collector for each county (rather than county assessor-collector for each county that maintains an Internet website) post on the Internet website maintained by the county specified tax rates.

The bill adds subsection (a-1) to provide that 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 expires Jan. 1, 2026.

The bill amends subsection (d) to strike language that a taxing unit other than a school district may be subject to a petition to call for an election on an adopted tax rate and instead, provides that a taxing unit (not just a school district) will be automatically subject to an election if the taxing unit adopts a tax rate in excess of the voter-approval tax rate.

The bill adds subsection (d-1) to provide that 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:

- 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 Tax Code Section 26.04(d-2); and
- the name and official contact information for each member of the governing body of the taxing unit.

The bill adds subsection (d-2) to provide that by August 7 or as soon thereafter as practicable, the county assessor-collector

shall post on the website the tax rate calculation forms for the current tax year.

The bill amends the section to update references to “effective” tax rate to “no-new-revenue” tax rate and references to “rollback” tax rate to “voter-approval” tax rate.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 26.17

SB 2 adds this section to require a chief appraiser to create and maintain a property tax database. The bill provides that the database must contain 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. The database must be continuously updated as preliminary and revised data become available to and are provided by the designated officers or employees of taxing units. The database must be accessible to the public and searchable by property address and owner, except to the extent that access to the information in the database is restricted by Tax Code Section 25.025 or Tax Code Section 25.026, relating to confidential home addresses and address information for certain shelter centers and sexual assault programs. The bill provides that the database be identified by the name of the county in which the appraisal district is established instead of the name of the appraisal district. The database also must include a prescribed statement regarding the 86th Texas Legislature modifying the calculation of the voter-approval tax rate to limit the rate of growth of property taxes in the state.

The bill adds subsection (b) to provide that 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, the no-new-revenue tax rate and the voter-approval tax rate;
6. for each school district in which the property is located, the voter-approval tax rate and the tax rate that would maintain the same amount of state and local revenue per weighted student that the district

received in the school year beginning in the preceding tax year;

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 the no-new-revenue tax rate and the taxes that would be imposed on the property if the taxing unit adopted a tax rate equal to 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 the proposed tax rate and the taxes that would be imposed if the district adopted the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year;
10. for each taxing unit other than a school district in which the property is located, the difference between the amount of taxes imposed using the no-new-revenue tax rate and the amount of taxes imposed using the proposed tax rate;
11. for each school district in which the property is located, the difference between the amount of taxes imposed using the rate that would maintain the amount received in the preceding tax year of state and local revenue per weighted student and the amount of taxes imposed using the proposed tax rate;
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 email address at which the taxing unit is capable of receiving written comments regarding the proposed tax rate of the taxing unit.

The bill adds subsections (c) and (d) to provide that 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 Tax Code Section 26.18, relating to posting tax rate and budget information by the taxing unit on a website. 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.

The bill adds subsection (e) to require the officer or employee designated by the governing body to calculate the no-new-revenue tax rate and the voter-approval tax rate to electronically incorporate into the database the tax rate calculation forms prepared under Tax Code Section 26.04(d-1) and the following information, as applicable, as the information becomes available:

- for taxing units other than school districts, the no-new-revenue tax rate and the voter-approval tax rate;
- for each school district, the voter-approval tax rate and the tax rate that would maintain the same amount of state and local revenue per weighted student that the district received in the school year beginning in the preceding tax year;
- the tax rate proposed by the governing body of each taxing unit;
- the date, time, and location of the public hearing, if applicable, on the proposed tax rate; and
- the date, time, and location of the public meeting, if applicable, to adopt the tax rate.

The bill adds subsection (f) to require the chief appraiser to make the information and the tax rate calculation forms described by subsection (e) available to the public not later than the third business day after the date the information and forms are incorporated into the database.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law. The bill provides that an appraisal district established in a county with a population of 200,000 or more and each taxing unit located wholly or primarily in such an appraisal district shall comply with this section, as added by this bill,*

beginning with the 2020 tax year. An appraisal district established in a county with a population of less than 200,000 and each taxing unit located wholly or primarily in such an appraisal district shall comply with this section, as added by this bill, beginning with the 2021 tax year.

Section 26.18

SB 2 adds this section to require each taxing unit to 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 specified information in a format prescribed by the Comptroller.

The specified information is:

1. the name of each member of the taxing unit's governing body;
2. the mailing address, email 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 other required contact information under this section;
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 the preceding two years and 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 the preceding two years and 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.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law. The bill provides that an appraisal district established in a county with a population of 200,000 or more and each taxing unit located wholly or primarily in such an appraisal district shall comply with this section, as added by this bill, beginning with the 2020 tax year. An appraisal district established in a county with a population of less than 200,000 and each taxing unit located wholly or primarily in such an appraisal district shall comply with this section, as added by this bill, beginning with the 2021 tax year.*

Chapter 31. Collections

Section 31.02

HB 1883 amends subsections (b) and (c) to modify the current authorization for an eligible person serving on active duty in any branch of the United States armed forces to pay delinquent property taxes without penalty or interest no later than the 60th day after the applicable deferral period ends to strike the requirement that this applies when the person is serving during a war or national emergency declared in accordance with federal law. The bill strikes one of the applicable deferral periods being when the war or national emergency ends and strikes from the current definition of "eligible person" that a transfer out of state was a result of a war or national emergency declared in accordance with federal law.

Effective Sept. 1, 2019, and applies to penalties and interest on delinquent taxes if the taxes are paid on or after the effective date, even if the penalties or interest accrued before the effective date.

Section 31.12

SB 2 amends subsections (a) and (b) to add a refund provided by Tax Code Section 26.075(k), relating to taxing units refunding taxes paid when a tax rate is reduced by voters at an election, to the refunds in which no interest is due on the amount refunded if paid on or before the 60th day after

the date the liability for the refund arises. The liability for a refund required by Tax Code Section 26.075(k) arises on the date the results of the election to approve or reduce the tax rate, as applicable, are certified.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Chapter 33. Delinquency

Section 33.01

HB 1883 adds subsection (f) to provide that notwithstanding the other provisions of this section, a delinquent tax for which a person defers payment under Tax Code Section 31.02(b) that is not paid on or before the date the deferral period prescribed by that subsection expires accrues interest at a rate of six percent for each year or portion of a year the tax remains unpaid and the delinquent tax does not incur a penalty.

Effective Sept. 1, 2019, and applies to penalties and interest on delinquent taxes if the taxes are paid on or after the effective date, even if the penalties or interest accrued before the effective date.

Section 33.011

HB 1885 amends subsection (d) and adds subsection (k) to authorize a governing body of a taxing unit to waive penalties and interest on a delinquent tax if:

- the property for which the tax is owed is subject to a mortgage that does not require the owner of the property to fund an escrow account for the payment of the taxes on the property;
- the tax bill was mailed or delivered by electronic means to the mortgagee of the property, but the mortgagee failed to mail a copy of the bill to the owner of the property as required by Tax Code Section 31.01(j); and
- the taxpayer paid the tax not later than the 21st day after the date the taxpayer knew or should have known of the delinquency.

Effective Jan. 1, 2020, and the change in law made by this bill applies only to penalties and interest on a property tax that becomes delinquent on or after the effective date.

Section 33.06

SB 1943 provides that an heir property owner who qualifies heir property as the owner's residence homestead under Tax

Code Chapter 11 is considered the sole owner of the property for the purposes of this section.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a tax year that begins on or after the effective date of this bill.

Section 33.065

SB 1943 provides that an heir property owner who qualifies heir property as the owner's residence homestead under Tax Code Chapter 11 is considered the sole owner of the property for the purposes of this section.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a tax year that begins on or after the effective date of this bill.

Section 33.08

SB 2 amends subsection (b) to provide that taxes that become delinquent on or after June 1 under Tax Code Section 26.075(j) incur an additional penalty to defray collection costs if so provided by the governing body of a taxing unit or appraisal district. The bill also strikes a similar provision for taxes that go delinquent on or after June 1 under Tax Code Section 26.07(f).

*Effective Jan. 1, 2020; takes effect only if **HB 3** becomes law; and this section, as amended by this bill applies only to taxes that become delinquent on or after Jan. 1, 2020.*

Chapter 34. Tax Sales and Redemption

Section 34.01

HB 2650 amends subsection (b) to provide that the costs of a sale by auction of real property in a foreclosure sale include auctioneer's commission and fees. The bill amends subsection (p) to add auctioneer's commission and fees to the current list of items that are totaled for use in determining the floor below which a property seized under Tax Code Chapter 33, Subchapter E, Seizure of Real Property, may not be sold. Current law provides that the floor is the lesser of the sum of the listed items or the seized property's market value as specified in the warrant.

Effective May 29, 2019, and the changes in law made by this bill apply only to the sale of real property under this section for which notice is given on or after the effective date.

Section 34.05

HB 1652 amends subsection (d) to modify the current requirement that all public resales of property purchased by a taxing unit be conducted in the manner prescribed by the Texas Rules of Civil Procedure for the sale of property under execution to provide for public auctions using online bidding and sale if directed by the commissioners court of the county, in accordance with Tax Code Section 34.01(a-1) and the rules adopted under that section.

Effective June 14, 2019.

Section 34.21

SB 1642 adds subsection (l) to provide that an owner of real property who is entitled to redeem the property under this section may not transfer the owner's right of redemption to another person. Any instrument purporting to transfer the owner's right of redemption is void.

Effective June 14, 2019, and the change in law made by this bill does not affect a transfer of a property owner's right of redemption that occurred before the effective date.

Chapter 41. Local Review

Section 41.03

SB 2 amends subsection (a) by striking the entitlement of a taxing unit to challenge before the appraisal review board the level of appraisals for any category of property.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law; and this section, as amended by this bill, applies only to a challenge under Tax Code Chapter 41 for which a challenge petition is filed on or after Jan. 1, 2020.*

HB 492 amends subsection (a)(3) by modifying a taxing unit's current entitlement to challenge before the appraisal review board the granting of an exemption to provide that this entitlement is for an exemption other than an exemption under Tax Code Section 11.35, relating to a temporary exemption for qualified property damaged by a disaster.

*Effective Jan. 1, 2020 contingent on voter approval of **HJR 34**.*

Section 41.41

HB 492 adds subsection (c) to provide that notwithstanding subsection (a), a property owner is entitled to protest before the appraisal review board only the following actions of a

chief appraiser in relation to an exemption under Tax Code Section 11.35, relating to a temporary exemption for qualified property damaged by a disaster:

1. the modification or denial of an application for an exemption under that section; or
2. the determination of the appropriate damage assessment rating for an item of qualified property under that section.

*Effective Jan. 1, 2020 contingent on voter approval of **HJR 34**.*

HB 1313 adds subsection (c) to prohibit an appraisal district or appraisal review board from requiring a property owner to pay a fee in connection with a protest filed by the owner with the board.

Effective Jan. 1, 2020, and applies only to a tax year beginning on or after that effective date.

Section 41.44

HB 492 amends subsection (a) to provide that in the case of a protest of the modification or denial of an application for a temporary exemption for qualified property damaged by a disaster under Tax Code Section 11.35, or the determination of an appropriate damage assessment rating for an item of qualified property under that section, the deadline to protest to the appraisal review board is not later than the 30th day after the date the property owner receives the notice required under Tax Code Section 11.45(e), relating to a chief appraiser providing written notice of the approval, modification, or denial of an application for an exemption under Tax Code Section 11.35.

*Effective Jan. 1, 2020 contingent on voter approval of **HJR 34**.*

SB 2 amends subsection (d) to provide that the Comptroller prescribed notice of protest form must permit a property owner to request that the protest be heard by a special panel established under Tax Code Section 6.425 if the protest will be determined by an appraisal review board to which that section applies and the property is included in a classification described by Tax Code Section 6.425(b).

*Effective Sept. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 41.45

SB 2 amends subsection (d) to provide that the subsection does not apply to a special panel established under Tax Code Section 6.425. The bill strikes certain provisions regarding the board determining protests heard by a panel and the board delivering notices of a hearing or meeting from the subsection and creates similar provisions in added subsections (d-2) and (d-3).

The bill adds subsection (d-1) to require an appraisal review board to which Tax Code Section 6.425 applies to sit in special panels to conduct protest hearings. A special panel may conduct a protest hearing relating to property only if the property is described by Tax Code Section 6.425(b) and the property owner has requested that a special panel conduct the hearing or if the protest is assigned to the special panel under Tax Code Section 6.425(f). If the recommendation of a special panel is not accepted by the board, the board may refer the matter for rehearing to another special panel composed of members who did not hear the original protest or, if there are not at least three other special panel members who did not hear the original protest, the board may determine the protest.

The bill adds subsections (d-2) and (d-3) to provide that for purposes of a protest under subsections (d) or (d-1), the determination of a protest heard by a panel must be made by the board and the board must deliver notice of a hearing or meeting to determine a protest heard by a panel, or to rehear a protest in accordance with the provisions of Tax Code Chapter 41, Subchapter C.

*Effective Sept. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as amended by this bill, applies only to a protest filed under Tax Code Chapter 41 on or after Jan. 1, 2021.*

Section 41.46

SB 2 amends subsection (a) to add to the notice of hearing of an appraisal review board, a description of the subject matter of the hearing that is sufficient to identify the specific action being protested, such as:

- the determination of the appraised value of the property owner's property;
- the denial to the property owner in whole or in part of a partial exemption; or

- the determination that the property owner's land does not qualify for appraisal as provided by Tax Code Chapter 23, Subchapter C, D, E, or H.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as amended by this bill, applies only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board on or after Jan. 1, 2020.*

HB 1060 adds subsection (d) to require the appraisal review board to deliver notice of the hearing by certified mail if, in the notice of protest under Tax Code Section 41.44, the property owner requests delivery by certified mail. The board may require the property owner to pay the cost of postage.

The bill adds subsection (e) to provide that notwithstanding Tax Code Section 1.085, the appraisal review board shall deliver notice of the hearing by electronic mail if, in the notice of protest under Tax Code Section 41.44, the property owner requests delivery by electronic mail and provides a valid electronic mail address.

Effective Sept. 1, 2019.

Section 41.461

SB 2 amends subsection (a)(1) to provide that a chief appraiser shall send the Taxpayer Remedies pamphlet prepared by the Comptroller under Tax Code Section 5.06 at least 14 days before a protest hearing to the property owner initiating the protest, instead of to the property owner initiating the protest if the owner is representing himself.

The bill amends subsection (a)(2) to modify the current notice by the chief appraiser that an owner or the agent of the owner may inspect and may obtain a copy of the information that the chief appraiser plans to introduce at the hearing to a notice of entitlement to request the information the chief appraiser will introduce at the hearing.

The bill amends subsection (b) to strike provisions that allowed the chief appraiser to charge for copies of certain information and instead, prohibits a chief appraiser from charging a property owner or the designated agent of the owner for copies provided to the owner or designated agent under this section, regardless of the manner in which the copies are prepared or delivered.

The bill adds subsection (c) to require a chief appraiser to deliver information requested by a property owner or the agent of the owner under subsection (a)(2):

- by regular first-class mail, deposited in the United States mail, postage prepaid, and addressed to the property owner or agent at the address provided in the request for the information;
- in an electronic format as provided by an agreement under Tax Code Section 1.085; or
- subject to subsection (d), by referring the property owner or the agent of the owner to a secure Internet website with user registration and authentication or to the exact Internet location or uniform resource locator (URL) address on an Internet website maintained by the appraisal district on which the requested information is identifiable and readily available.

The bill adds subsection (d) to provide that if a chief appraiser provides a property owner or the designated agent of the owner information by reference to specified Internet resources, the notice must contain a statement in a conspicuous font that clearly indicates that the property owner or the agent of the owner may on request receive the information by regular first-class mail or in person at the appraisal office. On request by a property owner or the agent of the owner, the chief appraiser must provide the information by regular first-class mail or in person at the appraisal office.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as amended by this bill, applies only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board on or after Jan. 1, 2020.*

Section 41.47

SB 2 adds subsection (c-2) to prohibit the appraisal review board from determining the appraised value of the property that is the subject of a protest to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser under Tax Code Section 25.22 or Tax Code Section 25.23, except as requested and agreed to by the property owner. This does not apply if the action being protested is the cancellation, modification, or denial of an exemption or the determination that the property does not qualify for appraisal as provided by Tax Code Chapter 23, Subchapter C, D, E, or H.

The bill amends subsection (d) to require the appraisal review board to deliver by certified mail a copy of the appraisal review board survey prepared under Tax Code Section 5.104 and instructions for completing and submitting the survey to the property owner. The bill amends subsection (e) to clarify that the language of the statement in the notice of the appraisal review board's order is a notice of the property owner's right to appeal the order (rather than the decision) of the board to district court.

The bill adds subsection (f) to require the appraisal review board to take the actions required by subsections (a) and (d), relating to determining a protest and making a decision by written order and mailing the order and a copy of the appraisal review board survey and related instructions, not later than:

- the 30th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of less than four million; or
- the 45th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of four million or more.

SB 2531 adds subsection (f) and **SB 2** adds subsection (g) to authorize the chief appraiser and the property owner or the designated agent of the owner to file a joint motion with the appraisal review board notifying the board that the chief appraiser and the property owner or the designated agent of the owner have agreed to a disposition of the protest and requesting the board to issue an agreed order. The joint motion must contain the terms of the disposition of the protest. The board shall issue the agreed order not later than the fifth day after the date on which the joint motion is filed with the board.

SB 2531 specifies that it is the chair that is required to issue the agreed order not later than the fifth day after the date on which the joint motion is filed with the board. The bill provides that if the chair is unable to issue the agreed order within the five-day period, the board shall issue the agreed order not later than the 30th day after the date on which the joint motion is filed with the board.

SB 2531 and **SB 2** provide that the chief appraiser and the property owner or the designated agent of the owner may provide in the joint motion that the agreed order is appealable in the same manner as any other order issued by the board under this section.

Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as amended by this bill, applies only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board on or after Jan. 1, 2020 (**SB 2**). Effective Jan. 1, 2020, and applies only to a protest filed under Tax Code Chapter 41 on or after Jan. 1, 2020 (**SB 2531**).

Section 41.66

SB 2 amends subsection (h) to modify the requirement that the appraisal review board postpone a hearing when the property owner or the designated agent of the owner (rather than only the property owner) requests the postponement and establishes to the appraisal review board that the chief appraiser failed to comply with Tax Code Section 41.461, regarding notice of certain matters before a hearing.

The bill amends subsection (i) to modify the requirement that a protest hearing filed by a property owner or the designated agent of the owner (rather than a property owner who is not represented by an agent designated under Tax Code Section 1.111) be set for a time and date certain. The bill modifies the requirement the appraisal review board postpone a hearing when the property owner or the designated agent of the owner (rather than only the property owner) request the postponement and such a hearing is not commenced within two hours of the time set for the hearing.

The bill modifies subsection (j) to provide that for the current requirement that an appraisal review board schedule hearings on the same day on protests concerning up to 20 designated properties on the request of a property owner or the designated agent of the owner, the hearings are to be held consecutively. The bill allows (rather than prohibits) the property owner or the designated agent of the owner to file more than one of these requests with the appraisal review board in the same tax year.

The bill adds subsection (j-1) to authorize an appraisal review board to schedule consecutive hearings on all protests filed by a property owner or the designated agent of the owner. The notice of the hearings must state the date and time that the first hearing will begin, state the date the last hearing will end, and list the order in which the hearings will be held. The order of the hearings listed in the notice may not be changed without the agreement of the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. The board may not reschedule

a hearing for which notice is given to a date earlier than the seventh day after the date the last hearing was scheduled to end unless agreed to by the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. Unless agreed to by the parties, the board must provide written notice of the date and time of the rescheduled hearing to the property owner or the designated agent of the owner not later than the seventh day before the date of the hearing.

The bill adds subsection (j-2) to provide that an appraisal review board must schedule a hearing on a protest filed by a property owner who is 65 years of age or older, disabled, a military service member, a military veteran, or the spouse of a military service member or military veteran before scheduling a hearing on a protest filed by a designated agent of a property owner.

The bill modifies subsection (k) to provide that the subsection does not apply to a special panel established under Tax Code Section 6.425.

The bill adds subsection (k-1) to provide that on the request of a property owner or the designated agent of the owner, an appraisal review board to which Tax Code Section 6.425 applies shall assign a protest relating to property described by Tax Code Section 6.425(b) to a special panel. In addition, the chair of the appraisal review board may assign a protest relating to property not described by Tax Code Section 6.425(b) to a special panel as authorized by Tax Code Section 6.425(f), but only if the assignment is requested or consented to by the property owner or the designated agent of the owner. The bill requires that protests assigned to special panels be randomly assigned to those panels. If a protest is scheduled to be heard by a particular special panel, the protest may not be reassigned to another special panel without the consent of the property owner or the designated agent of the owner. If the board has cause to reassign a protest to another special panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a special panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another special panel.

The bill adds subsection (p) to require that at the end of a protest hearing, the appraisal review board provide the

property owner or the designated agent of the owner one or more documents indicating that the board members hearing the protest signed the affidavit required by current subsection (g), relating to restrictions on appraisal review board member communications.

*For Tax Code Section 41.66(h), (i), (j), (j-1), (j-2), and (p), effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and the amendments by this bill apply only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board on or after Jan. 1, 2020.*

*For Tax Code Section 41.66(k) and (k-1), effective Sept. 1, 2020, takes effect only if **HB 3** becomes law, and the amendments by this bill apply only to a protest filed under Tax Code Chapter 41 on or after Jan. 1, 2021.*

Section 41.67

SB 2 amends subsection (d) to modify the provision that previously requested information under Tax Code Section 41.461 by the protesting party that was not delivered (rather than not made available) to the protesting party at least 14 days before the scheduled or postponed hearing may not be used as evidence in the hearing. The bill provides that this prohibition includes information offered in any form as evidence in the hearing, including as a document or through argument or testimony. This does not apply to information offered to rebut evidence or argument presented at the hearing by the protesting party or that party's designated agent.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as amended by this bill, applies only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board on or after Jan. 1, 2020.*

Section 41.71

SB 2 amends this section to provide that an appraisal review board by rule provide for Saturday protest hearings (rather than Saturday or Sunday protest hearings) and to modify the requirement that the board by rule provide for evening hearings to hearings after 5 p.m. on a weekday.

The bill prohibits the appraisal review board from scheduling the first hearing on a protest held on a weekday evening to begin after 7 p.m. and prohibits protest hearings on a Sunday.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as amended by this bill, applies only to a hearing on a protest under Tax Code Chapter 41 that is scheduled on or after Jan. 1, 2020.*

Chapter 41A. Appeal Through Binding Arbitration

Section 41A.03

HB 1802 amends subsection (a) to increase from the 45th day to the 60th day after the date a property owner receives an appraisal review board order the deadline for the owner to file a request for binding arbitration.

Effective May 17, 2019, and applies only to an appeal of an appraisal review board order that a property owner receives notice of on or after the effective date.

SB 2 and **SB 1876** amend subsection (a-1) to provide that for purposes of the subsection "contiguous tracts of land" means improved or unimproved tracts of land that are touching or that share a common boundary, as determined using appraisal district records or legal descriptions of the tracts. The bills also specify that the current provision for a single arbitration deposit for a property owner requesting binding arbitration to appeal appraisal review board orders involving two or more tracts of land that are contiguous, is for two or more contiguous tracts of land that are owned by the property owner.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as amended by this bill, applies only to a request for binding arbitration received by the Comptroller from an appraisal district on or after Jan. 1, 2020 (**SB 2**). Effective June 10, 2019 and applies only to a request for binding arbitration under Tax Code Chapter 41A that is filed on or after the effective date of this Act (**SB 1876**).*

Section 41A.05

HB 1802 amends subsection (a) to strike the requirement that an appraisal district certify a binding arbitration request.

The bill adds subsections (c), (d), and (e) to prohibit the Comptroller from rejecting an application submitted to the Comptroller under this section unless the Comptroller delivers written notice to the applicant of the defect in the application that would be the cause of the rejection and the applicant fails to cure the defect on or before the 15th day after the date the Comptroller delivers the notice. An applicant may cure a defect at any time before the 15th day after the date the

Comptroller delivers the notice, without regard to the deadline for filing the request for binding arbitration under Tax Code Section 41A.03(a).

For purposes of this section, a reference to the applicant includes the applicant's representative if the applicant has retained a representative as provided by Tax Code Section 41A.08 for purposes of representing the applicant in an arbitration proceeding under Tax Code Chapter 41A.

Effective May 17, 2019, and applies only to an appeal of an appraisal review board order that a property owner receives notice of on or after the effective date.

Section 41A.06

SB 2 adds subsection (b)(2) to provide that to initially qualify to serve as an arbitrator under Tax Code Chapter 41A, a person must complete the courses for training and education of appraisal review board members established under Tax Code Sections 5.041(a) and (e-1) and be issued a certificate for each course indicating course completion. The bill adds subsection (b)(3) to provide that to initially qualify to serve as an arbitrator under Tax Code Chapter 41A, a person must complete the training program on property tax law for the training and education of arbitrators established under Tax Code Section 5.043.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law. A person who immediately before Jan. 1, 2020, serves as an arbitrator in binding arbitrations of appeals of appraisal review board orders must meet the requirements of Tax Code Section 41A.06(b)(3), as added by this bill, not later than the 120th day after the date the Comptroller begins to provide the training required under Tax Code Section 5.043 as added by this bill. This bill does not prohibit a person who is serving as an arbitrator on Jan. 1, 2020 from renewing the person's agreement with the Comptroller to serve as an arbitrator if the person has the qualifications required for an arbitrator under the Tax Code as amended by this bill.*

SB 2 repeals subsection (c) relating to an arbitrator completing a training program on property tax law before conducting a hearing on an arbitration relating to the appeal of an appraisal review board order determining a protest filed under Tax Code Section 41.41(a)(2), relating to property owners protesting before the appraisal review board the unequal appraisal of the owner's property. The repeal also deletes the training program requirements.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 41A.061

SB 2 amends subsection (b) to add criteria to renew a person's agreement to serve as an arbitrator to include completing a revised training program on property tax law for the training and education of arbitrators established under Tax Code Section 5.043 not later than the 120th day after the date the program is available to be taken if the Comptroller revises the program after the person is included in the registry and determines that the program is substantially revised.

The bill amends subsection (c) to add to the circumstances in which the Comptroller is required to remove a person from the registry to include when the person fails to complete a revised training program on property tax law for the training and education of arbitrators established under Tax Code Section 5.043 not later than the 120th day after the date the program is available to be taken if the Comptroller revises the program after the person is included in the registry and determines that the program is substantially revised.

*Effective Jan. 1, 2020, and takes effect only if **HB 3** becomes law.*

Section 41A.07

SB 2 modifies subsection (e) to strike the provisions related to the requirement that an arbitrator reside in the county in which the property subject to the appeal is located to be eligible for appointment as the arbitration.

The bill amends subsection (f) to lower from five years to two years the amount of time a person is not eligible for appointment as an arbitrator after representing a person for compensation in a proceeding under the Property Tax Code in the appraisal district in which the property that is the subject of the appeal is located; serving as an officer or employee of that appraisal district; or serving as a member of the appraisal review board for that appraisal district.

The bill amends subsection (g) and adds subsection (h) to authorize a property owner to request that, in appointing an initial arbitrator, the Comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located or an arbitrator who resides outside that county. In appointing an initial arbitrator, the Comptroller shall comply with the request of the property owner unless the property owner requests that the Comptroller appoint

an arbitrator who resides in the county in which the property that is the subject of the appeal is located and there is not an available arbitrator who resides in that county. In appointing a substitute arbitrator, the Comptroller shall consider but is not required to comply with the request of the property owner. This does not authorize a property owner to request the appointment of a specific individual as an arbitrator.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as amended by this bill, applies only to a request for binding arbitration received by the Comptroller from an appraisal district on or after Jan. 1, 2020.*

Section 41A.09

SB 2 amends subsection (b) to update a reference to Tax Code Section 41A.06.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Chapter 42. Judicial Review

Section 42.01

HB 380 amends subsection (a) to add to the appraisal review board orders of determination that a property owner may appeal to district court, that the appraisal review board lacks jurisdiction to finally determine a protest by the property owner under Tax Code Chapter 41, Subchapter C or a motion filed by the property owner under Tax Code Section 25.25 because the property owner failed to comply with a requirement of Tax Code Chapter 41, Subchapter C or Tax Code Section 25.25, as applicable.

The bill adds subsection (c) to provide that a property owner who establishes that the appraisal review board had jurisdiction to issue a final determination of the protest by the property owner under Tax Code Chapter 41, Subchapter C or of the motion filed by the property owner under Tax Code Section 25.25 in an appeal of a determination that the appraisal review board lacks jurisdiction is entitled to a final determination by the court of the protest under Tax Code Chapter 41, Subchapter C or of the motion filed under Tax Code Section 25.25. A final determination of a protest under Tax Code Chapter 41, Subchapter C by the court may be on any ground of protest authorized by the Property Tax Code applicable to the property that is the subject of the protest, regardless of whether the property owner included the ground in the property owner's notice of protest.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to an appeal under Tax Code Chapter 42 that is filed on or after the effective date.

Section 42.081

SB 2 adds this section to prohibit a taxing unit that imposes taxes on property that is the subject of an appeal under Tax Code Chapter 42 from filing a suit to collect a delinquent tax on the property during the pendency of the appeal unless it is determined by the court that the property owner failed to comply with Tax Code Section 42.08, relating to forfeiture of remedy for nonpayment of taxes.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as added by this bill, applies only to an appeal under Tax Code Chapter 42 that is filed on or after Jan. 1, 2020.*

Section 42.231

HB 380 adds this section which applies only to an appeal by a property owner of an order of the appraisal review board determining a protest by the property owner as provided by Tax Code Chapter 41, Subchapter C or a motion filed by the property owner under Tax Code Section 25.25.

The bill adds subsection (b) to provide that subject to the provisions of this section and notwithstanding any other law, if a plea to the jurisdiction is filed in the appeal on the basis that the property owner failed to exhaust the property owner's administrative remedies, the court may, in lieu of dismissing the appeal for lack of jurisdiction, remand the action to the appraisal review board with instructions to allow the property owner an opportunity to cure the property owner's failure to exhaust administrative remedies.

The bill adds subsection (c) to provide that an action remanded to the appraisal review board under subsection (b) is considered to be a timely filed protest under Tax Code Chapter 41, Subchapter C, or motion under Tax Code Section 25.25, as applicable. The appraisal review board shall schedule a hearing on the protest or motion and issue a written decision determining the protest or motion in the manner required by Tax Code Chapter 41, Subchapter C or Tax Code Section 25.25, as applicable.

The bill adds subsection (d) to provide that a determination of the appraisal review board relating to the remanded action may be appealed to the court that remanded the action to the board. A determination appealed to the court may not

be the subject of a plea to the jurisdiction on the basis of the property owner's failure to exhaust administrative remedies.

The bill adds subsection (e) to provide that notwithstanding subsection (b), on agreement of each party to the appeal and with the approval of the court, the parties to the appeal may waive remand of the action to the appraisal review board and elect that the court determine the appeal on the merits. If the parties waive remand of the action, each party is considered to have exhausted the party's administrative remedies.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to an appeal under Tax Code Chapter 42 that is filed on or after the effective date.

Section 42.42

HB 861 amends subsections (c) and (d) to modify the current provisions that a property owner is liable for penalties and interest on tax included in a supplemental bill prepared and mailed after a district court's final determination to provide that this applies only if the additional tax is not paid by the delinquency date for the additional tax.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to an appeal under Tax Code Chapter 42 that is filed on or after the effective date.

Chapter 311. Tax Increment Financing Act

Section 311.013

HB 3 amends subsection (n) to update a reference to state aid received under Education Code Section 48.253 (rather than Education Code Section 42.2514) in provisions regarding the amount of state aid impacting any additional amounts paid by a school district into the tax increment fund.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Chapter 312. Property Redevelopment and Tax Abatement Act

Section 312.002

HB 3143 adds subsection (c-1) to provide that before the governing body of a taxing unit may adopt, amend, repeal, or reauthorize guidelines and criteria, the body must hold a public hearing regarding the proposed adoption, amendment, repeal, or reauthorization at which members of the public are given the opportunity to be heard.

The bill adds subsection (c-2) to require a taxing unit that maintains an Internet website to post the current version of the guidelines and criteria governing tax abatement agreements adopted under this section on the website.

Effective Sept. 1, 2019, and Tax Code Section 312.002(c-1), as added by this bill, applies only to the adoption, amendment, repeal, or reauthorization of guidelines and criteria under Tax Code Section 312.002, on or after the effective date.

HB 3 amends subsection (g) to modify the definition of "taxing unit" to update a reference to Education Code Chapter 48 (rather than Education Code Chapter 42).

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 312.005

HB 3143 adds subsection (a-1) to provide that for each of the first three tax years following the expiration of an executed tax abatement agreement, the chief appraiser shall deliver to the Comptroller a report containing the appraised value of the property that was the subject of the agreement.

Effective Sept. 1, 2019, and Tax Code Section 312.005(a-1), as added by this bill, applies only to a tax abatement agreement entered into under Tax Code Chapter 312 that expires on or after the effective date.

Section 312.006

HB 3143 amends this section to extend from Sept. 1, 2019 to Sept. 1, 2029, Tax Code Chapter 312, Property Redevelopment and Tax Abatement Act.

Effective Sept. 1, 2019.

Section 312.207

HB 3143 adds subsection (c) to provide that in addition to any other requirement of law, the public notice of a meeting at which the governing body of a municipality or other taxing unit will consider the approval of a tax abatement agreement with a property owner must contain:

- the name of the property owner and the name of the applicant for the tax abatement agreement;
- the name and location of the reinvestment zone in which the property subject to the agreement is located;
- a general description of the nature of the improvements or repairs included in the agreement; and
- the estimated cost of the improvements or repairs.

The bill adds subsection (d) to provide that this notice of a meeting must be given in the manner required by Government Code Chapter 551, except that the notice must be provided at least 30 days before the scheduled time of the meeting.

Effective Sept. 1, 2019, and Tax Code Sections 312.207(c) and (d), as added by this bill, apply only to a tax abatement agreement entered into on or after the effective date.

Section 312.210

HB 3 amends subsection (b) to replace a reference to “wealth per student” with “local revenue level” and to replace “equalized wealth level” with “level established under Education Code Section 48.257.”

The bill repeals subsection (c) which defined for the section “wealth per student” and “equalized wealth level.”

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 312.404

HB 3143 adds this section to provide that to be effective, an agreement made under Tax Code Chapter 312, Subchapter C, Tax Abatement in a County Reinvestment Zone, must be approved by the governing body of the county or other taxing unit in the manner that the governing body of a municipality authorizes an agreement under Tax Code Section 312.207.

Effective Sept. 1, 2019, and Tax Code Section 312.404, as added by this bill, applies only to a tax abatement agreement entered into on or after the effective date.

Chapter 313. Texas Economic Development Act

Section 313.027

HB 3 amends subsection (i) to update a reference to average daily attendance, as defined by Education Code Section 48.005 (rather than Education Code Section 42.005) in provisions regarding supplemental payments to school districts.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Education Code

Section 11.184

HB 3 adds this section to require the board of trustees of a school district to conduct an efficiency audit before seeking voter approval to adopt a tax rate for the maintenance and operations of the district at an election. There is an exception when the school district is located in an area declared a disaster area by the Governor that allows the school district to hold such an election during the two-year period following the date of the declaration without conducting an efficiency audit.

The board of trustees must select an auditor not later than four months before the date on which the district proposes to hold an election to adopt the maintenance and operations tax

rate. Before an election, the board of trustees must hold an open meeting to discuss the results of the audit and not later than 30 days before the date of the election, the results of the audit must be posted on the school district's Internet website.

Effective Jan. 1, 2020. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 25.001

HB 2526 amends this section to add an individual or either parent residing in a residence homestead as defined by Tax Code Section 11.13(j) that is located on a parcel which is located in the school district to the list of individuals a school district must admit.

Effective June 10, 2019.

Section 42.2518

HB 3 repeals this section which provided for additional state aid to the extent that state and local revenue under former Education Code Chapter 41 and 42 is less than the state and local revenue that would have been available to the district if the increase in the residence homestead exemption under Texas Constitution Article VIII, Section 1-b(c) and the additional limitation on tax increases under Section 1-b(d) of that article had not occurred in 2015.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 44.004

HB 3 amends this section to update code references to newly created Education Code Chapter 48 from Chapter 42.

The bill amends subsections (c) and (i) to update references to the “rollback rate” to the “voter-approval rate.”

The bill adds subsection (c-2) to require the notice to include a statement that a school district may not increase the district's maintenance and operations tax rate to create a surplus in maintenance and operations tax revenue for the purpose of paying the district's debt service.

The bill amends subsection (e) to modify when a person who owns taxable property in a school district is entitled to an injunction to add when the school district has not complied in good faith with the notice requirements of subsection (c-1), relating to the notice containing the proposed maintenance and operation tax rate and the proposed debt tax rate, and subsection (c-2).

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment. Notwithstanding any provision of the Education Code, for the 2019 tax year, a school district that took action to comply with publication requirements under this section before the effective date of this bill may amend the district's previously published notices to comply with the changes made to the district's permissible and proposed tax rates as a result of this bill by posting those changes on the district's Internet website. A school district that complied with the law in effect at the time of the district's original publication may hold the district's scheduled public hearing as originally published.

Section 45.0021

HB 3 adds this section to restrict a school district from increasing the district's maintenance and operations tax rate to create a surplus in maintenance and operations tax revenue for the purpose of paying the district's debt service. The bill provides that a person who owns taxable property in a school district is entitled to an injunction restraining the collection of taxes by the district if the district violates this restriction. The action to enjoin the collection of taxes must be filed before the date the district delivers substantially all of the district's tax bills.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 45.003

HB 3 adds subsection (b-1) to require the ballot proposition for a bond to include the statement: “THIS IS A PROPERTY TAX INCREASE.”

The bill amends subsection (d) to update a code reference for the state compression percentage to Education Code Section 48.255 and to update what it is applied to from \$1.50 to \$1.00 for purposes of determining the maximum maintenance tax rate. Effective Sept. 1, 2020, the maximum maintenance tax rate is the sum of \$0.17 and a school district’s maximum compressed rate as determined under Education Code Section 48.2551.

The bill adds subsection (d-1) to restrict a school district from adopting a rate above the voter-approval rate (excluding the debt tax rate) for the 2019 tax year if the rate is equal to or more than \$0.97 per \$100 of taxable value. This does not apply when there is a disaster or if the district, before Jan. 1, 2019, adopted a strategic plan in a public meeting that proposed a 2019 maintenance and operations tax rate that exceeds the voter-approval rate. This subsection expires Sept. 1, 2020.

The bill amends subsection (f) to address school districts that levied a maintenance tax for the 2005 tax year at a rate greater than \$1.50 per \$100 of taxable value to limit the maintenance tax they can adopt to a rate that does not exceed the rate per \$100 of taxable value that is equal to the sum of:

- \$0.17; and
- the product of 66.67 percent multiplied by the rate of the maintenance tax levied by the district for the 2005 tax year, minus the amount by which \$1.00 exceeds the product of the state compression percentage, as determined under Education Code Section 48.255, multiplied by \$1.00.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the

invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

SB 30 adds subsections (g) and (h) to provide that notwithstanding Government Code Section 1251.052, the question of whether to approve the issuance of bonds for the construction, acquisition, and equipment of school buildings in the district, the purchase of new school buses, and the purchase of necessary sites for school buildings may be submitted to the voters in a single ballot proposition. This does not apply to bonds for each of the following purposes which must be stated in a separate proposition:

- the construction, acquisition, or equipment of a stadium with seating capacity for more than 1,000 spectators;
- the construction, acquisition, or equipment of a natatorium;
- the construction, acquisition, or equipment of another recreational facility other than a gymnasium, playground, or play area;
- the construction, acquisition, or equipment of a performing arts facility;
- the construction, acquisition, or equipment of housing for teachers as determined by the district to be necessary to have a sufficient number of teachers for the district; and
- an acquisition or update of technology equipment, other than equipment used for school security purposes or technology infrastructure integral to the construction of a facility.

The question of whether to approve the issuance of a bond that must be in a separate proposition (other than a bond for acquisition or update of technology equipment, other than equipment used for school security purposes or technology infrastructure integral to the construction of a facility) must be printed on the ballot as a separate ballot proposition regardless of whether that building is proposed as part of the same complex or building that contains traditional classroom facilities. Each separate ballot proposition must state the principal amount of the bonds to be issued that constitutes the cost for construction of that portion of the building

or complex attributable to the building or to the traditional classroom facilities, as applicable.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to an election ordered on or after the effective date.

Section 45.0032

HB 3 adds this section to define a school district's Tier 1 maintenance and operations tax rate as the number of cents levied by the district for maintenance and operations that does not exceed the product of the state compression percentage multiplied by \$1.00. This expires Sept. 1, 2020.

Effective Sept. 1, 2020, a school district's Tier 1 maintenance and operations tax rate is the number of cents levied by the district for maintenance and operations that does not exceed the maximum compressed tax rate, as determined by Education Code Section 48.2551.

The bill defines enrichment tax rate as any cents of additional maintenance and operations tax effort, not to exceed 8 cents over the maximum tax rate and additional maintenance and operations tax effort that exceeds the sum of the maximum Tier 1 tax rate and 8 cents.

For the 2019 tax year, Education Code Section 48.202(f) (relating to enrichment pennies reduction) applies to a district's maintenance and operations tax rate after adjusting the district's rate in accordance with this section. This expires Sept. 1, 2020.

The bill provides that for a district to which the disaster provisions under Tax Code Section 26.08(a-1) applies, the amount by which the district's maintenance tax rate exceeds the district's voter-approval tax rate, excluding the district's current debt rate, for the preceding year is not considered in determining a district's Tier 1 maintenance and operations tax rate or the district's enrichment tax rate under for the current tax year.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature,

Regular Session, 2019, regardless of the relative dates of enactment.

Section 45.1105

HB 440 adds this section to restrict a school district's use of unspent proceeds of issued general obligation bonds to the specific purposes for which the bonds were authorized, to retire the bonds, or to another purpose if the specific purposes are accomplished or abandoned and the board of trustees approves in separate votes the use at a public meeting held only for the purpose of considering the use of the unspent bond proceeds. The bill sets forth provisions for notice of the public meeting and providing the public opportunity to address the board of trustees at the public meeting.

Effective Sept. 1, 2019.

Sections 47.001 - 47.006, Chapter 47

HB 3 adds this chapter "Tax Reduction and Excellence in Education Fund" to establish the TREE fund in the state treasury outside the general revenue fund. The bill provides that the fund may be appropriated only to pay the cost of Tier 1 allotments under Education Code Chapter 48 and for the purpose of reducing school district maintenance and operation property tax rates.

The bill adds Education Code Section 47.006 to provide for the Comptroller to deposit to the credit of the fund an amount of general revenue equal to the amount of state sales and use tax revenue collected by marketplace providers on sales of taxable items made through the marketplace under Tax Code Section 151.0242, and remitted to this state during the preceding month, less any amount of that revenue the Comptroller estimates would have been collected and remitted if Tax Code Section 151.0242 were not law. Money deposited to the fund under this section may be appropriated from the fund only for the purpose of reducing school district maintenance and operations property tax rates.

Effective Jan. 1, 2020. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment. Education Code Section 47.006, as added by this

bill, takes effect only if HB 1525 or similar legislation of the 86th Legislature, Regular Session, 2019, relating to the administration and collection of sales and use taxes applicable to sales involving marketplace providers is enacted and becomes law.

Section 48.011

HB 3 adds this section to provide that under subsection (a), the commissioner may adjust a school district's funding entitlement under Education Code Chapter 48 if the funding formulas used to determine the district's entitlement result in an unanticipated loss or gain for a district. If the commissioner makes an adjustment, the commissioner must provide to the Legislature an explanation regarding the changes necessary to resolve the unintended consequences.

The bill adds subsection (a-1) to authorize the commissioner to modify dates relating to the adoption of a school district's maintenance and operations tax rate and, if applicable, an election required for the district to adopt that rate as necessary to implement the changes made by this bill. Before making an adjustment under subsection (a) or (a-1), the commissioner shall notify and must receive approval from the Legislative Budget Board and the office of the Governor. Beginning with the 2021-2022 school year, the commissioner may not make any of these adjustments.

The bill provides that this section expires Sept. 1, 2023.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 48.202

HB 3 redesignates Education Code Section 42.302 to this section and amends subsection (a) to modify the meanings of the district enrichment rate and the local revenue in the calculation of the Tier 2 allotment to provide for the use of the value of "DPV" as determined under Education Code Section 48.256 if applicable to the school district.

The bill amends subsection (a-1) to modify the calculation of the guaranteed level of state and local funds per weighted

student per cent of tax effort (GL) to decouple the first 8 cents of tax effort from Austin Independent School District and to instead provide for a school district yield of the greater of the GL for a district at the 96th percentile of wealth per WADA or 1.6% of the basic allotment. For any additional pennies above the 8 cents, the GL is 0.8% of the basic allotment.

The bill adds subsection (f) to provide that for a school year in which the dollar amount of the GL exceeds the GL for the preceding school year, a school district shall reduce the district's tax rate under Education Code Section 45.0032(b)(2), relating to enrichment maintenance and operations tax pennies above the sum of the Tier 1 pennies and the maximum of eight cents, for the tax year that corresponds to that school year. The school district must reduce this rate to a rate that results in the amount of state and local funds per weighted student per cent of tax effort available to the district at the dollar amount guaranteed level for the preceding school year.

A school district is not entitled to the amount equal to the increase of revenue for the school year for which the district must reduce the district's tax rate. Unless Tax Code Section 26.08(a-1), relating to disasters, applies to the district, for a tax year in which a district must reduce the district's tax rate, the district may not increase the district's maintenance and operations tax rate to a rate that exceeds the maximum maintenance and operations tax rate permitted under Education Code Section 45.003(d) or (f), as applicable, minus the reduction of tax effort required. This does not apply if the amount of state funds appropriated for a school year specifically excludes the amount necessary to provide the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort.

The bill adds subsection (f-1) to provide that notwithstanding subsection (f), for the 2019-2020 school year, the reduction of a school district's tax rate required applies to the district's total enrichment tax rate under Education Code Section 45.0032(b) minus eight cents. This expires Sept. 1, 2020.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 48.253

HB 3 redesignates Education Code Section 42.2514 to this section and strikes the provision that a school district that is otherwise ineligible for state aid under Education Code Chapter 48, Foundation School Program is entitled to state aid for the amount the school district is required to pay into the tax increment fund for a reinvestment zone under Tax Code Section 311.013(n). The bill requires a school district to provide TEA any agreements, amendments to agreements, or other information required by TEA.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 48.254

HB 3 redesignates Education Code Section 42.2515 to this section and strikes the commissioner's authorized rulemaking to implement and administer additional state aid for property tax credits under former Tax Code Chapter 313, Subchapter D.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 48.255

HB 3 redesignates Education Code Section 42.2516 to this section and modifies for purposes of Education Code Title 2, Public Education, the meaning of the "state compression percentage" to the percentage of the rate of \$1.00 per \$100 valuation of taxable property at which a school district must levy a maintenance and operations tax to receive the full amount of the Tier 1 allotment to which the district is entitled under Education Code Chapter 48, Foundation School Program. The state compression percentage is:

- 93 percent; or
- a lower percentage set by appropriation for a school year.

Effective Sept. 1, 2020, the bill modifies the meaning of the "state compression percentage" to the percentage of the rate of \$1.00 per \$100 valuation of taxable property that is used to determine a school district's maximum compressed rate under Education Code Section 48.2551. The state compression percentage is the lower of:

- 93 percent or a lower percentage set by appropriation for a school year;
- a percentage based on a specified formula which takes into account taxable property value growth; or
- the percentage determined under this section for the preceding school year.

The specified formula reduces the state compression percentage for growth above 2.5% based on projected statewide property value growth as determined by the estimate submitted to the Legislature under Education Code Section 48.269.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 48.2551

HB 3 adds this section to define and calculate a school district's maximum compressed rate. This is the rate a district must tax at to receive the full Tier 1 allotment. The formula provides for additional compression of the Tier 1 maintenance and operations tax rate if a district's total taxable property value exceeds a 2.5% growth rate from the previous year. The calculation includes the value of property no longer under Tax Code Chapter 311 or Chapter 313 agreements.

The bill provides for no more than a 10% variance in school districts' maximum compressed rates.

The bill requires TEA to calculate and make available school districts' maximum compressed rates. It is the intent of the Legislature that the state continue to fund public schools at

the same or similar level as the state would have if this section had not taken effect.

Effective Sept. 1, 2020. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 48.2552

HB 3 adds this section to require TEA to study the variance in school districts' maximum compressed rates. If a school district has a maximum compressed rate that is less than 90 percent of another school district's maximum compressed rate, the district's maximum compressed rate is calculated so that there is no more than a 10% variance.

The amount of revenue available to the state as a result of the differences in the amount of state aid and reduction in local revenue between calculating a district's maximum compressed rate with and without taking the variance into account shall be used to lower the state compression percentage under Education Code Section 48.255. TEA shall provide estimates to the Legislature of the reduction of the state compression percentage.

Effective Sept. 1, 2020. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 48.2553

HB 3 adds this section to provide that notwithstanding any other provision of Education Code Title 2, Public Education or Tax Code Chapter 26, if the maximum amount of the basic allotment for a school year is less than the maximum amount provided for the 2020-2021 school year, a school district may adopt a maintenance and operations tax rate that exceeds the

maximum compressed tax rate permitted under Education Code Section 48.2551, provided that:

- the rate adopted by the district was previously approved by voters for a tax year subsequent to the 2005 tax year; and
- the rate may not exceed the lesser of: \$1.17; or the district's maximum compressed tax rate and the additional tax rate necessary to generate the amount of revenue equal to the difference in per student funding.

Before adopting a maintenance and operations tax rate under this section, a school district must receive approval from TEA. To receive approval, the district must submit the following information:

- a statement detailing the loss of funding to the district that resulted from the decline in the maximum amount of the basic allotment;
- the proposed additional tax effort and the amount of funding the proposed additional tax effort will generate;
- evidence that the proposed additional tax effort had been previously authorized by voters subsequent to the 2005 tax year; and
- any other information required by the commissioner.

TEA's approval of a district's tax rate expires at the end of each tax year. Any additional tax effort by a school district authorized under this section is not:

- eligible for funding under Subchapter B (Basic Entitlement), C (Student-Based Allotments), or D (Additional Funding);
- eligible for the guaranteed yield amount of state funds under Education Code Section 48.202; or
- subject to the limit on local revenue under Education Code Section 48.257.

Effective Sept. 1, 2020. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 48.2554

HB 3 adds this section to require the Legislative Budget Board to study possible methods of providing property tax relief through the reduction of school district maintenance and operations taxes. Not later than Sept. 1, 2020, the Legislative Budget Board shall submit to the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives a report on the results of the study and any recommendations for legislative or other action. This section expires Sept. 1, 2021.

Effective Sept. 1, 2020. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 48.256

HB 3 redesignates Education Code Section 42.252 to this section and defines “DPV” using current year property values in the state funding formulas in place of using the preceding year values determined by the Comptroller in the Property Value Study.

The bill amends subsection (b) to strike a reference to Tax Code Section 5.09(a) and instead, generally references Comptroller reported values that the commissioner shall adjust to reflect reductions in taxable value of property resulting from natural or economic disaster.

The bill adds subsection (d) which applies to a school district in which the board of trustees entered into a written agreement with a property owner under Tax Code Section 313.027 for the implementation of a limitation on appraised value under Tax Code Chapter 313, Subchapter B or C. The bill provides that for purposes of determining “DPV” for these school districts, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Tax Code Chapter 313, Subchapter B or C before the expiration of the subchapter. The Comptroller shall provide necessary information to TEA. A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district’s taxable value of property for the preceding tax year.

The bill adds subsection (e) to provide that subsection (d) does not apply to property that was the subject of an application under Tax Code Chapter 313, Subchapter B or C, made after May 1, 2009, that the Comptroller recommended should be disapproved.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 48.259

HB 3 redesignates Education Code Section 42.2522 to this section and extends the current criteria for providing funding based on a taxable value adjusted based on the local optional homestead exemption to Education Code Chapter 46, Assistance with Instructional Facilities and Payment of Existing Debt.

The bill amends subsection (e) to update reference to “roll-back tax rate” to the “voter-approval tax rate.”

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 48.271

HB 3 redesignates Education Code Section 42.257 to this section and adds subsection (c) to entitle school districts to reimbursement for the amount of interest included in a refund the district made as a result of district court appeals under Tax Code Section 42.43 in the state fiscal year ending Aug. 31, 2018 or Aug. 31, 2019. This expires Sept. 1, 2021.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are

declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 49.004

HB 3 redesignates Education Code Section 41.004 to this section and modifies the commissioner’s review of local revenue (rather than property wealth) to provide that the commissioner use the estimates of taxable property value under Education Code Section 48.269 (in addition to the estimates of enrollment provided under that section).

The bill amends subsection (c) to modify the provision that if TEA notifies a school district that its local revenue level exceeds entitlement the school district may not adopt a tax rate for the tax year until the commissioner certifies that the district has reduced its local revenue level to the level established under Education Code Section 48.257 (rather than the district achieved the equalized wealth level).

Effective Sept. 1, 2020. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Election Code

Section 3.009

HB 477 amends subsection (a) modifying the definition of “debt obligation” to mean an issued public security, as defined by Government Code Section 1201.002, that is secured by and payable from property taxes (rather than just secured from property taxes). The bill provides that the term does not include public securities that are designated as self-supporting by the political subdivision issuing the securities.

Effective Sept. 1, 2019.

Section 4.003

HB 440 amends subsection (f)(3) to add any sample ballot prepared for a debt obligation election to items required to be posted on the political subdivision’s website during the 21 days before the election.

Effective Sept. 1, 2019.

Section 52.072

HB 477 and **SB 30** amend subsection (e) to remove from proposition language currently required language specifically related to bonds.

HB 477 adds subsection (f) to provide that a political subdivision that submits to the voters a proposition for the approval of the issuance of debt obligations shall prescribe the wording of the proposition that is to appear on the ballot in accordance with the requirements of Government Code Chapter 1251, Subchapter B. The bill provides that in this subsection, “debt obligation” and “political subdivision” have the meanings assigned by Government Code Section 1251.051.

Effective Sept. 1, 2019 (HB 477 and SB 30), and the change in law made by SB 30 applies only to an election ordered on or after the effective date.

Finance Code

Section 14.107

HB 1442 amends subsection (b) to replace the Consumer Credit Commissioner providing for an “annual fee” with providing for a “fee for the term of the license” for a person licensed under certain statutes, including Finance Code Chapter 351 (Property Tax Lender License Act).

Effective Sept. 1, 2019 and the changes in the law made by this bill do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this bill and that is pending before a court or other governmental entity on that date.

Section 14.112

HB 1442 adds this section to require the Finance Commission by rule to prescribe the licensing or registration period for licenses and registrations issued under certain statutes, including Finance Code Chapter 351 (Property Tax Lender License Act) not to exceed two years.

If the Finance Commission prescribes the term of a license or registration for a period other than one year, the Consumer Credit Commissioner shall prorate the applicable fee as necessary to reflect the term of the license or registration.

Effective Sept. 1, 2019; the changes in the law made by this bill do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this bill and that is pending before a court or other governmental entity on that date; and this section, as added by this bill, applies only to a license or registration issued or renewed on or after Sept. 1, 2019.

Section 351.012

HB 1442 adds this section to provide that Finance Code Chapter 351, the Property Tax Lender License Act, applies to a property tax loan that is extended to a person for payment of property taxes on real property located in this state.

Effective Sept. 1, 2019 and the changes in the law made by this bill do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this bill and that is pending before a court or other governmental entity on that date.

Section 351.0515

SB 2330 amends subsection (b) to add an exception to the requirements before an individual may act as a residential mortgage loan originator in the making, transacting, or negotiating of a property tax loan for a principal dwelling to include when the individual is acting under the temporary authority described under Finance Code Section 180.0511, relating to the temporary authorization to originate loans.

Effective Nov. 24, 2019.

HB 1442 amends subsection (c) to provide that the current requirement that the Finance Commission adopt rules establishing procedures for issuing, renewing, and enforcing an individual license is subject to Finance Code Section 14.112, relating to licensing and registration terms. The bill strikes language that the license fee is an annual fee.

Effective Sept. 1, 2019 and the changes in the law made by this bill do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this bill and that is pending before a court or other governmental entity on that date.

Section 351.053

HB 1442 amends the title of the section to “Area of Business; Property Tax Loans by Mail or Online” and amends subsection (b) to provide that the current authorization for a property tax lender to make, negotiate, arrange, and collect

property tax loans from a licensed office includes making, negotiating, arranging, and collecting property tax loans online from a licensed office.

Effective Sept. 1, 2019 and the changes in the law made by this bill do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this bill and that is pending before a court or other governmental entity on that date.

Section 351.101

HB 1442 amends subsection (c) to strike language that the fee for a license application is for the license’s year of issuance.

Effective Sept. 1, 2019 and the changes in the law made by this bill do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this bill and that is pending before a court or other governmental entity on that date.

Section 351.102

HB 1442 amends subsection (c) to strike language that a bond required from an applicant for a license is for a calendar year and instead, the bill provides the bond is for the period for which the bond is given.

Effective Sept. 1, 2019 and the changes in the law made by this bill do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this bill and that is pending before a court or other governmental entity on that date.

Section 351.106

HB 1442 adds this section to provide that a license under Finance Code Chapter 351, the Property Tax Lender License Act, is valid for the period prescribed by Finance Commission rule adopted under Finance Code Section 14.112, relating to licensing and registration terms.

Effective Sept. 1, 2019 and the changes in the law made by this bill do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this bill and that is pending before a court or other governmental entity on that date.

Section 351.1535

HB 1442 adds this section to authorize the Consumer Credit Commissioner to refuse a license renewal of a person who fails to comply with an order issued by the Consumer Credit

Commissioner to enforce Finance Code Chapter 351, the Property Tax Lender License Act.

Effective Sept. 1, 2019 and the changes in the law made by this bill do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this bill and that is pending before a court or other governmental entity on that date.

Section 351.154

HB 1442 amends the title of this section to “License Fee” and amends the section to strike language regarding that a license fee is an annual fee that a license holder must pay not later than December 1 for the year beginning the next January 1, and instead, the bill provides a license holder must pay the fee not later than the 30th day before the date the license expires.

Effective Sept. 1, 2019 and the changes in the law made by this bill do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this bill and that is pending before a court or other governmental entity on that date.

Section 351.155

HB 1442 amends the title of this section to “Expiration of License on Failure to Pay Fee” and amends the section to strike language regarding the date of when a license expires based on the annual fee.

Effective Sept. 1, 2019 and the changes in the law made by this bill do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this bill and that is pending before a court or other governmental entity on that date.

Section 351.156

HB 1442 amends this section to strike “annual” from “annual license fee” and provides that for the current authorization for the Consumer Credit Commissioner to suspend or revoke a license after a notice and hearing that it is after notice and opportunity for a hearing.

Effective Sept. 1, 2019 and the changes in the law made by this bill do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this bill and that is pending before a court or other governmental entity on that date.

Government Code

Section 325.0115

SB 237 adds subsection (c) to provide that as part of the Sunset Advisory Commission’s review of an agency that licenses an occupation or profession, the commission and its staff shall determine whether the governing body of the agency being reviewed has made an evaluation regarding the type of personal information of license holders that the agency should make available on the agency’s Internet website based on the following factors:

- the type of information the public needs to file a complaint with the agency;
- the type of information the public needs to locate an existing or potential service provider;
- the type of information the public needs to verify a license; and
- whether making the information available on the agency’s Internet website could subject a license holder to harassment, solicitation, or other nuisance.

The bill adds subsection (d) to provide that if the commission determines that the governing body of an agency has not completed this evaluation, the commission shall make a recommendation that the governing body of the agency perform such an evaluation.

Effective Sept. 1, 2019.

Section 403.0241

HB 3001 amends subsection (c) to modify certain information that must be included in the Comptroller’s Special Purpose District Public Information Database to financial information described by the Local Government Code Section 140.008(b) or (g).

The bill amends subsection (e) to provide that for the Comptroller’s Special Purpose District Public Information Database the required information submitted by a state agency or special purpose district be in the form and manner prescribed by the Comptroller. If the required information is posted separately on an Internet website (maintained or caused to be maintained by the state agency, Comptroller, or special purpose district), the Comptroller may include in the database a direct link or statement describing the location of the information instead of reproducing the information in the database.

Effective Sept. 1, 2019, and applies only to a report required to be made on or after the effective date.

SB 239 amends subsection (c) to add to the items that must be included in the Comptroller's Special Purpose District Public Information Database, a link to the Internet website described by Water Code Section 49.062(g), with a plain-language description of how a resident may petition to require that board meetings of certain special districts be held not further than 10 miles from the boundary of the district.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an open meeting held on or after the effective date.

Section 403.302

HB 492 amends subsection (d) to add a deduction from market value for purposes of the Property Value Study to include the total dollar amount of any exemption granted under Tax Code Section 11.35, relating to a temporary exemption for qualified property damaged by a disaster.

*Effective Jan. 1, 2020 contingent on voter approval of **HJR 34**.*

SB 2 adds subsection (k) to provide that if the Comptroller determines in the final certification of the Property Value Study that the school district's local value as determined by the appraisal district that appraises property for the school district is not valid, the Comptroller shall provide notice of the Comptroller's determination to the board of directors of the appraisal district. The board of directors of the appraisal district shall hold a public meeting to discuss the receipt of notice.

The bill adds subsection (k-1) to provide that if the Comptroller determines in the final certification of the Property Value Study that the school district's local value as determined by the appraisal district that appraises property for the school district is not valid for three consecutive years, the Comptroller shall conduct an additional review of the appraisal district under Tax Code Section 5.102, and provide recommendations to the appraisal district regarding appraisal standards, procedures, and methodologies. The Comptroller may contract with a third party to assist the Comptroller in conducting the additional review and providing the recommendations required under this subsection. The bill provides that if the appraisal district fails to comply with the recommendations provided under this subsection and the Comptroller finds that

the board of directors of the appraisal district failed to take remedial action reasonably designed to ensure substantial compliance with each recommendation before the first anniversary of the date the recommendations were made, the Comptroller shall notify TDLR, or a successor to the department, which shall take action necessary to ensure that the recommendations are implemented as soon as practicable.

The bill provides that before February 1 of the year following the year in which the TDLR, or a successor to the department, takes action under subsection (k-1), the department, with the assistance of the Comptroller, shall determine whether the recommendations have been substantially implemented and notify the chief appraiser and the board of directors of the appraisal district of the determination. If the department determines that the recommendations have not been substantially implemented, the board of directors of the appraisal district must, within three months of the determination, consider whether the failure to implement the recommendations was under the current chief appraiser's control and whether the chief appraiser is able to adequately perform the chief appraiser's duties.

The bill repeals subsections (m-1) and (n) and amends subsection (o) to strike references to the Comptroller's Property Value Study Advisory Committee and to replace the reference to this committee with a reference to the Comptroller's Property Tax Administration Advisory Board.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and provides that the first tax year that may be considered for purposes of the condition to the applicability of Government Code Section 403.302(k-1), as added by this bill, that the Comptroller has determined in a study under Government Code Section 403.302 that a school district's local value as determined by the appraisal district that appraises property for the school district is not valid for three consecutive years is the 2020 tax year.*

HB 3 amends subsection (a) to update a code reference to Education Code Chapter 49 (instead of Chapter 41).

The bill amends subsection (d) to strike the provision that the Comptroller deduct a portion of the market value of property not otherwise fully taxable by a school district at market value because of action taken by districts under Tax Code Chapter 313, Subchapter B or C before the expiration of the subchapter in the Property Value Study.

The bill repeals subsection (m) to strike the provision that provides that the Tax Code Chapter 313 deduction does not apply to property that was the subject of an application under Tax Code Chapter 313, Subchapter B or C made after May 1, 2009 that the Comptroller recommended should be disapproved.

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 403.303

HB 3 amends subsection (b) to update a code reference to Education Code Chapter 48 (instead of Chapter 42).

Effective Sept. 1, 2019. If any provision of this bill or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this bill that can be given effect without the invalid provision or application, and to this end the provisions of this bill are declared to be severable. To the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment.

Section 442.0081

SB 496 amends subsection (e) to add to the factors that the Texas Historical Commission must consider in determining whether to grant an application for the historic courthouse preservation program, the county's or municipality's local funding capacity as measured by the total taxable value of properties in the county or municipality, as applicable.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to an application filed on or after the effective date.

Section 551.001

SB 1640 amends subdivision (2) to modify the definition of "deliberation" to include written exchanges, to strike that the exchange be during a meeting, and to strike the provision that it concern any public business.

Effective June 10, 2019.

Section 551.007

HB 2840 requires a governmental body (other than a board, commission, department, committee, or agency within the executive or legislative branch of state government that is directed by one or more elected or appointed members) to allow each member of the public who desires to address the body regarding an agenda item of an open meeting before or during the body's consideration of the item.

A governmental body may adopt reasonable rules regarding the public's right to address the body, including rules that limit the total amount of time that a member of the public may address the body on a given item. If adopted rules limit the amount of time, the bill provides that these rules must provide that a member of the public who addresses the body through a translator must be given at least twice the amount of time as a member of the public who does not require the assistance of a translator in order to ensure that non-English speakers receive the same opportunity to address the body. This applies only if a governmental body does not use simultaneous translation equipment in a manner that allows the body to hear the translated public testimony simultaneously.

The bill prohibits a governmental body from prohibiting public criticism of the governmental body, including criticism of any act, omission, policy, procedure, program, or service. This does not apply to public criticism that is otherwise prohibited by law.

Effective Sept. 1, 2019.

Section 551.045

SB 494 amends subsection (a) to modify the two hour open meeting notice requirements when there is an emergency or when there is an urgent public necessity to provide that posting a notice (including a supplemental notice to add an agenda item for the deliberation or taking of action on the emergency or urgent public necessity for a meeting which has already been posted in accordance with Government Code Chapter 551, Subchapter C, Notice of Meetings) at least one hour before a meeting is convened to deliberate or take action on the emergency or urgent public necessity is sufficient.

The bill adds subsection (a-1) to prohibit a governmental body from deliberating or taking action on a matter at a meeting for which notice or supplemental notice is posted under subsection (a) other than:

- a matter directly related to responding to the emergency or urgent public necessity identified in the notice or supplemental notice of the meeting; or
- an agenda item listed on a notice of the meeting before the supplemental notice was posted.

The bill amends subsection (b) to modify that an emergency or an urgent public necessity exists only if immediate action is required of a governmental body because of an imminent threat to public health and safety to provide that this includes when a threat of a reasonably unforeseeable situation is imminent. The bill provides these reasonably unforeseeable situations include;

- fire, flood, earthquake, hurricane, tornado, or wind, rain, or snow storm;
- power failure, transportation failure, or interruption of communication facilities;
- epidemic; or
- riot, civil disturbance, enemy attack, or other actual or threatened act of lawlessness or violence.

The bill amends subsection (e) to strike the provision that notice of an emergency meeting or supplemental notice of an emergency item added to the agenda must be given to members of the news media not later than one hour before the meeting when there is a sudden relocation of a large number of residents from the area of a declared disaster.

Effective Sept. 1, 2019, and this section, as amended by this bill, applies only to a meeting held on or after the effective date.

Section 551.047

SB 494 amends subsection (c) to modify the requirement that the presiding officer or member give the required special notice to news media of an emergency meeting or emergency addition to the agenda by telephone, facsimile transmission, or electronic mail to provide that the notice be given at least one hour before the meeting is convened.

Effective Sept. 1, 2019, and this section, as amended by this bill, applies only to a meeting held on or after the effective date.

Section 551.1283

SB 239 adds this section which only applies to a special purpose district subject to Water Code Chapter 51, 53, 54, or 55, that has a population of 500 or more. The bill requires a district to make an audio recording of reasonable quality

of the hearing and provide the recording to a resident in an electronic format not later than the fifth business day after the date of the hearing, on written request of a district resident made to the district not later than the third day before a public hearing to consider the adoption of a property tax rate. The district shall maintain a copy of the recording for at least one year after the date of the hearing. A district shall post the minutes of the meeting of the governing body to the district's Internet website if the district maintains an Internet website.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an open meeting held on or after the effective date.

Section 551.142

SB 494 adds subsections (c) and (d) to authorize the attorney general to bring an action by mandamus or injunction to stop, prevent, or reverse a violation or threatened violation of Government Code Section 551.045(a-1) by members of a governmental body, relating to the prohibition on a governmental body from deliberating or taking action on a matter at a meeting for which notice of an emergency meeting or emergency addition to the agenda is posted if the matter does not relate to the identified emergency in the posting or an agenda item listed on a meeting notice before a supplemental notice was posted. A suit filed by the attorney general under this authorization must be filed in a district court of Travis County.

Effective Sept. 1, 2019.

Section 551.143

SB 1640 amends the title of this section to "Prohibited Series of Communications; Offense; Penalty." The bill strikes the provision that an offense is committed if a member or group of members of a governmental body knowingly conspire to circumvent Government Code Chapter 551, Open Meetings by meeting in numbers less than a quorum for the purpose of secret deliberations in violation of that chapter. Instead, the bill provides that an offense is committed if a member of a governmental body:

- knowingly engages in at least one communication among a series of communications that each occur outside of a meeting authorized by Government Code Chapter 551, Open Meetings and that concern an issue within the jurisdiction of the governmental body in which the members engaging in the individual communications constitute fewer than a quorum of

members but the members engaging in the series of communications constitute a quorum of members; and

- knew at the time the member engaged in the communication that the series of communications involved or would involve a quorum; and would constitute a deliberation once a quorum of members engaged in the series of communications.

Effective June 10, 2019, and this section, as amended by this bill, applies only to an offense committed on or after the effective date. For purposes of this section, an offense was committed before the effective date of this bill if any element of the offense occurred before that date.

Section 552.002

SB 944 adds subsection (d) to provide that “protected health information” as defined by Health and Safety Code Section 181.006 is not public information and is not subject to disclosure under Government Code Chapter 552, Public Information.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a request for public information received on or after the effective date.

Section 552.003

SB 943 amends subdivision (1) to modify the meaning of “governmental body” to add:

- a confinement facility operated under a contract with any division of the Texas Department of Criminal Justice;
- a civil commitment housing facility owned, leased, or operated by a vendor under contract with the state as provided by Health and Safety Code Chapter 841; and
- an entity that receives public funds in the current or preceding state fiscal year to manage the daily operations or restoration of the Alamo, or an entity that oversees such an entity.

The bill amends subdivision (1) to modify the meaning of “governmental body” to provide it does not include an economic development entity whose mission or purpose is to develop and promote the economic growth of a state agency or political subdivision with which the entity contracts if the entity does not receive \$1 million or more in public funds from a single state agency or political subdivision in the current or preceding state fiscal year; or the entity:

- either does not have the authority to make decisions or recommendations on behalf of a state agency or political subdivision regarding tax abatements or tax incentives or the entity does not require an officer of the state agency or political subdivision to hold office as a member of the board of directors of the entity;
- does not use staff or office space of the state agency or political subdivision for no or nominal consideration, unless the space is available to the public;
- to a reasonable degree, tracks the entity’s receipt and expenditure of public funds separately from the entity’s receipt and expenditure of private funds; and
- provides at least quarterly public reports to the state agency or political subdivision regarding work performed on behalf of the state agency or political subdivision.

The bill adds subdivision (7) to provide that in Government Code Chapter 552, Public Information, “contracting information” means the following information maintained by a governmental body or sent between a governmental body and a vendor, contractor, potential vendor, or potential contractor:

- information in a voucher or contract relating to the receipt or expenditure of public funds by a governmental body;
- solicitation or bid documents relating to a contract with a governmental body;
- communications sent between a governmental body and a vendor, contractor, potential vendor, or potential contractor during the solicitation, evaluation, or negotiation of a contract;
- documents, including bid tabulations, showing the criteria by which a governmental body evaluates each vendor, contractor, potential vendor, or potential contractor responding to a solicitation and, if applicable, an explanation of why the vendor or contractor was selected; and
- communications and other information sent between a governmental body and a vendor or contractor related to the performance of a final contract with the governmental body or work performed on behalf of the governmental body.

Effective Jan. 1, 2020, and the changes in law made by this bill apply only to a request for public information that is received by a governmental body or an officer for public information on or after the effective date.

SB 944 adds subdivision (7) to provide that in Government Code Chapter 552, Public Information, “temporary custodian” means an officer or employee of a governmental body who, in the transaction of official business, creates or receives public information that the officer or employee has not provided to the officer for public information of the governmental body or the officer’s agent. The term includes a former officer or employee of a governmental body who created or received public information in the officer’s or employee’s official capacity that has not been provided to the officer for public information of the governmental body or the officer’s agent.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a request for public information received on or after the effective date.

Section 552.004

SB 944 amends subsection (a) to provide that the current authorization for a governmental body or the elected county officer, as applicable, to determine a time for which information that is not currently in use will be preserved is subject to subsection (b) (in addition to subject to any applicable rule or law governing the destruction and other disposition of state and local government records or public information).

The bill adds subsection (b) to require a current or former officer or employee of a governmental body who maintains public information on a privately owned device to:

- forward or transfer the public information to the governmental body or a governmental body server to be preserved as provided by subsection (a); or
- preserve the public information in its original form in a backup or archive and on the privately owned device for the time described under subsection (a).

The provisions of Government Code Chapter 441, Libraries and Archives and Local Government Code, Title 6 governing the preservation, destruction, or other disposition of records or public information apply to records and public information held by a temporary custodian.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a request for public information received on or after the effective date.

Section 552.0222

SB 943 adds this section to provide under subsection (a) that contracting information is public and must be released unless

excepted from disclosure under Government Code Chapter 552, Public Information.

The bill adds subsection (b) to provide that the exceptions to disclosure provided by Government Code Section 552.110 (Exception: Confidentiality of Trade Secrets; Confidentiality of Certain Commercial or Financial Information) and Government Code Section 552.1101 (Exception: Confidentiality of Proprietary Information) do not apply to the following types of contracting information:

1. a contract described by Government Code Section 2261.253(a) (contracts for the purchase of goods or services from a private vendor), excluding any information that was properly redacted under subsection (e) of that section;
2. a contract described by Government Code Section 322.020(c) (each request for proposal, invitation to bid, or comparable solicitation related to a major contract of a state agency; and each of these major contracts), excluding any information that was properly redacted under subsection (d) of that section;
3. the following contract or offer terms or their functional equivalent:
 - a. any term describing the overall or total price the governmental body will or could potentially pay, including overall or total value, maximum liability, and final price;
 - b. a description of the items or services to be delivered with the total price for each if a total price is identified for the item or service in the contract;
 - c. the delivery and service deadlines;
 - d. the remedies for breach of contract;
 - e. the identity of all parties to the contract;
 - f. the identity of all subcontractors in a contract;
 - g. the affiliate overall or total pricing for a vendor, contractor, potential vendor, or potential contractor;
 - h. the execution dates;
 - i. the effective dates; and
 - j. the contract duration terms, including any extension options; or
4. information indicating whether a vendor, contractor, potential vendor, or potential contractor performed its duties under a contract, including information regarding:
 - a. a breach of contract;

- b. a contract variance or exception;
- c. a remedial action;
- d. an amendment to a contract;
- e. any assessed or paid liquidated damages;
- f. a key measures report;
- g. a progress report; and
- h. a final payment checklist.

The bill adds subsection (c) to provide that notwithstanding subsection (b), certain pricing information that relates to a retail electricity contract may not be disclosed until the delivery start date.

Effective Jan. 1, 2020, and the changes in law made by this bill apply only to a request for public information that is received by a governmental body or an officer for public information on or after the effective date.

Section 552.104

SB 943 amends subsection (a) to modify the provision that information is excepted from the requirements of Government Code Section 552.021 (public information is available to the public at a minimum during the normal business hours of the governmental body) if it is information that, if released, would give advantage to a competitor or bidder. The bill provides that information is excepted if a governmental body demonstrates that release of the information would harm its interests by providing an advantage to a competitor or bidder in a particular ongoing competitive situation or in a particular competitive situation where the governmental body establishes the situation at issue is set to reoccur or there is a specific and demonstrable intent to enter into the competitive situation again in the future.

Effective Jan. 1, 2020, and the changes in law made by this bill apply only to a request for public information that is received by a governmental body or an officer for public information on or after the effective date.

HB 81 amends subsection (b) to add subsection (c) as an exception to the provision that the requirement of Government Code Section 552.022 that a category of information listed under Government Code Section 552.022(a) is public information and not excepted from required disclosure under Government Code Chapter 552, Public Information unless expressly confidential under law does not apply to the competition and bidding information that is excepted from required disclosure under this section.

The bill adds subsection (c) to provide that subsection (b) does not apply to information described by Government Code Section 552.022(a) relating to the receipt or expenditure of public or other funds by a governmental body for a parade, concert, or other entertainment event paid for in whole or part with public funds. A person, including a governmental body, may not include a provision in a contract related to such an event that prohibits or would otherwise prevent the disclosure of this information. A contract provision that violates this is void.

Effective May 17, 2019, and the change in law made by this bill applies only to a request for information that is received by a governmental body or an officer for public information on or after the effective date and a contract entered into or renewed on or after the effective date.

Section 552.110

SB 943 amends this section to modify the provision that a trade secret obtained from a person and privileged or confidential by statute or judicial decision is excepted from the requirements of Government Code Section 552.021 (public information is available to the public at a minimum during the normal business hours of the governmental body). The bill provides that information is excepted if it is demonstrated based on specific factual evidence that the information is a trade secret, except as provided by Government Code Section 552.0222 (Disclosure of Contracting Information). The bill modifies the public information exception for commercial or financial information for which it is demonstrated based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained to provide that this does not apply to Government Code Section 552.0222 (Disclosure of Contracting Information).

The bill provides that in this section “trade secret” means all forms and types of information, including business, scientific, technical, economic, or engineering information, and any formula, design, prototype, pattern, plan, compilation, program device, program, code, device, method, technique, process, procedure, financial data, or list of actual or potential customers or suppliers, whether tangible or intangible and whether or however stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if:

- the owner of the trade secret has taken reasonable measures under the circumstances to keep the information secret; and
- the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information.

Effective Jan. 1, 2020, and the changes in law made by this bill apply only to a request for public information that is received by a governmental body or an officer for public information on or after the effective date.

Section 552.1101

SB 943 adds this section to provide an exception for proprietary information to the requirements of Government Code Section 552.021 (public information is available to the public at a minimum during the normal business hours of the governmental body). The bill provides that except as provided by Government Code Section 552.0222 (Disclosure of Contracting Information), information submitted to a governmental body by a vendor, contractor, potential vendor, or potential contractor in response to a request for a bid, proposal, or qualification is excepted if the vendor, contractor, potential vendor, or potential contractor that the information relates to demonstrates based on specific factual evidence that disclosure of the information would reveal an individual approach to work, organizational structure, staffing, internal operations, processes, or discounts, pricing methodology, pricing per kilowatt hour, cost data, or other pricing information that will be used in future solicitation or bid documents; and give advantage to a competitor.

The bill provides that this exception does not apply to:

- information in a voucher or contract relating to the receipt or expenditure of public funds by a governmental body; or
- communications and other information sent between a governmental body and a vendor or contractor related to the performance of a final contract with the governmental body or work performed on behalf of the governmental body.

This exception may be asserted only by a vendor, contractor, potential vendor, or potential contractor in the manner described by Government Code Section 552.305(b) for the purpose of protecting the interests of the vendor, contractor,

potential vendor, or potential contractor. A governmental body shall decline to release information as provided by Government Code Section 552.305(a) to the extent necessary to allow a vendor, contractor, potential vendor, or potential contractor to assert this exception.

Effective Jan. 1, 2020, and the changes in law made by this bill apply only to a request for public information that is received by a governmental body or an officer for public information on or after the effective date.

Section 552.112

HB 4171 amends subsection (b) to modify the meaning of “securities” to update a reference to The Securities Act (Government Code, Title 12), rather than Article 581-1 et seq., Vernon’s Texas Civil Statutes.

Effective Jan. 1, 2022, and this bill is enacted under Texas Constitution, Article III, Section 43, is intended as a recodification only, and no substantive change in law is intended by this bill.

Section 552.117

HB 1351, HB 2446, HB 2910, SB 662, and SB 1494 reenact this section as amended by Chapters 34 (SB 1576), 190 (SB 42), and 1006 (HB 1278), Acts of the 85th Legislature, Regular Session, 2017, and amend subsection (a) to modify for which individuals for whom information related to the home address, home telephone number, emergency contact information, social security number; or information that reveals whether the person has family members is excepted from the open record requirements of Government Code Section 552.021 (Availability of Public Information):

- current or former member of the United States Army, Navy, Air Force, Coast Guard, or Marine Corps, an auxiliary service of one of those branches of the armed forces, or the Texas military forces, as that term is defined by Government Code Section 437.001 (rather than a current or former member of the Texas military forces, as that term is defined by Government Code Section 437.001) (**HB 1351**);
- firefighter or volunteer firefighter or emergency medical services personnel as defined by Health and Safety Code Section 773.003, regardless of whether the firefighter or volunteer firefighter or emergency medical services personnel comply with Government Code Section 552.024 or Government Code Section 552.1175, as applicable (**HB 2446**);

- current or former United States attorney or assistant United States attorney and the spouse or child of the attorney (**HB 2910**);
- state officer elected statewide or a member of the Legislature, regardless of whether the officer or member complies with Government Code Section 552.024 or Government Code Section 552.1175 (**SB 662** and **SB 1494**); and
- current or former child protective services caseworker, adult protective services caseworker, or investigator for the Department of Family and Protective Services, regardless of whether the caseworker or investigator complies with Government Code Section 552.024 or Government Code Section 552.1175, or a current or former employee of a department contractor performing child protective services caseworker, adult protective services caseworker, or investigator functions for the contractor on behalf of the department (**SB 1494**).

HB 1351, HB 2446, HB 2910, SB 662, and SB 1494 amend subsection (a) to strike from the list a current or former district attorney, criminal district attorney, or county attorney whose jurisdiction includes any criminal law or child protective services matter.

HB 2910 also amends subsection (a) to update a reference to the definition of “federal judge” and “state judge” to provide those terms are defined by Election Code Section 1.005 (rather than defined by Election Code Section 13.0021(a)).

Effective Sept. 1, 2019 (HB 2910). Effective Sept. 1, 2019, the changes in law made by this bill apply only to a request for information that is received by a governmental body or an officer on or after the effective date, and to the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes (HB 1351). Effective June 14, 2019, the changes in law made by the bill to this section apply only to a request for information that is received by a governmental body or an officer on or after the effective date; and to the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes (HB 2446 and SB 662). Effective June 10, 2019, the changes in law made by this bill to this section apply only to a request for information that is received by a governmental body or an officer on or after the effective date; and to the extent of any conflict, these bills

prevails over another bill of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes (SB 1494).

Section 552.1175

HB 1351, HB 2446, SB 662, and SB 1494 amend the title of this section to “Exception: Confidentiality of Certain Personal Identifying Information of Peace Officers and Other Officials Performing Sensitive Functions.”

HB 1351, HB 2446, HB 2910, SB 662, and SB 1494 amend subsection (a) to add to the list of individuals for whom information related to the home address, home telephone number, emergency contact information, date of birth, social security number, or reveals family members is confidential if the individual chooses to restrict public access and notifies the governmental body of the choice on a form provided by the governmental body accompanied by evidence of the individual’s status:

- special investigators as described by Code of Criminal Procedure Article 2.122 (**HB 2910**);
- current or former member of the United States Army, Navy, Air Force, Coast Guard, or Marine Corps, an auxiliary service of one of those branches of the armed forces, or the Texas military forces, as that term is defined by Government Code Section 437.001 (**HB 1351**);
- firefighter or volunteer firefighter or emergency medical services personnel as defined by Health and Safety Code Section 773.003 (**HB 2446**);
- state officers elected statewide and members of the Legislature (**SB 662** and **SB 1494**); and
- current or former child protective services caseworker, adult protective services caseworker, or investigator for the Department of Family and Protective Services or a current or former employee of a department contractor performing child protective services caseworker, adult protective services caseworker, or investigator functions for the contractor on behalf of the department (**SB 1494**).

HB 2910 also amends subsection (a) to update a reference to the definition of “federal judge” and “state judge” to provide those terms are defined by Election Code Section 1.005 (rather than defined by Election Code Section 13.0021(a)).

Effective Sept. 1, 2019, and the change in law made by this bill to this section, applies only to a request for information

that is received by a governmental body or an officer on or after the effective date (**HB 2910**). Effective Sept. 1, 2019, the changes in law made by this bill apply only to a request for information that is received by a governmental body or an officer on or after the effective date, and to the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes (**HB 1351**). Effective June 14, 2019, the changes in law made by the bill to this section apply only to a request for information that is received by a governmental body or an officer on or after the effective date; and to the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes (**HB 2446** and **SB 662**). Effective June 10, 2019, the changes in law made by this bill to this section apply only to a request for information that is received by a governmental body or an officer on or after the effective date; and to the extent of any conflict, these bills prevails over another bill of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes (**SB 1494**).

Section 552.1177

HB 2828 adds this section “Exception: Confidentiality of Certain Information Related to Humane Disposition of Animal” to create subsection (a) to provide that except as provided by subsection (b), information is confidential and excepted from the requirements of Government Code Section 552.021 if the information relates to the name, address, telephone number, email address, driver’s license number, social security number, or other personally identifying information of a person who obtains ownership or control of an animal from a municipality or county making a humane disposition of the animal under a municipal ordinance or an order of the commissioners court.

The bill adds subsection (b) to authorize a governmental body to disclose information made confidential by subsection (a) to a governmental entity, or to a person who under a contract with a governmental entity provides animal control services, animal registration services, or related services to the governmental entity, for purposes related to the protection of public health and safety.

The bill adds subsection (c) to provide that a governmental entity or other person that receives information under subsection (b):

- must maintain the confidentiality of the information;
- may not disclose the information under Government Code Chapter 552, Public Information; and
- may not use the information for a purpose that does not directly relate to the protection of public health and safety.

The bill adds subsection (d) to provide that a governmental body, by providing public information under subsection (b) that is confidential or otherwise excepted from required disclosure under law, does not waive or affect the confidentiality of the information for purposes of state or federal law or waive the right to assert exceptions to required disclosure of the information in the future.

Effective June 10, 2019, and the change in law made by this bill applies to a request for information that is received by a governmental body or an officer for public information on or after the effective date.

Section 552.118

HB 2174 amends this section to modify the current exception to public information requirements under Government Code Section 552.021 for information on or derived from an official prescription form to specify this also applies to a form filed with the Texas State Board of Pharmacy under Health and Safety Code Section 481.0755 (Written, Oral, and Telephonically Communicated Prescriptions). The bill also modifies the exception under this section for other information collected under Health and Safety Code Section 481.075 to include other information collected under Health and Safety Code Section 481.0755.

Effective Sept. 1, 2019, and if before implementing any provision of this bill a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

Section 552.131

SB 943 adds subsection (b-1) to provide that an economic development entity whose mission or purpose is to develop and promote the economic growth of a state agency or political subdivision with which the entity contracts may assert the exceptions under this section, relating to an exception to public information requirements for the confidentiality of certain

economic development information, in the manner described by Government Code Section 552.305(b) with respect to information that is in the economic development entity's custody or control.

Effective Jan. 1, 2020, and the changes in law made by this bill apply only to a request for public information that is received by a governmental body or an officer for public information on or after the effective date.

Section 552.132

HB 4173 amends subsections (a), (c), and (d) to update references to Code of Criminal Procedure, Chapter 56B (instead of Code of Criminal Procedure, Chapter 56, Subchapter B) and Code of Criminal Procedure Article 56B.103 or 56B.104 (rather than the Code of Criminal Procedure Section 56.34).

Effective Jan. 1, 2021. This bill is enacted under Texas Constitution, Article III, Section 43. This bill is intended as a codification only, and this bill intends no substantive change in the law. Government Code Chapter 311 (Code Construction Act) applies to the construction of each provision in the Code of Criminal Procedure that is enacted under Texas Constitution, Article III, Section 43 (authorizing the continuing statutory revision program), in the same manner as to a code enacted under the continuing statutory revision program, except as otherwise expressly provided by the Code of Criminal Procedure. A reference in a law to a statute or a part of a statute in the Code of Criminal Procedure enacted under Texas Constitution, Article III, Section 43 (authorizing the continuing statutory revision program), is considered to be a reference to the part of that code that revises that statute or part of that statute.

Section 552.1325

HB 4173 amends subsection (a) to update references to Code of Criminal Procedure, Chapter 56A, Subchapter D (instead of Code of Criminal Procedure Article 56.03) and Code of Criminal Procedure Article 56B.003 (rather than the Code of Criminal Procedure Article 56.32).

Effective Jan. 1, 2021. This bill is enacted under Texas Constitution, Article III, Section 43. This bill is intended as a codification only, and this bill intends no substantive change in the law. Government Code Chapter 311 (Code Construction Act) applies to the construction of each provision in the Code of Criminal Procedure that is enacted under Texas Constitution, Article III, Section 43 (authorizing the

continuing statutory revision program), in the same manner as to a code enacted under the continuing statutory revision program, except as otherwise expressly provided by the Code of Criminal Procedure. A reference in a law to a statute or a part of a statute in the Code of Criminal Procedure enacted under Texas Constitution, Article III, Section 43 (authorizing the continuing statutory revision program), is considered to be a reference to the part of that code that revises that statute or part of that statute.

Section 552.138

HB 3091 amends subsections (b) and (c) and adds subsection (b-1) to strike the current exception to public information requirements under Government Code Section 552.021 for information that relates to the location or physical layout of a family violence shelter center or victims of trafficking shelter center and instead provides that this information is confidential.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to a request for public information received on or after the effective date.

Section 552.139

HB 4170 repeals subsection (d) as added by Chapter 683 (HB 8), Acts of the 85th Legislature, Regular Session, 2017, as duplicative of subsection (d) as added by Chapter 1042 (HB 1861), Acts of the 85th Legislature, Regular Session, 2017.

Effective Sept. 1, 2019.

Section 552.159

HB 2446 adds this section to provide that a work schedule or a time sheet of a firefighter or volunteer firefighter or emergency medical services personnel as defined by Health and Safety Code Section 773.003 is confidential and excepted from the requirements of Government Code Section 552.021 which provides that public information is available to the public at a minimum during the normal business hours of the governmental body.

Effective June 14, 2019, the changes in law made by the bill to this section apply only to a request for information that is received by a governmental body or an officer on or after the effective date; and to the extent of any conflict, this bill prevails over another bill of the 86th Legislature, Regular Session, 2019, relating to nonsubstantive additions to and corrections in enacted codes.

HB 3913 adds this section to provide that certain information obtained by a flood control district located in a county with a population of 3.3 million or more in connection with operations related to a declared disaster or flooding is excepted from the requirements of Government Code Section 552.021 which provides that public information is available to the public at a minimum during the normal business hours of the governmental body. The excepted information is a person's name, home address, business address, home telephone number, mobile telephone number, electronic mail address, social media account information, and a social security number.

Effective Sept. 1, 2019, and this section, as added by this bill, applies only to a request for public information received on or after the effective date.

SB 944 adds this section to provide that information obtained by a governmental body that was provided by an out-of-state health care provider in connection with a quality management, peer review, or best practices program that the out-of-state health care provider pays for is confidential and excepted from the requirements of Government Code Section 552.021 which provides that public information is available to the public at a minimum during the normal business hours of the governmental body.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a request for public information received on or after the effective date.

Section 552.160

HB 3175 adds this section to provide that the following information maintained by a governmental body is confidential:

- the name, social security number, house number, street name, and telephone number of an individual or household that applies for state or federal disaster recovery funds;
- the name, tax identification number, address, and telephone number of a business entity or an owner of a business entity that applies for state or federal disaster recovery funds; and
- any other information the disclosure of which would identify or tend to identify a person or household that applies for state or federal disaster recovery funds.

The bill provides that the street name and census block group of and the amount of disaster recovery funds awarded to a person or household are not confidential after the date on

which disaster recovery funds are awarded to the person or household.

The bill provides that in this section “disaster” has the meaning assigned by Government Code Section 418.004.

Effective Sept. 1, 2019.

Section 552.203

SB 944 amends this section to add to the required actions of each officer for public information, subject to penalties provided in Government Code Chapter 552, Public Information, to include making reasonable efforts to obtain public information from a temporary custodian if:

- the information has been requested from the governmental body;
- the officer for public information is aware of facts sufficient to warrant a reasonable belief that the temporary custodian has possession, custody, or control of the information;
- the officer for public information is unable to comply with the duties imposed by Government Code Chapter 552, Public Information without obtaining the information from the temporary custodian; and
- the temporary custodian has not provided the information to the officer for public information or the officer's agent.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a request for public information received on or after the effective date.

Section 552.233

SB 494 adds this section which provides for a temporary suspension of open records requirements for a governmental body impacted by catastrophe and adds subsection (a) to define for this section:

- “Catastrophe” means a condition or occurrence that interferes with the ability of a governmental body to comply with the requirements of Government Code Chapter 552, Public Information, including:
 - fire, flood, earthquake, hurricane, tornado, or wind, rain, or snow storm;
 - power failure, transportation failure, or interruption of communication facilities;
 - epidemic; or

- riot, civil disturbance, enemy attack, or other actual or threatened act of lawlessness or violence.
- “Suspension period” means the period of time during which a governmental body may suspend the applicability of the requirements of Government Code Chapter 552, Public Information to the governmental body under this section.

The bill adds subsection (b) to provide that the requirements of Government Code Chapter 552, Public Information do not apply to a governmental body during the suspension period determined by the governmental body under subsections (d) and (e) if the governmental body is currently impacted by a catastrophe and complies with the requirements of this section.

The bill adds subsection (c) to provide that a governmental body that elects to suspend the applicability of the requirements of Government Code Chapter 552, Public Information to the governmental body must submit notice to the office of the attorney general that the governmental body is currently impacted by a catastrophe and has elected to suspend the applicability of those requirements during the initial suspension period determined under subsection (d). The notice must be on the form prescribed by the office of the attorney general under subsection (j).

The bill adds subsection (d) to provide that a governmental body may suspend the applicability of the requirements of Government Code Chapter 552, Public Information to the governmental body for an initial suspension period. The initial suspension period may not exceed seven consecutive days and must occur during the period that:

- begins not earlier than the second day before the date the governmental body submits notice to the office of the attorney general under subsection (c); and
- ends not later than the seventh day after the date the governmental body submits that notice.

The bill adds subsection (e) to provide that a governmental body may extend an initial suspension period if the governing body determines that the governing body is still impacted by the catastrophe on which the initial suspension period was based. The initial suspension period may be extended one time for not more than seven consecutive days that begin on the day following the day the initial suspension period ends. The governing body must submit notice of the extension to

the office of the attorney general on the form prescribed by the office under subsection (j).

The bill adds subsection (f) to provide that a governmental body that suspends the applicability of the requirements of Government Code Chapter 552, Public Information to the governmental body must provide notice to the public of the suspension in a place readily accessible to the public and in each other location the governmental body is required to post a notice under Government Code Chapter 551, Subchapter C, Notice of Meetings. The governmental body must maintain the notice of the suspension during the suspension period.

The bill adds subsection (g) to provide that notwithstanding another provision of Government Code Chapter 552, Public Information, a request for public information received by a governmental body during a suspension period determined by the governmental body is considered to have been received by the governmental body on the first business day after the date the suspension period ends.

The bill adds subsection (h) to provide that the requirements of Government Code Chapter 552, Public Information related to a request for public information received by a governmental body before the date an initial suspension period determined by the governmental body begins are tolled until the first business day after the date the suspension period ends.

The bill adds subsection (i) to require the office of the attorney general to continuously post on the Internet website of the office each notice submitted to the office under this section from the date the office receives the notice until the first anniversary of that date.

The bill adds subsection (j) to require the office of the attorney general to prescribe the form of the notice that a governmental body must submit to the office. The notice must require the governmental body to:

- identify and describe the catastrophe that the governmental body is currently impacted by;
- state the date the initial suspension period determined by the governmental body begins and the date that period ends;
- if the governmental body has determined to extend the initial suspension period, state that the governmental body continues to be impacted by the identified catastrophe and state the date the extension to the initial suspension period begins and the date the period ends; and

- provide any other information the office of the attorney general determines necessary.

Effective Sept. 1, 2019, and as soon as practicable after this bill becomes law as provided by Government Code Section 2001.006, the office of the attorney general shall prescribe the form of the notice required by Government Code Section 552.233(j), as added by this bill.

SB 944 adds this section to provide that a current or former officer or employee of a governmental body does not have, by virtue of the officer's or employee's position or former position, a personal or property right to public information the officer or employee created or received while acting in an official capacity.

A temporary custodian with possession, custody, or control of public information shall surrender or return the information to the governmental body not later than the 10th day after the date the officer for public information of the governmental body or the officer's agent requests the temporary custodian to surrender or return the information.

A temporary custodian's failure to surrender or return public information as required by is grounds for disciplinary action by the governmental body that employs the temporary custodian or any other applicable penalties provided by Government Code Chapter 552, Public Information or other law.

For purposes of the application of Government Code Chapter 552, Subchapter G, Attorney General Decisions to information surrendered or returned to a governmental body by a temporary custodian, the governmental body is considered to receive the request for that information on the date the information is surrendered or returned to the governmental body.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a request for public information received on or after the effective date.

Section 552.234

SB 944 adds this section to provide that a person may make a written request for public information under Government Code Chapter 552, Public Information only by delivering the request by one of the following methods to the applicable officer for public information or a person designated by that officer:

- United States mail;
- electronic mail;

- hand delivery; or
- any other appropriate method approved by the governmental body, including facsimile transmission and electronic submission through the governmental body's Internet website.

A governmental body is considered to have approved a method only if the governmental body includes a statement that a request for public information may be made by that method on the sign required to be displayed by the governmental body under Government Code Section 552.205 or the governmental body's Internet website.

A governmental body may designate one mailing address and one electronic mail address for receiving written requests for public information. The governmental body shall provide the designated mailing address and electronic mailing address to any person on request. A governmental body that posts the mailing address and electronic mail address designated by the governmental body on the governmental body's Internet website or that prints those addresses on the sign required to be displayed by the governmental body under Government Code Section 552.205 is not required to respond to a written request for public information unless the request is received:

- at one of those addresses;
- by hand delivery; or
- by a method that has been approved by the governmental body.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a request for public information received on or after the effective date.

Section 552.235

SB 944 adds this section to require the attorney general under subsection (a) to create a public information request form that provides a requestor the option of excluding from a request information that the governmental body determines is confidential or subject to an exception to disclosure that the governmental body would assert if the information were subject to the request. The bill adds subsection (b) to provide that a governmental body that allows requestors to use the form and maintains an Internet website shall post the form on its website.

Effective Sept. 1, 2019, the changes in law made by this bill apply only to a request for public information received on or after the effective date, and the attorney general shall create a public information request form under Government Code

Section 552.235(a), as added by this bill, not later than Oct. 1, 2019.

Section 552.301

SB 944 repeals subsection (c) which provided that for purposes of Government Code Chapter 552, Subchapter G, Attorney General Decisions, a written request includes a request made in writing that is sent to the officer for public information, or the person designated by that officer, by electronic mail or facsimile transmission.

Effective Sept. 1, 2019, and the changes in law made by this bill apply only to a request for public information received on or after the effective date.

Section 552.305

SB 943 amends subsection (a) to add to the types of cases for which a governmental body may decline to release information for the purpose of requesting an attorney general decision for privacy or property interests to include Government Code Sections 552.1101 (Exception: Confidentiality of Proprietary Information), 552.131 (Exception: Confidentiality of Certain Economic Development Information), and 552.143 (Exception: Confidentiality of Certain Investment Information); and removes from the list Government Code Section 552.104 (Exception: Information Related to Competition or Bidding).

The bill amends subsection (d) to add to the types of cases for which a governmental body shall make a good faith attempt to notify a person whose proprietary information may be subject to an exception from public information requirements of the request to the attorney general for a decision to include Government Code Section 552.1101 (Exception: Confidentiality of Proprietary Information) and Government Code Section 552.143 (Exception: Confidentiality of Certain Investment Information).

Effective Jan. 1, 2020, and the changes in law made by this bill apply only to a request for public information that is received by a governmental body or an officer for public information on or after the effective date.

Section 552.321

SB 943 adds subsection (c) to authorize a requestor to file suit for a writ of mandamus compelling a governmental body or an entity to comply with the requirements of Government Code Chapter 552, Subchapter J, Additional Provisions Related to Contracting Information.

Effective Jan. 1, 2020, and the changes in law made by this bill apply only to a request for public information that is received by a governmental body or an officer for public information on or after the effective date.

Section 552.323

SB 988 amends subsection (b) to modify the authorization of the court to assess costs of litigation and reasonable attorney's fees incurred by a plaintiff or defendant who substantially prevails in an action brought under Government Code Section 552.324 (governmental body filing suit seeking to withhold information from a requestor) to prohibit this assessment unless the court finds the action or the defense of the action was groundless in fact or law.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to an action brought on or after the effective date.

Sections 552.371 - 552.376, Subchapter J

SB 943 adds this new subchapter titled "Additional Provisions Related to Contracting Information" to Government Code Chapter 552, Public Information.

The bill adds Government Code Section 552.371 (Certain Entities Required to Provide Contracting Information to Governmental Body in Connection with Request) to create subsection (a) to provide that this section applies to an entity that is not a governmental body that executes a contract with a governmental body that has a stated expenditure of at least \$1 million in public funds for the purchase of goods or services by the governmental body; or results in the expenditure of at least \$1 million in public funds for the purchase of goods or services by the governmental body in a fiscal year of the governmental body.

The bill adds subsection (b) to provide that this section applies to a written request for public information received by a governmental body that is a party to a contract described by subsection (a) for contracting information related to the contract that is in the custody or possession of the entity and not maintained by the governmental body.

The bill adds subsection (c) to require a governmental body that receives a written request for information described by subsection (b) to request that the entity provide the information to the governmental body. The governmental body must send the request in writing to the entity not later than the

third business day after the date the governmental body receives such written request.

The bill adds subsection (d) to provide that notwithstanding Government Code Section 552.301 (Request for Attorney General Decision):

- a request for an attorney general's decision under Government Code Section 552.301(b) to determine whether contracting information subject to a written request described by subsection (b) falls within an exception to disclosure under Government Code Chapter 552, Public Information is considered timely if made not later than the 13th business day after the date the governmental body receives the written request described by subsection (b);
- the statement and copy described by Government Code Section 552.301(d) is considered timely if provided to the requestor not later than the 13th business day after the date the governmental body receives the written request described by subsection (b);
- a submission described by Government Code Section 552.301(e) is considered timely if submitted to the attorney general not later than the 18th business day after the date the governmental body receives the written request described by subsection (b); and
- a copy described by Government Code Section 552.301(e-1) is considered timely if sent to the requestor not later than the 18th business day after the date the governmental body receives the written request described by subsection (b).

The bill adds subsection (e) to provide that Government Code Section 552.302 (Failure to Make Timely Request for Attorney General Decision; Presumption that Information is Public) does not apply to information described by subsection (b) if the governmental body:

- complies with the requirements of subsection (c) in a good faith effort to obtain the information from the contracting entity;
- is unable to meet a deadline described by subsection (d) because the contracting entity failed to provide the information to the governmental body not later than the 13th business day after the date the governmental body received the written request for the information; and
- if applicable and notwithstanding the deadlines prescribed by Government Code Sections 552.301(b), (d), (e), and (e-1), complies with the requirements of those

subsections not later than the eighth business day after the date the governmental body receives the information from the contracting entity.

The bill adds subsection (f) to provide that nothing in this section affects the deadlines or duties of a governmental body under Government Code Section 552.301 (Request for Attorney General Decision) regarding information the governmental body maintains, including contracting information.

The bill adds Government Code Section 552.372 (Bids and Contracts) to create subsection (a) to provide that a contract described by Government Code Section 552.371 must require a contracting entity to:

- preserve all contracting information related to the contract as provided by the records retention requirements applicable to the governmental body for the duration of the contract;
- promptly provide to the governmental body any contracting information related to the contract that is in the custody or possession of the entity on request of the governmental body; and
- on completion of the contract, either provide at no cost to the governmental body all contracting information related to the contract that is in the custody or possession of the entity; or preserve the contracting information related to the contract as provided by the records retention requirements applicable to the governmental body.

The bill adds subsection (b) to provide that unless Government Code Section 552.374(c) applies, a bid for a contract described by Government Code Section 552.371 and the contract must include a prescribed statement that Government Code Chapter 552, Subchapter J, Additional Provisions Related to Contracting Information Code may apply and the contractor or vendor agrees that the contract can be terminated if the contractor or vendor knowingly or intentionally fails to comply with a requirement of that subchapter.

The bill adds subsection (c) to prohibit a governmental body from accepting a bid for a contract described by Government Code Section 552.371 or award the contract to an entity that the governmental body has determined has knowingly or intentionally failed to comply with Government Code Chapter 552, Subchapter J, Additional Provisions Related to Contracting Information Code in a previous bid or contract described by that section unless the governmental body determines and

documents that the entity has taken adequate steps to ensure future compliance with the requirements of that subchapter.

The bill adds Government Code Section 552.373 (Noncompliance with Provision of Subchapter) to require a governmental body that is the party to a contract described by Government Code Section 552.371 to provide notice to the entity that is a party to the contract if the entity fails to comply with a requirement of Government Code Chapter 552, Subchapter J, Additional Provisions Related to Contracting Information, applicable to the entity. The notice must:

- be in writing;
- state the requirement of the subchapter that the entity has violated; and
- unless Government Code Section 552.374(c) applies, advise the entity that the governmental body may terminate the contract without further obligation to the entity if the entity does not cure the violation on or before the 10th business day after the date the governmental body provides the notice.

The bill adds Government Code Section 552.374 (Termination of Contract for Noncompliance) to create subsection (a) to provide that subject to subsection (c), a governmental body may terminate a contract described by Government Code Section 552.371 if:

- the governmental body provides notice under Government Code Section 552.373 to the entity that is party to the contract;
- the contracting entity does not cure the violation in the period prescribed by Government Code Section 552.373;
- the governmental body determines that the contracting entity has intentionally or knowingly failed to comply with a requirement of Government Code Chapter 552, Subchapter J, Additional Provisions Related to Contracting Information; and
- the governmental body determines that the entity has not taken adequate steps to ensure future compliance with the requirements of Government Code Chapter 552, Subchapter J, Additional Provisions Related to Contracting Information.

The bill adds subsection (b) to provide that for the purpose of subsection (a), an entity has taken adequate steps to ensure future compliance with Government Code Chapter 552, Subchapter J, Additional Provisions Related to Contracting Information if:

- the entity produces contracting information requested by the governmental body that is in the custody or possession of the entity not later than the 10th business day after the date the governmental body makes the request; and
- the entity establishes a records management program to enable the entity to comply with this subchapter.

The bill adds subsection (c) to prohibit a governmental body from terminating a contract under this section if the contract is related to the purchase or underwriting of a public security, the contract is or may be used as collateral on a loan, or the contract's proceeds are used to pay debt service of a public security or loan.

The bill adds Government Code Section 552.375 (Other Contract Provisions) to provide that nothing in Government Code Chapter 552, Subchapter J, Additional Provisions Related to Contracting Information prevents a governmental body from including and enforcing more stringent requirements in a contract to increase accountability or transparency.

The bill adds Government Code Section 552.376 (Cause of Action Not Created) to provide that Government Code Chapter 552, Subchapter J, Additional Provisions Related to Contracting Information does not create a cause of action to contest a bid for or the award of a contract with a governmental body.

Effective Jan. 1, 2020, and the changes in law made by this bill apply only to a request for public information that is received by a governmental body or an officer for public information on or after the effective date. Government Code Chapter 552, Subchapter J, as added by this bill, applies only to a contract described by that subchapter that is executed on or after the effective date.

Sections 1251.001 - 1251.006, Subchapter A

HB 477 and **SB 30** designate these sections as Subchapter A (Provisions Relating Generally to County and Municipal Bond Elections).

*Effective Sept. 1, 2019 (**HB 477** and **SB 30**), the changes in law made by **HB 477** to Government Code Chapter 1251 apply only to a ballot for an election ordered on or after the effective date, and the change in law made by **SB 30** applies only to an election ordered on or after the effective date.*

Section 1251.002

HB 477 and **SB 30** repeal this section related to the contents of a proposition stating:

- the purpose for which the bonds are to be issued;
- the amount of the bonds;
- the rate of interest;
- the imposition of taxes sufficient to pay the annual interest on the bonds and to provide a sinking fund to redeem the bonds at maturity; and
- the maturity date of the bonds or that the bonds may be issued to mature serially over a specified number of years not to exceed 40.

Effective Sept. 1, 2019 (HB 477 and SB 30), the changes in law made by HB 477 to Government Code Chapter 1251 apply only to a ballot for an election ordered on or after the effective date, and the change in law made by SB 30 applies only to an election ordered on or after the effective date.

Sections 1251.051 and 1251.052, Subchapter B

HB 477 and **SB 30** add this subchapter “Ballot for Debt Obligations Issued by Political Subdivision” to require a ballot for a measure seeking voter approval of the issuance of debt obligations by a political subdivision to specifically state:

- a plain language description of the single specific purposes for which the debt obligations are to be authorized (**SB 30**);
- a general description of the purposes for which the debt obligations are to be authorized (**HB 477**);
- the total principal amount of the debt obligations to be authorized; and
- that taxes sufficient to pay the principal of and interest on the debt obligations will be imposed.

SB 30 provides that each single specific purpose for which debt obligations requiring voter approval are to be issued must be printed on the ballot as a separate proposition. A proposition may include as a specific purpose one or more structures or improvements serving the substantially same purpose and may include related improvements and equipment necessary to accomplish the specific purpose.

HB 477 requires a political subdivision with at least 250 registered voters on the date the governing body of the political subdivision adopts the debt obligation election order to prepare a voter information document for each proposition to be voted on at the election. The voter information

document must state, among other things, the estimated maximum annual increase in the amount of taxes that would be imposed on a residence homestead in the political subdivision with an appraised value of \$100,000 to repay the debt obligations to be authorized, if approved, based upon assumptions made by the governing body of the political subdivision. The governing body of the political subdivision shall identify in the voter information document the major assumptions made in connection with this statement, including, among other assumptions, changes in estimated future appraised values within the political subdivision. A political subdivision that maintains an Internet website shall provide the voter information document on its website in an easily accessible manner beginning not later than the 21st day before election day and ending on the day after the date of the debt obligation election. The political subdivision must also post the voter information document in the same manner as a debt obligation election order under Election Code Section 4.003(f) and may include the document in the debt obligation election order.

HB 477 and **SB 30** provide that in this subchapter:

- “Debt obligation” means a public security as defined by Government Code Section 1201.002 secured by and payable from property taxes. The term does not include public securities that are designated as self-supporting by the political subdivision issuing the securities.
- “Political subdivision” means a municipality, county, school district, or special taxing district.

HB 477 provides that in this subchapter “debt obligation election order” means the order, ordinance, or resolution ordering an election to authorize the issuance of debt obligations.

HB 477 provides that Government Code Section 1251.052 provides the ballot proposition language for an election to authorize the issuance of debt obligations by a political subdivision and to the extent of a conflict between this section and another law, this section controls.

Effective Sept. 1, 2019 (HB 477 and SB 30), the changes in law made by HB 477 to Government Code Chapter 1251 apply only to a ballot for an election ordered on or after the effective date, and the change in law made by SB 30 applies only to an election ordered on or after the effective date.

Sections 1253.001, 1253.002, and 1253.003, Chapter 1253

HB 440 adds this chapter (General Obligation Bonds Issued by Political Subdivisions) and provides that in this chapter “political subdivision” means a county, municipality, school district, junior college district, other special district, or other subdivision of state government.

The bill adds Government Code Section 1253.002 to prohibit a political subdivision from issuing general obligation bonds to purchase, improve, or construct one or more improvements to real property, to purchase one or more items of personal property, or to do both, if the weighted average maturity of the issue of bonds exceeds 120 percent of the reasonably expected weighted average economic life of the improvements and personal property financed with the issue of bonds. The bill provides that in this section “personal property” has the meaning assigned to Tax Code Section 1.04.

The bill adds Government Code Section 1253.003 to restrict a political subdivision other than a school district use of unspent proceeds of issued general obligation bonds to the specific purposes for which the bonds were authorized, to retire the bonds, or for a purpose other than the specific purposes if the specific purposes are accomplished or abandoned and a majority of the votes cast in an election held in the political subdivision approve the use of the proceeds for the proposed purpose. The bill sets forth provisions for such an election.

Effective Sept. 1, 2019, and Government Code Section 1253.002, as added by this bill, applies only to a general obligation bond authorized to be issued at an election held on or after the effective date.

Sections 1332.001 and 1332.002, Chapter 1332

HB 440 repeals this chapter (Use of Municipal Bond Proceeds for Other Purposes), regarding the use of unspent municipal bond proceeds for other purposes.

Effective Sept. 1, 2019.

Sections 2051.151 and 2051.152, Subchapter E

HB 305 adds this subchapter (Internet Website) to Government Code Chapter 2051 (Government Documents, Publications, and Notices) to provide that, except as provided by Government Code Section 2051.152(b), this subchapter

applies only to a political subdivision with the authority to impose a tax that at any time on or after Jan. 1, 2019, maintained a publicly accessible Internet website.

The bill adds subsection (a) to Government Code Section 2051.152 to require certain political subdivisions post on a publicly accessible Internet website:

1. the political subdivision’s contact information;
2. each elected officer of the political subdivision;
3. the date and location of the next election for officers of the political subdivision;
4. the requirements and deadline for filing for candidacy of each elected office of the political subdivision, which shall be continuously posted for at least one year before the election day for the office;
5. each notice of a meeting of the political subdivision’s governing body under Government Code Chapter 551, Subchapter C; and
6. each record of a meeting of the political subdivision’s governing body under Government Code Section 551.021.

The bill adds subsection (b) to Government Code Section 2051.152 to exempt a county with a population of less than 10,000, a municipality with a population of less than 5,000 located in a county with a population of less than 25,000, and a school district with a population of less than 5,000 in the district’s boundaries and located in a county with a population of less than 25,000 from subsections (a)(5) and (6) of this section.

Effective Sept. 1, 2019, and Government Code Sections 2051.152(a)(5) and (6), as added by this bill, apply only to a meeting held on or after the effective date.

Section 2254.102

HB 2826 amends subsection (c) to exempt a contract for legal services provided to a school district under Government Code Chapter 403, Subchapter M (Comptroller’s Study of School District Property Values) from the provisions in Government Code Chapter 2254, Subchapter C (Contingent Fee Contract for Legal Services).

The bill also adds subsection (e) to exempt from the provisions in Government Code Chapter 2254, Subchapter C (Contingent Fee Contract for Legal Services), among other types of contracts, a contract for legal services entered into

under Tax Code Section 6.30, relating to attorneys representing taxing units.

Effective Sept. 1, 2019, and Government Code Chapter 2254, Subchapter C, as amended by this bill, applies only to a contract entered into on or after the effective date.

Health and Safety Code

Sections 281.107 and 281.124

SB 2 amends these sections to update references to “rollback” to “voter-approval” and amends subsection (d) in Health and Safety Code Section 281.124 to remove a reference to a “rollback” election under Tax Code Section 26.07.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Section 292C.153

HB 4548 and **SB 2286** add a new chapter to the Health and Safety Code, Chapter 292C, County Health Care Provider Participation Program in Certain Counties with a Hospital District Bordering Oklahoma. The bills include this section to provide that interest, penalties, and discounts on mandatory payments required under this chapter are governed by the law applicable to county property taxes.

*Effective June 2, 2019 (**HB 4548**) and effective June 10, 2019 (**SB 2286**), and if before implementing any provision of these bills a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.*

Section 293C.153

HB 1142 adds a new chapter to the Health and Safety Code, Chapter 293C, County Health Care Provider Participation Program in Certain Counties not bordering certain populous counties. The bill includes this section to provide that interest, penalties, and discounts on mandatory payments required under this chapter are governed by the law applicable to county property taxes.

Effective May 31, 2019, and if before implementing any provision of this bill a state agency determines that a waiver or authorization from a federal agency is necessary for

implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

Section 296A.153

HB 4548 adds a new chapter to the Health and Safety Code, Chapter 296A, County Health Care Provider Participation Program in Certain Counties Bordering Two Populous Counties. The bill includes this section to provide that interest, penalties, and discounts on mandatory payments required under this chapter are governed by the law applicable to county property taxes.

Effective June 2, 2019, and if before implementing any provision of this bill a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

Section 775.022

SB 1083 adds subsection (e-1) to provide that unless an already existing calculation would yield a greater amount, the amount of compensation a municipality that removes territory from a emergency services district that the municipality has annexed must compensate the district shall be determined by multiplying the district’s total indebtedness at the time of the annexation by a fraction:

- the numerator of which is the assessed value of the property to be annexed based on the most recent certified county property tax rolls at the time of annexation plus the total amount of the district’s sales and use tax revenue collected by retailers located in the property to be annexed in the 12 months preceding the date of annexation, as reported by the Comptroller; and
- the denominator of which is the total assessed value of the property of the district based on the most recent certified county property tax rolls at the time of annexation plus the total amount of the district’s sales and use tax revenue collected by retailers located in the district in the 12 months preceding the date of annexation, as reported by the Comptroller.

The bill adds subsection (g) to require that the amount of compensation be determined under the current calculation

regardless of whether subsection (e-1) would yield a greater amount if:

- the municipality is a municipality described by Health and Safety Code Section 775.014(h); and
- the municipality and the district enter into an agreement on or before Sept. 1, 2019, regarding the district's bonded and other indebtedness.

Effective Sept. 1, 2019.

Local Government Code

Section 41.001

SB 1303 amends subsection (a) to require a municipality to maintain a copy of the currently required map that shows the boundaries of the municipality and its extraterritorial jurisdiction and the bill requires that the map be maintained in a location easily accessible to the public. The bill adds subsection (a-1) to require a municipality to make a copy of the required map available without charge.

The bill adds subsection (d) to provide that in addition to other requirements, a home-rule municipality shall create, or contract for the creation of, and make publicly available a digital map that complies with this section. A required digital map must be made available without charge and in a format widely used by common geographic information system software. If the municipality maintains an Internet website, the municipality shall make the digital map available on the municipality's website.

The bill adds subsection (e) to provide that a home-rule municipality that does not have common geographic information system software shall make the digital map available in any other widely used electronic format in accordance with subsection (d).

Effective Sept. 1, 2019, and not later than Jan. 1, 2020, each home-rule municipality shall make publicly available a digital map that complies with Local Government Code Section 41.001(d) as added by this bill.

Section 43.052

SB 1303 adds subsection (f-1) to provide that in addition to the current notice, a home-rule municipality, before the 90th day after the date the municipality adopts or amends an annexation plan, shall give written notice to each property owner in any area that would be newly included in the

municipality's extraterritorial jurisdiction as a result of the proposed annexation. For this purpose, a property owner is the owner as indicated by the appraisal records furnished by the appraisal district for each county in which the area that would be newly included in the municipality's extraterritorial jurisdiction is located. The notice must include:

- a description of the area that has been included in the municipality's annexation plan;
- a statement that the completed annexation of that area will expand the municipality's extraterritorial jurisdiction to include all or part of the property owner's property;
- a statement of the purpose of extraterritorial jurisdiction designation as provided by Local Government Code Section 42.001; and
- a brief description of each municipal ordinance that would be applicable, as authorized by Local Government Code Section 212.003, in the area that would be newly included in the municipality's extraterritorial jurisdiction.

The bill adds subsection (f-2) to provide that in addition to current notice requirements, a home-rule municipality, before the 90th day after the date the municipality adopts or amends an annexation plan, shall create, or contract for the creation of, and make publicly available a digital map that identifies the area proposed for annexation and any area that would be newly included in the municipality's extraterritorial jurisdiction as a result of the proposed annexation. A required digital map must be made available without charge and in a format widely used by common geographic information system software or in any other widely used electronic format if the municipality does not have common geographic information system software. If the municipality maintains an Internet website, the municipality shall make the digital map available on the municipality's website.

Effective Sept. 1, 2019, and the change in law made by Local Government Code Section 43.052(f-2), as added by this bill, applies only to a proposed annexation that is included in a municipal annexation plan on or after Sept. 1, 2019

Sections 43.0561 and 43.063

SB 1303 amends subsection (c) of these sections to add to the notice hearing requirements before a tier 1 municipality (a municipality wholly located in one or more tier 1 counties that proposes to annex an area wholly located in one or more tier 1 counties—these counties have a population of less than

500,000 and is not a county that contains a freshwater fisheries center operated by the Texas Parks and Wildlife Department) institutes annexation proceedings to provide that if the municipality is a home-rule municipality, the municipality must publish notice of the hearings in a newspaper of general circulation in any area that would be newly included in the municipality's extraterritorial jurisdiction by the expansion of the municipality's extraterritorial jurisdiction resulting from the proposed annexation.

The bills add subsection (e) to these sections to apply only to a home-rule municipality. If applicable, the notice for each hearing must include:

- a statement that the completed annexation of the area will expand the municipality's extraterritorial jurisdiction;
- a description of the area that would be newly included in the municipality's extraterritorial jurisdiction;
- a statement of the purpose of extraterritorial jurisdiction designation as provided by Local Government Code Section 42.001; and
- a brief description of each municipal ordinance that would be applicable, as authorized by Local Government Code Section 212.003, in the area that would be newly included in the municipality's extraterritorial jurisdiction.

Effective Sept. 1, 2019, and the changes in law made by Local Government Code Sections 43.0561 and 43.063, as amended by this bill, apply only to a hearing notice published on or after Sept. 1, 2019.

Section 43.0635

SB 1303 adds this section to provide that in addition to current notice requirements, a home-rule municipality, before the municipality may institute annexation proceedings, shall create, or contract for the creation of, and make publicly available a digital map that identifies the area proposed for annexation and any area that would be newly included in the municipality's extraterritorial jurisdiction as a result of the proposed annexation. The required digital map must be made available without charge and in a format widely used by common geographic information system software or in any other widely used electronic format if the municipality does not have common geographic information system software. If the municipality maintains an Internet website, the municipality shall make the digital map available on the municipality's website.

Effective Sept. 1, 2019, and the change in law made by this section, as added by this bill, applies only to a proposed annexation for which the first hearing notice required by Local Government Code Section 43.063, as amended by this bill, is published on or after Sept. 1, 2019.

Sections 102.007, 111.008, 111.039, and 111.068

SB 2 amends these sections to update references to "effective" tax rate to "no-new-revenue" tax rate and references to the "rollback" tax rate to the "voter-approval" tax rate.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Section 140.008

HB 3001 amends subsection (a) to modify the definition of "political subdivision" to provide that the term does not include a special purpose district described by Government Code Section 403.0241(b).

The bill amends subsection (d) to modify what information the Comptroller shall post on its website to information provided by a political subdivision and any other information the Comptroller considers relevant or necessary.

The bill amends subsection (g) to provide financial documents described by Water Code Chapter 49, Subchapter G currently submitted by a water district be in the form and manner prescribed by the Comptroller. Alternatively, the bill also allows a water district to satisfy annual submission requirements if the district takes action to ensure that the financial documents described by Water Code Chapter 49, Subchapter G are made available at a regular office of the district for inspection by any person and, if the district maintains an Internet website, are posted continuously for public viewing on the district's Internet website. The bill provides that these submission requirements and compliance with audit reports, affidavits of financial dormancy, and annual financial reports under Water Code Chapter 49, Subchapter G must be done on an annual basis.

The bill amends subsection (h) to provide that the Comptroller post any other information the Comptroller considers relevant and necessary on the Comptroller's Internet website, to the extent that the documents as submitted to the Comptroller are in a form that facilitates compliance with applicable technical accessibility standards and specifications established in

the electronic and information resources accessibility policy adopted by the Comptroller under other law.

The bill adds subsection (i) to provide if the required information is posted separately on an Internet website (maintained or caused to be maintained by a state agency, the Comptroller, or a political subdivision including a district defined by Water Code Section 49.001), the Comptroller may post on the Comptroller's Internet website a direct link to, or a clear statement describing the location of, the separately posted information instead of or in addition to reproducing the required information on the Comptroller's website.

Effective Sept. 1, 2019, and applies only to a report required to be made on or after the effective date.

Section 140.010

SB 2 repeals this section relating to the proposed property tax rate notice for counties and cities.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Section 140.012

HB 2617 adds this section to require a political subdivision that is created on or after Sept. 1, 2019 and has the authority to impose a tax to have the same fiscal year as the county in which the political subdivision is wholly or primarily located. This does not apply to special districts created under Texas Constitution, Article III, Section 52 or Article XVI, Section.

Effective Sept. 1, 2019.

Section 212.014

HB 3314 amends subdivision (2) striking the requirement that a public hearing be held for a replat of a municipal subdivision or part of a subdivision to be recorded and to be controlling over the preceding plat without vacation of that plat.

Effective Sept. 1, 2019.

Section 212.015

HB 3314 adds subsection (a-1) to require a public hearing for a proposed replat that is subject to additional requirements under specified circumstances and that requires a variance or exception. The bill specifies that the hearing is to be conducted by the municipal planning commission or the governing body of the municipality.

The bill adds subsection (f) to provide that if such a replat does not require a variance or exception, the municipality must provide written notice by mail of the replat approval to each owner of a lot in the original subdivision that is within 200 feet of the lots to be replatted according to the most recent municipality or county tax roll, not later than the 15th day after the replat is approved. This requirement does not apply to a proposed replat if the municipal planning commission or the governing body of the municipality holds a public hearing and gives notice of the hearing in the requisite manner.

The bill adds subsection (g) to require the notice of a replat approval include the zoning designation of the property after the replat and a telephone number and email address an owner of a lot may use to contact the municipality about the replat.

Effective Sept. 1, 2019.

Section 271.049

HB 477 amends subsection (a) to modify the currently required notice of intent to issue certificates of obligation to provide that if the issuer maintains an Internet website, the notice must be published continuously on the issuer's website for at least 45 days before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates.

The bill amends subsection (b) to add to items that that notice must state:

- then-current principal of all outstanding debt obligations of the issuer;
- then-current combined principal and interest required to pay all outstanding debt obligations of the issuer on time and in full, which may be based on the issuer's expectations relative to the interest due on any variable rate debt obligations;
- maximum principal amount of the certificates to be authorized;
- estimated combined principal and interest required to pay the certificates to be authorized on time and in full;
- estimated interest rate for the certificates to be authorized or that the maximum interest rate for the certificates may not exceed the maximum legal interest rate; and
- maximum maturity date of the certificates to be authorized.

The bill adds subsection (e) to provide that in this section, “debt obligation” means a public security, as defined by Government Code Section 1201.002, secured by and payable from property taxes. The term does not include public securities that are designated as self-supporting by the political subdivision issuing the securities.

Effective Sept. 1, 2019, and the changes in law made by this bill to this section, apply only to a certificate of obligation for which the first notice of intention to issue the certificate is made on or after the effective date.

Section 375.022

HB 304 amends subsection (b) to provide that the current requirement that owners of a majority of the assessed value of the real property in a proposed municipal management district according to the most recent certified county property tax rolls sign a petition to create a district applies to those owners that would be subject to assessment by the district.

Effective Sept. 1, 2019.

Section 375.064

HB 304 amends subsections (a), (b), and (c) to modify who may recommend to the governing body of the municipality persons to serve on the succeeding board of the directors of a municipal management district to include the owners of a majority of the assessed value of the property subject to assessment by the municipal management district.

Effective Sept. 1, 2019.

Section 375.114

HB 304 amends subdivision (1) to modify one of the current options of whom must sign a petition to finance improvement projects or services to the owners of a majority (rather than the owners of 50 percent or more) of the assessed value of the property in the municipal management district subject to assessment, according to the most recent certified county property tax rolls.

The bill amends subdivision (2) to provide that for a proposed assessment to be apportioned under Local Government Code Section 375.119(1) (related to cost being assessed equally by front foot or by square foot of land area against all property in the municipal management district), the owners of a majority of the surface area of the real property subject to assessment by the district must sign the petition. The bill strikes language regarding the owners of 50 percent or more of the

surface area of the district, excluding roads, streets, highways, and utility rights-of-way, other public areas, and any other property exempt from assessment under Local Government Code Section 375.162 (Governmental Entities; Assessments) or 375.163 (Recreational, Park, or Scenic Use Property), according to the most recent certified county property tax rolls.

Effective Sept. 1, 2019.

Section 375.243

HB 304 amends this section to modify one of the current options of whom must sign a petition for a board of directors of a municipal management district to call a bond election to the owners of a majority (rather than the owners of 50 percent or more) of the assessed value of the property subject to assessment or taxation by the municipal management district, according to the most recent certified county property tax rolls. The bill specifies that the property of these owners must be subject to assessment or taxation by the district.

The bill strikes language allowing the petition to be signed by the owners of 50 percent or more of the surface area of the district, excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment under Local Government Code Section 375.161 (Certain Residential Property Exempt), 375.163 (Recreational, Park, or Scenic Use Property), and 375.164 (Residential Property Exempted by Board) as determined from the most recent certified county property tax rolls.

Effective Sept. 1, 2019.

Section 375.262

HB 304 amends this section to modify one of the current options of whom must sign a petition to dissolve a municipal management district to the owners of at least two-thirds (rather than the owners of 75 percent or more) of the assessed value of the property subject to assessment or taxation by the municipal management district, based on the most recent certified county property tax rolls. The bill specifies that the property of these owners must be subject to assessment or taxation by the district.

The bill strikes language allowing the petition to be signed by the owners of 75 percent or more of the surface area of the district, excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment under Local Government Code Section 375.161 (Certain Residential Property Exempt), 375.163 (Recreational, Park,

or Scenic Use Property), and 375.164 (Residential Property Exempted by Board) according to the most recent certified county property tax rolls.

Effective Sept. 1, 2019.

Occupations Code

Section 51.252

HB 2452 adds subsection (b-1) to authorize TDLR to accept, but is not required to investigate, a complaint that lacks sufficient information to identify the source or the name of the person who filed the complaint.

The bill adds subsection (e) to authorize TDLR to contract with a qualified individual to assist the department with reviewing or investigating complaints filed with the department. Except for an act of the individual involving fraud, conspiracy, or malice, an individual with whom the TDLR contracts is immune from liability and may not be subject to a suit for damages for any act arising from the performance of the individual's duties in:

- participating in an informal conference to determine the facts of a complaint;
- evaluating evidence in a complaint and offering an expert opinion or technical guidance on an alleged violation of a law establishing a regulatory program administered by TDLR or a rule adopted or order issued by the executive director or Texas Commission of Licensing and Regulation;
- testifying at a hearing regarding a complaint; or
- making an evaluation, report, or recommendation regarding a complaint.

Effective May 29, 2019.

Section 51.355

HB 1342 amends this section to provide that notwithstanding subsection (a), a person whose license has been revoked by order of the Texas Commission of Licensing and Regulation or executive director is eligible to apply for a new license before the first anniversary of the date of the revocation if:

- the revocation was based solely on the person's failure to pay an administrative penalty; and
- the person has paid the administrative penalty in full or is paying the administrative penalty under a payment plan with the department and is in good standing with respect to that plan.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an application for a license submitted on or after the effective date.

Section 51.4041

HB 1342 adds subsection (a-1) to provide that notwithstanding any other law, the alternative means of determining or verifying a person's eligibility for a license adopted under subsection (a) may include accepting as sufficient evidence of a person's eligibility for a license relevant education, training, or experience obtained while the person was imprisoned if the person:

- previously held a license of the same type for which the person is applying and the license was revoked under Occupations Code Section 53.021(b);
- has not been convicted of, placed on deferred adjudication for, or entered a plea of guilty or nolo contendere to an offense listed in Code of Criminal Procedure Article 42A.054; a sexually violent offense, as defined by Code of Criminal Procedure Article 62.001; or an offense under Penal Code Chapter 21 or 43; and
- while imprisoned, maintained a record of good behavior and successfully participated in a program acceptable to TDLR to prepare the person for reentry into the workforce in the occupation for which the person seeks a license; or performed work on a regular basis in the occupation for which the person seeks a license.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an application for a license submitted on or after the effective date.

Section 53.003

HB 1342 adds this section to provide that it is the intent of the Legislature to enhance opportunities for a person to obtain gainful employment after the person has been convicted of an offense and discharged the sentence for the offense.

The bill provides that Occupations Code Chapter 53, Consequences of Criminal Conviction shall be liberally construed to carry out the intent of the Legislature.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an application for a license submitted on or after the effective date.

Section 53.021

HB 1342 amends this section to strike the authorization of a licensing authority to suspend or revoke a license, disqualify a person from receiving a license, or deny to a person the opportunity to take a licensing examination on the grounds that the person has been convicted of an offense that does not directly relate to the duties and responsibilities of the licensed occupation and that was committed less than five years before the date the person applies for the license.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an application for a license submitted on or after the effective date.

Section 53.022

HB 1342 amends this section to add criteria that a licensing authority is required to consider in determining whether a criminal conviction directly relates to the duties and responsibilities of a licensed occupation, any correlation between the elements of the crime and the duties and responsibilities of the licensed occupation. The bill strikes “fitness” from other criteria in this determination.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an application for a license submitted on or after the effective date.

Section 53.023

HB 1342 amends subsection (a) and (b) to provide that if a licensing authority determines under Occupations Code Section 53.022 that a criminal conviction directly relates to the duties and responsibilities of a licensed occupation, the licensing authority shall consider specified factors in determining whether to take an action authorized by Occupations Code Section 53.021 (rather than using these factors to determine the fitness to perform the duties and discharge the responsibilities of the licensed occupation of a person who has been convicted of a crime). The bill adds to these factors evidence of the person’s compliance with any conditions of community supervision, parole, or mandatory supervision. The bill strikes from these factors the specification from whom letters of recommendations would be evidence of a person’s fitness.

The bill repeals subsection (c) to strike one of the requirements of an applicant when the licensing authority is determining the fitness of a person who has been convicted of a crime. The bill strikes the requirement that the applicant

furnish proof in the form required by the licensing authority that the applicant has maintained a record of steady employment; supported the applicant’s dependents; maintained a record of good conduct; and paid all outstanding court costs, supervision fees, fines, and restitution ordered in any criminal case in which the applicant has been convicted.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an application for a license submitted on or after the effective date.

Section 53.0231

HB 1342 adds this section to provide that notwithstanding any other law, a licensing authority may not deny a person a license or the opportunity to be examined for a license because of the person’s prior conviction of an offense unless the licensing authority:

- provides written notice to the person of the reason for the intended denial; and
- allows the person not less than 30 days to submit any relevant information to the licensing authority.

The required notice must contain, as applicable:

- a statement that the person is disqualified from receiving the license or being examined for the license because of the person’s prior conviction of an offense specified in the notice; or
- a statement that the final decision of the licensing authority to deny the person a license or the opportunity to be examined for the license will be based on the factors listed in Occupations Code Section 53.023(a); and it is the person’s responsibility to obtain and provide to the licensing authority evidence regarding the factors listed in Occupations Code Section 53.023(a).

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an application for a license submitted on or after the effective date.

SB 1217 adds this section to provide that for purposes of determining a person’s fitness to perform the duties and discharge the responsibilities of the licensed occupation, a licensing authority may not consider an arrest that did not result in the person’s conviction or placement on deferred adjudication community supervision.

Effective June 14, 2019.

Section 53.026

HB 1342 adds this section to require the state auditor to, in collaboration with licensing authorities, develop a guide of best practices for an applicant with a prior conviction to use when applying for a license. The state auditor shall publish the guide on the state auditor's Internet website. A licensing authority shall include a link to the guide on the authority's Internet website and in each notice described by Occupations Code Section 53.051 and letter described by Occupations Code Section 53.104.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an application for a license submitted on or after the effective date. Not later than Sept. 1, 2020, the state auditor shall develop and publish the guide as required by this section, as added by this bill.

Section 53.051

HB 1342 amends this section to modify a licensing authority's notification requirement when the licensing authority suspends or revokes a license or denies a person a license or the opportunity to be examined for a license because of a person's prior conviction to provide that this based on the conviction of an offense (rather than conviction of a crime and the relationship of the crime to the license) and to provide that the notification include any factor considered under Occupations Code Section 53.022 or 53.023 that served as the basis for the suspension, revocation, denial, or disqualification.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an application for a license submitted on or after the effective date.

Section 53.104

HB 1342 amends this section to modify the content requirements of the letter that licensing authority must issue if the licensing authority determines that the requestor is ineligible for a license to include any factor considered under Occupations Code Section 53.022 or 53.023 that served as the basis for potential eligibility.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an application for a license submitted on or after the effective date.

Sections 1101.006 and 1103.006

SB 624 amends these sections to extend the sunset date from Sept. 1, 2019 to Sept. 1, 2025 for the Texas Real Estate

Commission; Occupations Code Chapters 1101 (Real Estate Brokers and Sales Agents), 1102 (Real Estate Inspectors), 1303 (Residential Services Companies), and Property Code Chapter 221 (Texas Timeshare Act); the Texas Appraiser Licensing and Certification Board; and for Occupations Code Chapters 1103 (Real Estate Appraisers) and 1104 (Appraisal Management Companies).

Effective Sept. 1, 2019.

Section 1103.0521

SB 624 adds this section to provide that a person may not be a member of the Texas Appraiser Licensing and Certification Board and may not be a board employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.), if:

- the person is an officer, employee, or paid consultant of a Texas trade association in the field of real estate brokerage or appraisal; or
- the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of real estate brokerage or appraisal.

A person may not serve as a board member or act as the general counsel to the board if the person is required to register as a lobbyist under Government Code Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the board.

The bill provides that in this section, "Texas trade association" means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

Effective Sept. 1, 2019, and this section, as added by this bill, does not affect the entitlement of a member serving on the Texas Appraiser Licensing and Certification Board immediately before the effective date of this bill to continue to serve for the remainder of the member's term. As the terms of board members expire, the Governor shall appoint or reappoint members who have the qualifications required for members under Occupations Code Chapter 1103, Subchapter B, Texas Appraiser Licensing and Certification Board, as amended by this bill.

Penal Code

Section 42.075

HB 3091 adds this section to provide that a person commits a Class A misdemeanor offense if the person, with the intent to threaten the safety of any inhabitant of a family violence shelter center or victims of trafficking shelter center, discloses or publicizes the location or physical layout of the center. If conduct constituting an offense under this section also constitutes an offense under Government Code Section 552.352 (Distribution of Misuse of Confidential Information) the actor may be prosecuted under either section.

The bill provides that in this section, “family violence shelter center” and “victims of trafficking shelter center” have the meanings assigned by Government Code Section 552.138.

Effective Sept. 1, 2019, and the change in law made by this bill applies only to a request for public information received on or after the effective date.

Special District Local Laws Code

Section 1063.255

SB 2 repeals this section relating to a petition to require an election to reduce the tax rate imposed by the Montgomery County Hospital District.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Section 1101.254

SB 2 amends this section to remove references to a petition required to call an election under Tax Code Chapter 26 and to provide that if the voters in the Sutton County Hospital District approve the district’s tax rate under this section, Tax Code Section 26.07 does not apply to the tax rate for that year.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Section 1122.2522

SB 2 amends this section to remove references to a petition required to call an election under Tax Code Chapter 26 regarding a tax rate adopted by the Hidalgo County Healthcare

District, require an election under Tax Code Section 26.07 if the board adopts a tax rate that exceeds the voter-approval tax rate, replace references to “rollback” with “voter-approval,” and to strike a provision that to the extent conflict exists between this section and a provision of the Tax Code, the provision in the Tax Code prevails.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Section 3503.1541

SB 579 adds this section to provide that that a leasehold or other possessory interest granted to a person by the Texas-Americas Center (authority) or by a nonprofit corporation holding title for the authority is owned, used, and held for a public purpose for and on behalf of the authority and is exempt from taxation under Tax Code Section 11.11 (Public Property).

The bill provides that Tax Code Section 25.07(a) does not apply to a leasehold or other possessory interest granted to a person by the authority or by a nonprofit corporation holding title for the authority during the period the authority or nonprofit corporation owns the estate or interest encumbered by the possessory interest.

Effective Jan. 1, 2020, and applies only to property tax year that begins on or after the effective date.

Section 3828.157

SB 2 amends this section to add Tax Code Section 26.075, relating to a petition for an election to reduce the tax rate of a taxing unit other than a school district, to those sections that do not apply to a tax imposed under Special District Local Laws Code Section 3828.153 or 3828.156, relating to maintenance and operation taxes and taxes imposed for bonds and other obligations by the Lake View Management and Development District.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Section 8876.152

SB 2 amends this section to add Tax Code Section 26.061, relating to the notice of a meeting to vote on the proposed tax rate that does not exceed the lower of the no-new-revenue or voter-approval tax rate, and Tax Code Section 26.075, relating to a petition for an election to reduce the tax rate of a taxing unit other than a school district, to those sections that

do not apply to a tax imposed by the Reeves County Groundwater Conservation District. The bill does provide that Water Code Section 49.236(a)(1) and (2) and (b), relating to notice of a tax hearing, apply to the district.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Transportation Code

Sections 463.002, 463.066 and 463.207, Chapter 463

HB 71 adds this chapter (Regional Transit Authorities), including these sections, to apply to a county that is contiguous to the Gulf of Mexico or a bay or inlet opening into the gulf and that borders the United Mexican States; and a county that borders such a county. The bill exempts property, revenue, and income of a regional transit authority from state and local taxes.

The bill prohibits a regional transit authority created under this chapter from securing bonds with property taxes.

Effective May 24, 2019.

Water Code

Section 13.305

HB 3542 adds this section to authorize an acquiring utility and a selling utility to agree to determine by a prescribed process the fair market value of the selling utility or the facilities to be sold. The bill requires the PUC to maintain a list of experts qualified to conduct economic valuations of utilities. The set process to determine the fair market value is:

- the acquiring utility and the selling utility shall notify the PUC of their intent to determine the fair market value under this section;
- not later than the 30th day after the date the PUC receives such a notice, the PUC shall select three utility valuation experts from the required list;
- each utility valuation expert shall perform an appraisal in compliance with Uniform Standards of Professional Appraisal Practice, employing the cost, market, and income approaches, to determine the fair market value; and

- the selected three utility valuation experts jointly shall retain a licensed engineer to conduct an assessment of the tangible assets of the selling utility, or the facilities to be sold, as applicable, and each utility valuation expert shall incorporate the assessment into the appraisal under the cost approach required; and provide the completed appraisal to the acquiring utility and the selling utility in a reasonable and timely manner.

The bill provides that for the purposes of the acquisition, the fair market value is the average of the three utility valuation expert appraisals.

The bill prohibits a utility valuation expert from:

- deriving any material financial benefit from the sale other than fees for services rendered, or
- being or have been within the year preceding the date the service contract is executed an immediate family member of a director, officer, or employee of the acquiring utility or the selling utility.

The bill provides that a fee paid to a utility valuation expert may be included in the transaction and closing costs associated with the acquisition by the acquiring utility. A fee may not exceed the lesser of five percent of the fair market value; or a fee amount approved by the utility commission.

The bill provides that for an acquisition of a selling utility, the ratemaking rate base of the selling utility is the lesser of the purchase price negotiated by the acquiring utility and the selling utility or the fair market value. The ratemaking rate base of the selling utility shall be incorporated into the rate base of the acquiring utility during the utility's next rate base case under Water Code Chapter 13, Subchapter F, Proceedings Before Regulatory Authority.

The bill provides that if the acquiring utility and the selling utility use this process for establishing fair market value, the acquiring utility shall submit as attachments to an application required under Water Code Section 13.301:

- copies of the three appraisals performed by the utility valuation experts;
- the purchase price agreed to by the acquiring utility and the selling utility;
- if applicable, the determined ratemaking rate base;
- if applicable, the transaction and closing costs incurred by the acquiring utility that will be included in the utility's rate base; and

- if applicable, a tariff containing a rate equal to the existing rates of the selling utility at the time of the acquisition.

The bill provides that if the PUC approves the application for acquisition under Water Code Section 13.301, the PUC shall issue an order that includes the determined ratemaking rate base of the selling utility; and any additional conditions for the acquisition the PUC requires.

The bill provides that a tariff submitted as attachments to an application shall remain in effect until the PUC approves new rates as part of a rate base case proceeding.

The bill provides that the original sources of funding for any part of the water or sewer assets of the selling utility are not relevant to determine the value of the selling utility's assets. The selling utility's cost of service shall be incorporated into the revenue requirement of the acquiring utility's next rate base case proceeding.

The bill requires that an acquiring utility's postacquisition improvements accrue an allowance of funds used during construction after the date the cost was incurred until the earlier of the fourth anniversary of the date the asset entered into service; or the inclusion of the asset in the acquiring utility's next rate base case. For this provision, the "allowance of funds used during construction" means an accounting practice that recognizes the capital costs, including debt and equity funds, that are used to finance the construction costs of an improvement to a selling utility's assets by an acquiring utility.

The bill requires that depreciation on an acquiring utility's postacquisition improvements shall be deferred for book and ratemaking purposes.

The bill provides that in this section:

- "Acquiring utility" means a Class A or Class B utility that is acquiring a selling utility, or facilities of a selling utility, as the result of a voluntary arm's-length transaction.
- "Ratemaking rate base" means the dollar value of a selling utility that is incorporated into the rate base of the acquiring utility for postacquisition ratemaking purposes.
- "Selling utility" means a retail public utility that is being purchased by an acquiring utility, or is selling

facilities to an acquiring utility, as the result of a voluntary arm's-length transaction.

Effective Sept. 1, 2019.

Section 49.057

SB 2 amends this section to require a board of a developed district under Water Code Section 49.23602 to include as an appendix to the budget the district's audited financial statements, bond transcripts, and the engineer's report required by Water Code Section 49.106.

*Effective Jan. 1, 2020, takes effect only if **HB 3** becomes law, and this section, as amended by this bill, applies only to a budget adopted on or after Jan. 1, 2020.*

Section 49.062

SB 239 amends subsection (b) to modify the provision that allows a board of a water district under Water Code Chapter 49, Provisions Applicable to All Districts, to establish a meeting place or places outside of the district to require that the board provide a justification of why the meeting will not be held in the district, or within 10 miles from the boundary of the district, if applicable.

The bill amends subsection (c) to modify the provision that allows qualified electors residing in the district by written request to require the board to designate a meeting place and hold the meetings in the district to increase the number of qualified electors making the written request from 25 to 50. The bill strikes the requirement that this applies if the board determines that the meeting place used by the district deprives the residents of a reasonable opportunity to attend district meetings. The bill provides that if no suitable meeting place exists inside the district, the board may designate a meeting place outside the district that is located not further than 10 miles from the boundary of the district.

The bill adds subsection (c-1) to modify the provision that allows five electors to petition TCEQ to designate a meeting location to provide that it applies after electors submit written requests to the board and the board fails to designate a location within the district or not further than 10 miles from the boundary of the district. The bill modifies the authorization of TCEQ to designate a meeting place inside or outside the district which is reasonably available to the public and require that the meetings be held at such place if TCEQ determines that the meeting place deprives the residents of a reasonable opportunity to attend district meetings. The bill

requires, rather than authorizes, TCEQ to make these designations. The bill strikes the provision that after the next election, the board may designate different meeting places, including one located outside the boundaries of the district.

The bill adds subsection (e) to provide that after holding a meeting at a place designated under subsection (c) or (c-1), the board may hold a hearing on the designation of a different meeting place, including a meeting place outside of the district. The board may hold meetings at the designated meeting place if, at the hearing, the board determines that the new meeting place is beneficial to the district and will not deprive the residents of the district of a reasonable opportunity to attend meetings. The board may not hold meetings at a meeting place outside the district or further than 10 miles from the boundaries of the district if the board receives a petition under subsection (c-1).

The bill adds subsections (f) and (g) to require TCEQ to make a determination under subsection (c-1) not later than the 60th day after the date TCEQ receives the petition. The bill requires TCEQ to provide information on TCEQ's Internet website on the process for designation by TCEQ of a meeting place and a form that may be used to request that the TCEQ make the designation with submission instructions.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an open meeting held on or after the effective date.

Section 49.0631

SB 239 requires a water district providing potable water or sewer service as a part of the district's billing process to include on a district's bill to a customer the following statement: "For more information about the district, including information about the district's board and board meetings, please go to the Comptroller's Special Purpose District Public Information Database or (district's Internet website if the district maintains an Internet website)." The statement may be altered to provide the current Internet website address of either the database created under Government Code Section 403.0241, or the district.

Effective Sept. 1, 2019, and changes in law made by this bill apply only to an open meeting held on or after the effective date.

Section 49.107

HB 2590 amends subsection (d) to require the ballot for a proposition for an operation and maintenance tax election to state a specific maximum rate or an unlimited rate. The bill also provides the ballot may describe the general purpose and state the constitutional authorization of the operation and maintenance tax.

Effective Sept. 1, 2019.

Sections 49.107 and 49.108

SB 2 amends these sections to add Tax Code Section 26.061, relating to the notice of a meeting to vote on the proposed tax rate that does not exceed the lower of the no-new-revenue or voter-approval tax rate, and Tax Code Section 26.075, relating to a petition for an election to reduce the tax rate of a taxing unit other than a school district, to those sections that do not apply to a tax imposed by a water district under these Water Code sections.

Effective Jan. 1, 2020 and takes effect only if HB 3 becomes law.

Section 49.236

SB 2 repeals the version of this section as added by Chapter 248 (HB 1541), Acts of the 78th Legislature, Regular Session, 2003, and amends subsection (a)(1) and (2) of the version of this section as added by Chapter 335 (SB 392), Acts of the 78th Legislature, Regular Session, 2003, to modify the prescribed content of the notice of a public hearing on a proposed tax rate. The bill modifies the statement that individual taxes may increase or decrease depending in the change of taxable value of the property in relation to other properties to specify that the individual taxes may increase at a greater or lesser rate. The notice now must also include:

- a statement that a change in taxable value in relation to the change in taxable value of all other property determines the distribution of the tax burden of all property owners.
- a description of the purpose of the proposed tax increase if the proposed combined debt service, operations and maintenance, and contract tax rate requires or authorizes an election to approve or reduce the tax rate, as applicable.

The bill modifies or adds a notice of a vote on a tax rate for a water district by:

- modifying subsection (a)(3)(A) to provide that it applies to a low tax rate district as described by Water Code Section 49.23601 and to remove references to a petition requirement to call an election to reduce the operations and maintenance tax rate to the rollback tax rate;
- adding subsection (a)(3)(B) to create a notice for developed districts described by Water Code Section 49.23602; and
- adding subsection (a)(3)(C) to create a notice for a water district described by Water Code Section 49.23603 which applies only to water districts that are not described as low tax rate districts under Water Code Section 49.23601 or not described as developed districts under Water Code Section 49.23602.

The bill adds subsection (a)(4) to provide that a notice include a prescribed statement regarding the 86th Texas Legislature modifying the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The bill repeals subsection (d) relating to voters petitioning a water district for an election if the district adopts a rate that exceeds the rollback tax rate.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Section 49.2361

SB 2 repeals this section relating to additional notice of the purpose of any proposed tax increases.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Section 49.23601

SB 2 adds this section to provide that this section only applies to a district the board of which has adopted an operation and maintenance tax rate for the current tax year that is 2.5 cents or less per \$100 of taxable value and to provide that for this section, “voter-approval tax rate” is the sum of the following tax rates:

1. the current year’s debt service tax rate;
2. the current year’s contract tax rate; and
3. the operation and maintenance tax rate that would impose 1.08 times the amount of the operation and maintenance tax imposed by the district in the

preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older.

The bill provides that an election must be held to determine whether to approve the adopted tax rate if the board of a district adopts a combined debt service, contract, and operation and maintenance tax rate that would impose more than 1.08 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older,

The bill provides that the election must be held in accordance with the procedures provided by Tax Code Sections 26.07(c)-(g). If the adopted tax rate is not approved at the election, the district’s tax rate is the voter-approval tax rate.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Section 49.23602

SB 2 adds this section to provide that it applies only to a developed district that is not a district described by Water Code Section 49.23601 (low tax rate district) and to define for this section “developed district” to mean a district that has financed, completed, and issued bonds to pay for all land, works, improvements, facilities, plants, equipment, and appliances necessary to serve at least 95 percent of the projected build-out of the district in accordance with the purposes for its creation or the purposes authorized by the constitution, this code, or any other law.

The bill provides that an election must be held to determine whether to approve the adopted tax rate if the board of a district adopts a combined debt service, contract, and operation and maintenance tax rate that exceeds the district’s mandatory tax election rate. The election must be held in accordance with the procedures provided by Tax Code Sections 26.07(c)-(g). If the adopted tax rate is not approved at the election, the district’s tax rate is the voter-approval tax rate.

The bill defines for this section:

- “mandatory tax election rate” is the rate equal to the sum of the following tax rates for the district:

1. the rate that would impose 1.035 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older; and
2. the unused increment rate.

- “Unused increment rate” has the meaning assigned by Tax Code Section 26.013.
- “Voter-approval tax rate” means the rate equal to the sum of the following tax rates for the district:
 1. the current year’s debt service tax rate;
 2. the current year’s contract tax rate;
 3. the operation and maintenance tax rate that would impose 1.035 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older; and
 4. the unused increment rate.

The bill provides that if any part of a district 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 that notwithstanding any other provision of this section, the board of a district may give notice under Water Code Section 49.236(a)(3)(A) (relating to low tax rate districts), determine whether an election is required to approve the adopted tax rate of the district in the manner provided for a low tax rate district under Water Code Section 49.23601(c), and calculate the voter-approval tax rate of the district in the manner provided for a low tax rate district under Water Code Section 49.23601(a). The board may continue doing so until the earlier of:

- the second tax year in which the total taxable value, as specified, exceeds the total taxable value of property taxable by the district on January 1 of the tax year in which the disaster occurred; or
- the third tax year after the tax year in which the disaster occurred.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Section 49.23603

SB 2 adds this section to provide that this section applies only to a district that is not described by Water Code Section 49.23601 (low tax rate district) or Water Code Section 49.23602 (developed district) and to provide that in this section “voter-approval tax rate” is the sum of the following tax rates:

1. the current year’s debt service tax rate;
2. the current year’s contract tax rate; and
3. the operation and maintenance tax rate that would impose 1.08 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older.

The bill provides that the qualified voters of a district by petition may require that an election be held to determine whether to reduce the tax rate adopted for the current year to the voter-approval tax rate if the board of a district adopts a combined debt service, contract, and operation and maintenance tax rate that would impose more than 1.08 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older. The bill provides that the petition to require an election must be in accordance with the procedures provided by Tax Code Section 26.075 (relating to a petition election to reduce the tax rate of taxing units other than school districts) and Tax Code Section 26.081 (relating to petition signatures).

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

Section 49.3225

HB 2914 adds this section to authorize TCEQ to adopt an order dissolving a conservation and reclamation district without conducting a hearing if it receives a petition from the board of directors of the district or from the owners of the majority in value of the land in the district, as shown by the

most recent certified tax roll of the central appraisal district of the county or the counties in which the district is located. The bill requires that within 10 days of submitting a petition the petitioners must provide notice of the petition by certified mail to:

- all landowners in the district, as shown by the most recent certified tax roll of the central appraisal district of the county or the counties in which the district is located, who did not sign the petition; and
- if the petition was submitted by the landowners, to the board of directors.

The bill requires the notice state that landowners may file a written objection to the dissolution of the district not later than the 30th day after the date the notice was received. The bill requires the petitioners to certify in writing to TCEQ that the notice requirements have been met.

The bill sets forth procedures if there is written objection to the dissolution of the district and when a district may not be dissolved.

Effective Sept. 1, 2019.

Section 54.805

HB 2590 amends this section to modify the requirements before a municipal utility district may apply its taxing power and lien authority to a defined area or designated property to after the proposed plan is adopted and the voters approve the imposition of taxes and issuances of bonds.

Effective Sept. 1, 2019, and the changes in law made by this bill to Water Code Chapter 54 apply only to a water district's conversion into a municipal utility district operating under Water Code Chapter 54 occurring on or after the effective date.

Section 54.806

HB 2590 amends this section to provide that instead of voters approving the adopted plans the voters must approve the bonds or taxes before bonds may be issued or taxes may be imposed by a municipal utility district for a defined area or designated property. The bill modifies how the election be conducted to include as provided by Water Code Section 49.107 for an election to authorize the imposition of an operation and maintenance tax (or as prescribed by Water Code Section 49.106 for an election to authorize the issuance of bonds as currently provided).

Effective Sept. 1, 2019, and the changes in law made by this bill to Water Code Chapter 54 apply only to a water district's conversion into a municipal utility district operating under Water Code Chapter 54 occurring on or after the effective date.

Section 54.809

HB 2590 amends this section to modify when a municipal utility district may issue bonds to provide that after approval by the voters, the district may issue bonds and impose taxes to provide the specific plant, works, and facilities included in the engineer's report for the defined area, or to serve the designated property.

Effective Sept. 1, 2019, and the changes in law made by this bill to Water Code Chapter 54 apply only to a water district's conversion into a municipal utility district operating under Water Code Chapter 54 occurring on or after the effective date.

Section 54.812

HB 2590 amends subsection (b) to modify the prescribed notice that a person who sells or conveys real property located within a designated area of the municipal utility district shall provide to the purchaser. The bill provides that the notice read substantially as prescribed, provide that the real property to be purchased may also be located within a defined area and be subject to defined area taxes in addition to other taxes of the municipal utility district, and provide the tax rate within the defined area as of that date.

Effective Sept. 1, 2019, and the changes in law made by this bill to Water Code Chapter 54 apply only to a water district's conversion into a municipal utility district operating under Water Code Chapter 54 occurring on or after the effective date.

Sections 54.807 and 54.808

HB 2590 repeals these sections relating to a ballot proposition for voting for or against defining an area or designating property by a municipal utility district and, if applicable, issuing bonds and levying a tax to retire the bonds or imposing a maintenance tax. The repealed sections also provided for a municipal utility district setting the tax rate for the area or property as otherwise provided by the Tax Code if a majority of the voters voting at the election approved the proposition.

Effective Sept. 1, 2019, and the changes in law made by this bill to Water Code Chapter 54 apply only to a water district's conversion into a municipal utility district operating under Water Code Chapter 54 occurring on or after the effective date.

Session Law

HB 1 requires the Comptroller to conduct a study out of appropriated funds to determine the amount of property tax revenue that each county containing a United States military installation, each county adjacent to a county containing a United States military installation, and each municipality located in either type of those counties lost for the 2019 property tax year as the result of the granting of the property tax exemption required by Tax Code Section 11.131. The revenue loss would be calculated by multiplying the property tax rate adopted by the county or municipality, as applicable, for the 2019 property tax year by the total appraised value of all property located in the county or municipality, as applicable, that was granted the exemption for that tax year.

The bill requires the Comptroller to prepare a report that states the amount of property tax revenue that was lost by:

- each municipality listed by name;
- each county listed by name; and
- all municipalities and counties in this state in the aggregate.

The bill requires the Comptroller not later than Dec. 1, 2020, to submit the report to the Speaker of the House of Representatives, the Lieutenant Governor, and each member of the Legislature.

Effective Sept. 1, 2019.

SB 2 amends Section 6B(f), Chapter 1472, Acts of the 77th Legislature, Regular Session, 2001, to provide that Tax Code Section 26.075, relating to a petition election to reduce the tax rate of taxing units other than school districts, does not apply to maintenance taxes levied and collected for payments under a contract, agreement, lease, time warrant, or maintenance note issued or executed by the Jefferson County Waterway and Navigation District.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

SB 2 repeals Section 9, Chapter 481 (SB 1760), Acts of the 84th Legislature, Regular Session, 2015, which added, as of Jan. 1, 2020, Tax Code Section 42.23(i), relating to allowing a court to give preference to an appraisal district employee who testifies as to the value of real property if the person is authorized to perform an appraisal of real estate under Occupations Code Section 1103.201.

*Effective Sept. 1, 2019 and takes effect only if **HB 3** becomes law.*

SB 2 requires the designated officer or employee of each taxing unit to submit to the county assessor-collector for the county in which all or part of the territory of the taxing unit is located the worksheets used by the designated officer or employee to calculate the effective and rollback tax rates of the taxing unit for the 2015-2019 tax years. This is required not later than the 30th day after the date this section takes effect.

The bill requires the county assessor-collector to post these worksheets on the Internet website of the county. This is required not later than the 30th day after the date this section takes effect.

*Effective Aug. 26, 2019 and takes effect only if **HB 3** becomes law.*

SB 2 requires that not later than the 30th day after the date this section takes effect, the Comptroller shall provide a written notice to each appraisal district of:

- the deadline for complying with each new requirement, duty, or function imposed by this Act on an appraisal district or taxing unit; and
- any change made by this Act to the deadline for complying with an existing requirement, duty, or function of an appraisal district or taxing unit.

The bill provides that as soon as practicable after receipt of this notice provided by the Comptroller, a chief appraiser shall forward the notice to each assessor for a taxing unit located in the appraisal district.

*Effective Aug. 26, 2019 and takes effect only if **HB 3** becomes law.*

SB 2 prohibits the governing body of a taxing unit from adopting a budget for a fiscal year or taking any other action that has the effect of decreasing the total compensation to which a first responder employed by the taxing unit was entitled in the preceding fiscal year of the taxing unit. The bill

defines for this section “compensation” to include a salary, wage, insurance benefit, retirement benefit, or similar benefit an employee receives as a condition of employment; “first responder” has the meaning assigned by Labor Code Section 504.019; and “taxing unit” has the meaning assigned by Tax Code Section 1.04. This applies only to the fiscal year of a taxing unit that begins in 2020.

*Effective Jan. 1, 2020 and takes effect only if **HB 3** becomes law.*

SB 500 provides that in addition to amounts previously appropriated for the state fiscal biennium ending Aug. 31, 2019, the following amounts are appropriated from the economic stabilization fund to TEA for the state fiscal year ending August 31, 2019, for Strategy A.1.1., FSP - Equalized Operations, as listed in Chapter 605 (SB 1), Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), for the following purposes related to increased state costs under the Foundation School Program resulting from Hurricane Harvey:

- \$271,300,000 for increased student costs, the reduction in school district property values, and the reduction of the amount owed by school districts under Education Code Chapter 41 due to disaster remediation costs as provided by Education Code Section 41.0931; and
- \$535,200,000 for the adjustment of school district property values under Education Code Section 42.2523, and reimbursement to school districts for disaster remediation costs under Education Code Section 42.2524.

The bill provides that in addition to other amounts appropriated for the state fiscal year ending Aug. 31, 2019, \$636,000,000 is appropriated from the economic stabilization fund to TEA for the two-year period beginning on the effective date of this bill for the increased state costs under the Foundation School Program resulting from the reduction in school district property values associated with Hurricane Harvey.

If any state agency or public institution of higher education receives reimbursement from the federal government, an insurer, or another source for an expenditure paid from money appropriated by this bill:

- the agency or institution shall reimburse the state in an amount equal to the lesser of the amount appropriated under this bill and spent for that expenditure or the amount reimbursed by the other source for that expenditure; and

- the Comptroller shall deposit the amount of the reimbursement to the credit of the economic stabilization fund.

Effective June 6, 2019.

SB 2018 amends Section 15.001, Chapter 967 (SB 2065), Acts of the 85th Legislature, Regular Session, 2017, to provide that the dissolution committee of a county board of education, board of county trustees, or office of county school superintendent that provides transportation services in a county with a population of 2.2 million or more is abolished on Sept. 1, 2019 (rather than abolished on the date all debt obligations of the county board of education or board of county school trustees are paid in full and all assets distributed to component school districts). The bill provides that all duties and obligations of the committee are transferred to the commissioners court of the county in which the county board of education or board of county school trustees was located.

On Sept. 1, 2019, the commissioners court assumes control of and responsibility for administering all assets, liabilities, debts, contracts, and other obligations of the county board of education, board of county school trustees, or dissolution committee and shall take control of any funds of the dissolution committee, including any sinking fund created by the dissolution committee. Any liability, debt, contract, or other obligation of the county board of education, board of county school trustees, or dissolution committee transferred to the county may only be paid from the tax levied, the sinking fund, and any funds transferred from the committee to the commissioners court. County assets, including tax revenue funds, may not be used to pay, and are not subject to, any liability, debt, contract, or other obligation transferred to the commissioners court.

The bill requires the commissioners court to continue to assess, levy, and collect any property tax adopted by the county board of education, board of county school trustees, or dissolution committee. The commissioners court shall continue to levy the tax annually at the rate of one cent per \$100 of property valuation, as previously adopted by the dissolution committee, only until all debt of the county board of education or board of county school trustees described in a final judgment of a district court in litigation between the dissolution committee and the county is discharged in accordance with the terms of that judgment.

Notwithstanding Education Code Section 44.004, Tax Code Chapter 26, or any other law, the commissioners court is not required to calculate a rate, publish notice of a budget and tax rate hearing, conduct a hearing, or take any other action each year to assess, levy, and collect the tax.

The commissioners court may deduct from the proceeds of the property tax assessed, levied, and collected by the commissioners court a reasonable and proportionate share for the administrative costs of collecting the tax.

The bill strikes the requirement that the county's collection and use of any delinquent taxes imposed by or on behalf of the county board of education or board of county school trustees must be in the manner provided by rule of the commissioner of education and instead provides that the county collect and use any imposed delinquent taxes for the payment of debt. On completion of payment of all debt, any delinquent taxes collected must be distributed on a proportionate basis to the school districts in the county, based on the percentage of each district's number of enrolled students in the county to all students enrolled in the county in the school year immediately preceding the year of the distribution.

The commissioners court shall pay all other debts or claims not otherwise described, including claims for workers' compensation and unemployment compensation filed on or before Sept. 1, 2019, from funds reserved and retained by the dissolution committee for that purpose. The commissioners court may use these funds to perform the duties related to the abolishment of the dissolution committee and the administration of the assets, liabilities, debts, contracts, or other obligations transferred to the commissioners court, including:

- paying reasonable administrative expenses, including legal fees and expenses incurred by the county or any third party; and
- employing or contracting with any person needed to assist with the abolishment and dissolution of the county board of education, board of county school trustees, or dissolution committee and the administration of the assets, liabilities, debts, contracts, or other obligations transferred to the commissioners court.

All claims against the county board of education, board of county school trustees, or dissolution committee not filed on or before Sept. 1, 2019, are barred. A lawsuit may not be filed against the county board of education, board of county school trustees, or dissolution committee after Sept. 1, 2019.

This provision takes precedence over any other statute of limitations.

On completion of payment of all debt and any other debts or claims, any remaining money must be distributed on a proportionate basis to the school districts in the county, based on the percentage of each district's number of enrolled students in the county to all students enrolled in the county in the school year immediately preceding the year of the distribution. To the extent this conflicts with the current requirement to distribute remaining assets to the component school districts in the county in proportionate shares equal to the proportion that the membership in each district bears to total membership in the county as of Sept. 1, 2017, the bill's provision prevails.

A property tax imposed under these provisions is not considered to be a property tax imposed by the county in which the county board of education, board of county school trustees, or dissolution committee is located for purposes of any constitutional or statutory limit on property tax rate of the county.

The bill repeals Section 18, Chapter 925 (SB 1566), Acts of the 85th Legislature, Regular Session, 2017 which also provided for the dissolution of the county board of education, board of county trustees, or office of county school superintendent that provides transportation services in certain counties.

Effective June 10, 2019.

Texas Constitution

Article VIII, Section 1

HJR 38 amends subsection (c) to strike the provision that the Legislature may tax incomes of natural persons.

This amendment will be put before the voters at an election to be held Nov. 5, 2019.

Article VIII, Section 1-p

HJR 95 adds this section to authorize the Legislature by general law to exempt from property taxation precious metal held in a precious metal depository located in this state. The Legislature by general law may define "precious metal" and "precious metal depository" for purposes of this section.

This amendment will be put before the voters at an election to be held Nov. 5, 2019.

Article VIII, Section 2

HJR 34 adds subsection (e) to authorize the Legislature by general law to provide that a person who owns property located in an area declared by the Governor to be a disaster area following a disaster is entitled to a temporary exemption from property taxation by a political subdivision of a portion of the appraised value of that property. The general law may provide that if the Governor first declares territory in the political subdivision to be a disaster area as a result of a disaster on or after the date the political subdivision adopts a tax rate for the tax year in which the declaration is issued, a person is entitled to the exemption for that tax year only if the exemption is adopted by the governing body of the political subdivision. The resolution provides that the Legislature by general law may prescribe the method of determining the amount and the duration of the exemption and may provide additional eligibility requirements.

This amendment will be put before the voters at an election to be held Nov. 5, 2019.

Article VIII, Section 24

HJR 38 repeals this section which provided that the Legislature may impose a tax, increase a tax, or change a tax on the net incomes of natural persons, including a person's share of partnership and unincorporated association income, if approved by a majority of the registered voters voting in a statewide referendum. Among other items, this section also provided that not less than two-thirds of all net revenues as provided shall be used to reduce the rate of property tax maintenance and operation taxes levied for the support of public education.

This amendment will be put before the voters at an election to be held Nov. 5, 2019.

Article VIII, Section 24-a

HJR 38 adds this section to prohibit the Legislature from imposing a tax on the net incomes of individuals, including an individual's share of partnership and unincorporated association income.

This amendment will be put before the voters at an election to be held Nov. 5, 2019.

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

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