

# Local Government Budget and Tax Rate Overview

July 28, 2022



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We are pleased to offer 1 hour of continuing education credit for attorneys, accountants, and professionals in taxation with the State Bar of Texas, the Texas State Board of Public Accountancy, and the Institute for Professionals in Taxation.

Certificates of participation will be emailed to attendees following the webcast, along with a copy of the presentation.

You will need to submit your credit to the appropriate organizations.

# Today's Topics

- Basic overview of rate/levy/value relationship
- What has the Legislature done?
- Budget adoption process
- Rate calculation and adoption process
- How to participate in the process

# Mindset Change

- Do **NOT** think in terms of **Value** determines tax
- Do **NOT** think in terms of **Tax Rate** determines tax
- **DO** think in terms of **Taxing Unit Budget** determines tax

*Until the budget and tax rate are adopted your tax is .....*

***ZERO!***

# Property Tax Equation - Taxpayer

$$\text{Value} \times \text{Tax Rate} = \text{Tax}$$



Forgotten Half of the Equation

- Focus always seems to be on Value
  - Why? Value is personal and it is the one thing a taxpayer feels they can control
  - Market is the Market
  - Increasing Value or Wealth in an asset should always be a good thing, right?

# Property Tax Equation – Taxing Unit

$$\text{Tax Rate} = \text{Levy} / \text{Tax Roll}$$

- Levy = Revenue needed to fund the budget that is adopted each year
- Tax Rate is adopted from year to year and moves based on value or the *desired level of revenue* of the taxing unit.
- Value and Rates should have an inverse relationship

Value  Rates 



# Who Sets My Property Tax Bill??

- Not the Appraisal District
  - Appraisal District only determines your proportionate share of the total levy through the valuation process
- Not the Texas Legislature
  - Texas does not have a state property tax
  - The Legislature can put in some limitations and transparency protections for the taxpayer
- **Local Governments** set the tax rates that calculate your property tax bill and collect property taxes through locally elected officials
  - School Trustees
  - City Council Members
  - City Mayor
  - County Commissioners
  - County Judge

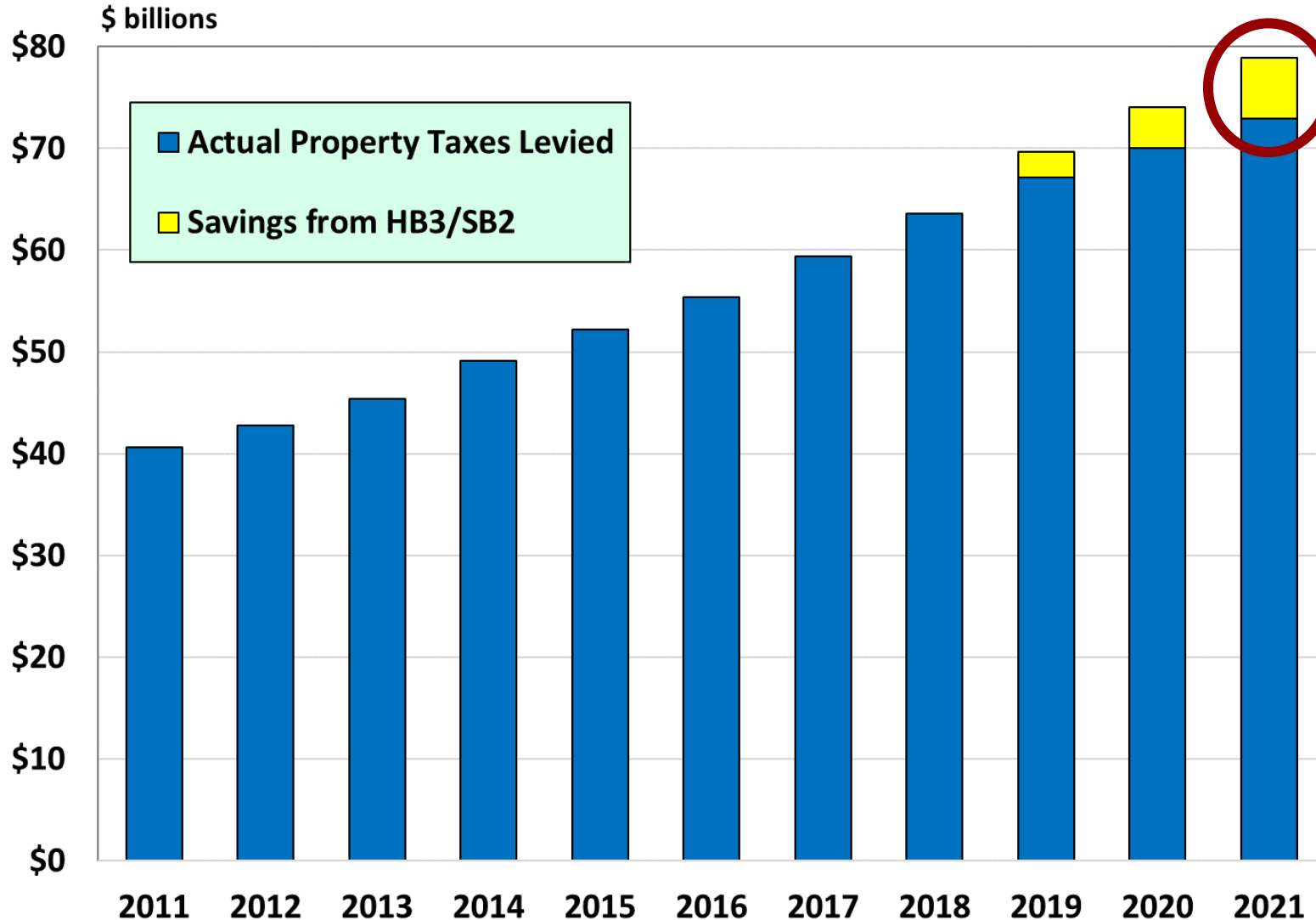
# What has the Legislature Done?



# HB 3 and SB 2 – Property Tax Relief Elements

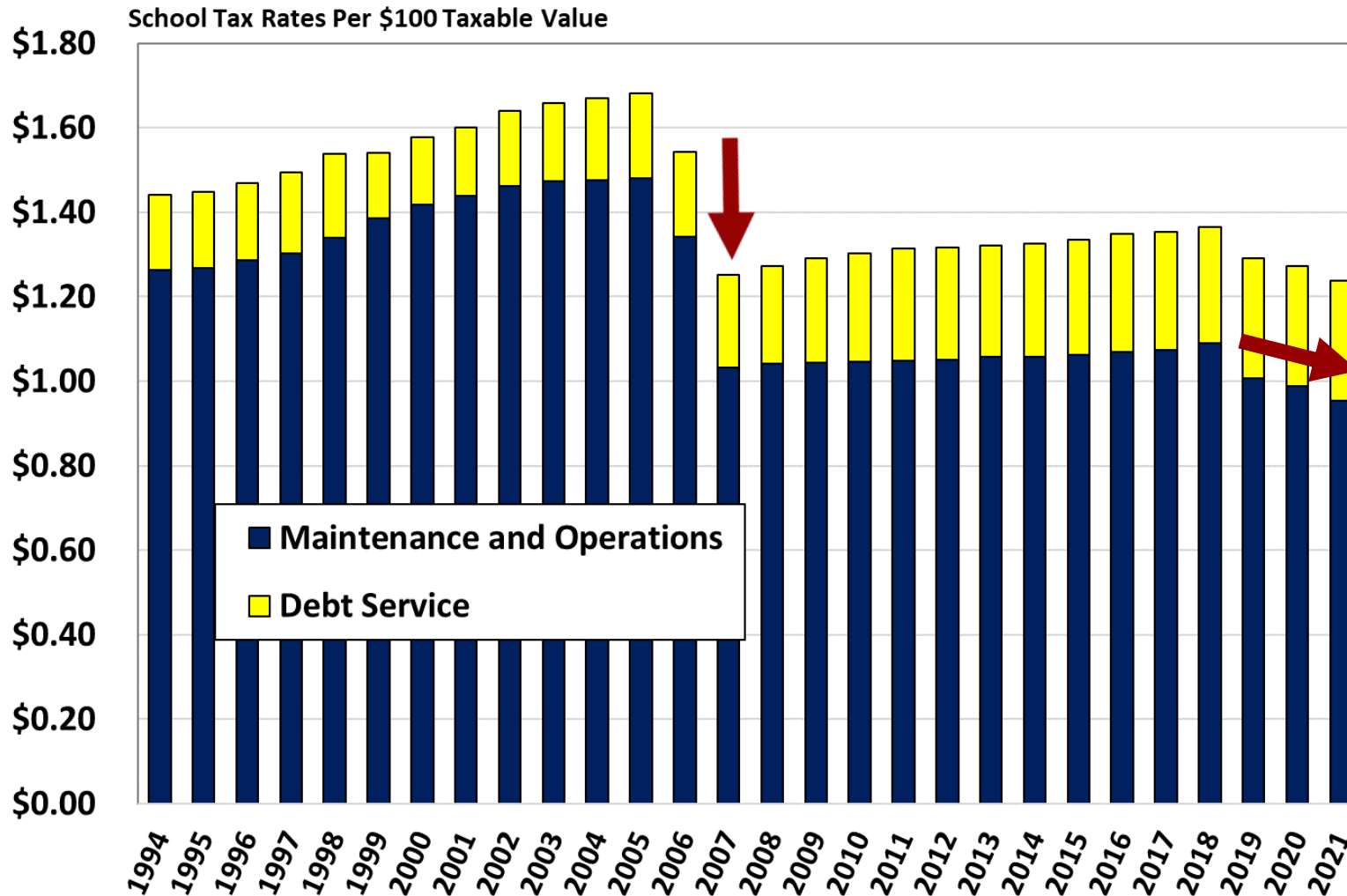
- 86<sup>th</sup> Regular Session
- HB 3 by Rep. Huberty (R-Humble) & Senator Taylor (R-Friendswood)
  - School Finance Focused
  - Key Relief Elements:
    - Sets in statute M&O rate compression based on school district valuation growth
    - Requires tax ratification election to exceed compressed rate plus previous enrichment tax
    - Increases the state share of public education funding
- SB 2 by Senator Bettencourt (R-Houston) & Rep. Burrows (R-Lubbock)
  - Local Government Focused
  - Key Relief Elements:
    - Limited county and city tax or revenue increase to 3.5% from 8% without voter approval
    - Any tax or revenue increase above 3.5% requires voter approval
    - Created the real-time tax notice website

# The Impact of HB 3 and SB 2 – Tax Bills



- Tax bills would have been an estimated **\$6 Billion** higher in 2021
- A 10% valuation increase no longer means a 10% increase to the tax bill, but rather only a 3-5% increase in overall tax bill

# HB 3 – School District M&O Rate Compression



- 2007 – M&O Tax rates compressed by 50 cents - \$1.50 to \$1.00. Cities and Counties filled the void
- School district rates since 2019 are on the decline
- Statewide property value growth above 2.5% is used to compress school M&O tax rates down as values rise

# School District M&O Rate Compression

## 2022-23 School Year

### 2022 Tax Year School District Tier 1 Maximum Compressed Rate (MCR)

Lower of two calculations:

Statewide Value Growth = 4.36%

#### 2022-23 Statewide Compression

$$\text{MCR} = \$0.9134 \times 1.025 / 1.0436$$

$$\text{MCR} = \$0.9134 \times 0.9822$$

$$\text{MCR} = \$0.8971 - \$0.003 *$$

$$\text{MCR} = \underline{\$0.8941}$$

District Value Growth = 18%

#### 2022-23 District Compression

$$\text{MCR} = \$0.8697 \times 1.025 / 1.18$$

$$\text{MCR} = \$0.8697 \times 0.8686$$

$$\text{MCR} = \cancel{\$0.7554}$$

$$\text{MCR} = \$0.8046$$

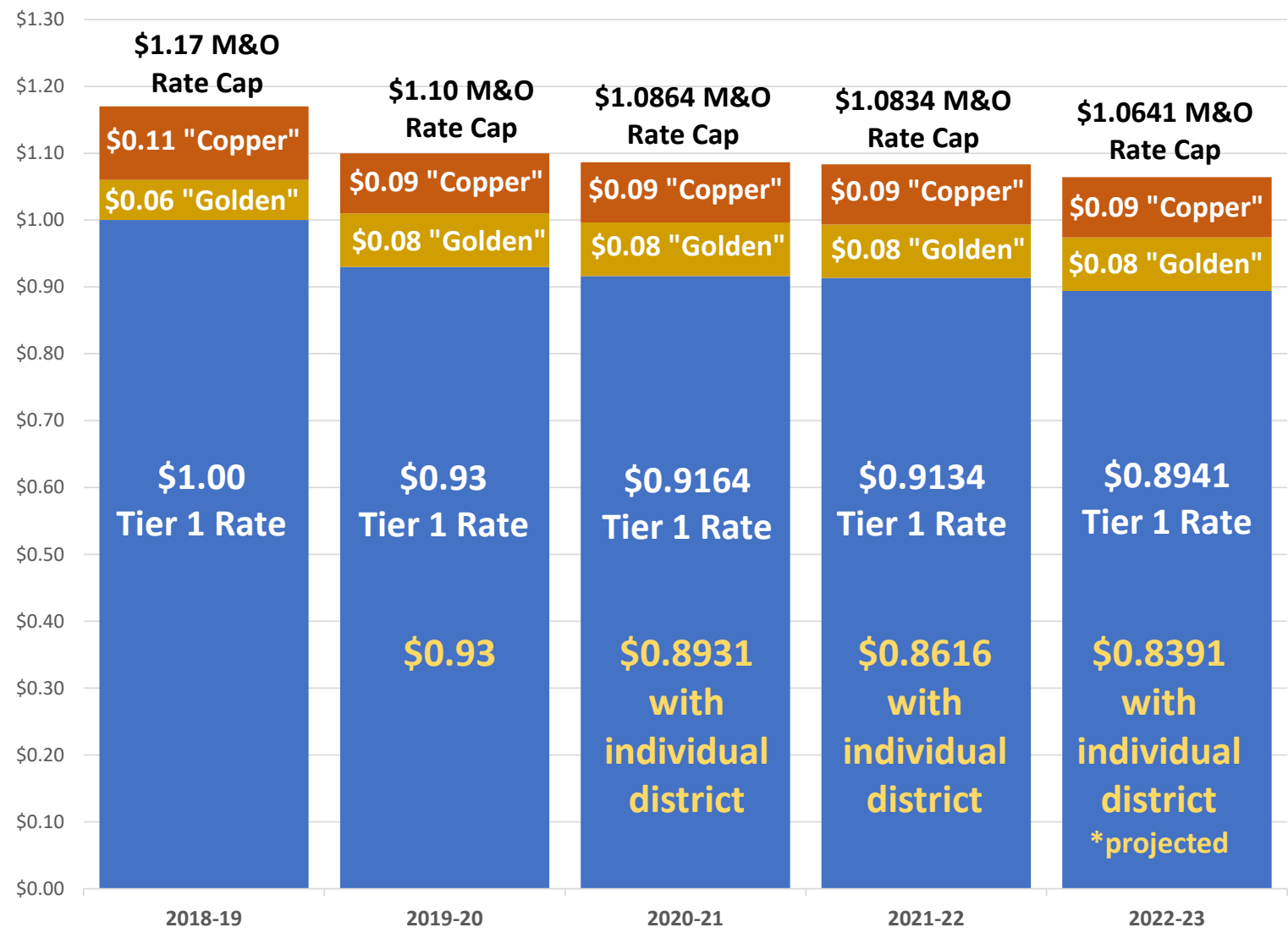
4.36% is the estimated statewide value growth in the appropriations bill for 2022 tax year

**\$0.8046** is the lowest Tier 1 rate allowable in 2022 to receive full state entitlement due to 90% "equity limit" in HB 3

\* State revenue not expended to compress rates due to equity limit is applied to the following year statewide MCR

Calculation results are truncated to four decimals rather than rounded

# School Dist. M&O Rate Compression 2018-22 Tax Years



(\$0.1059) state compression

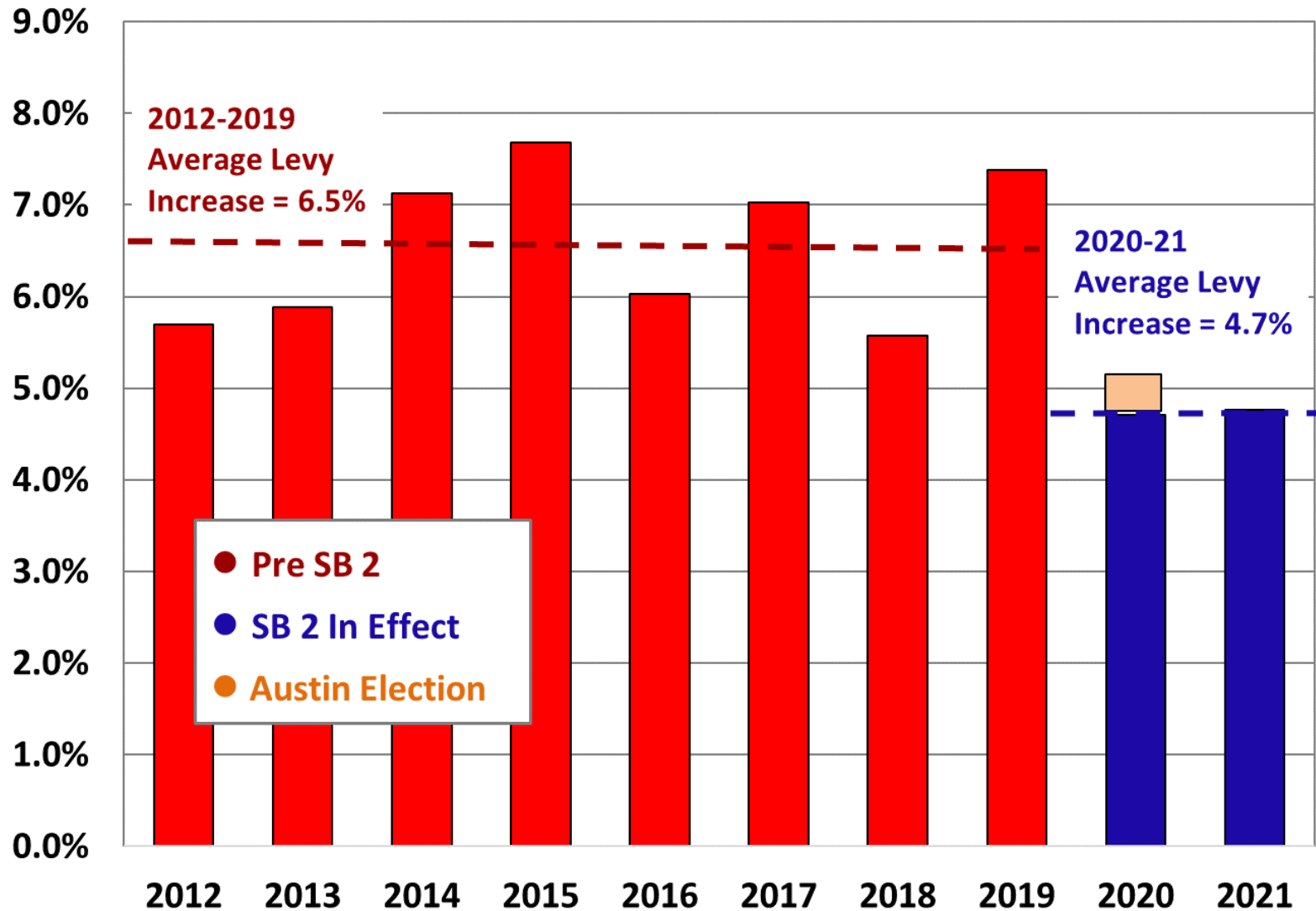
(\$0.1609) rate reduction

Calculation results are truncated to four decimals rather than rounded





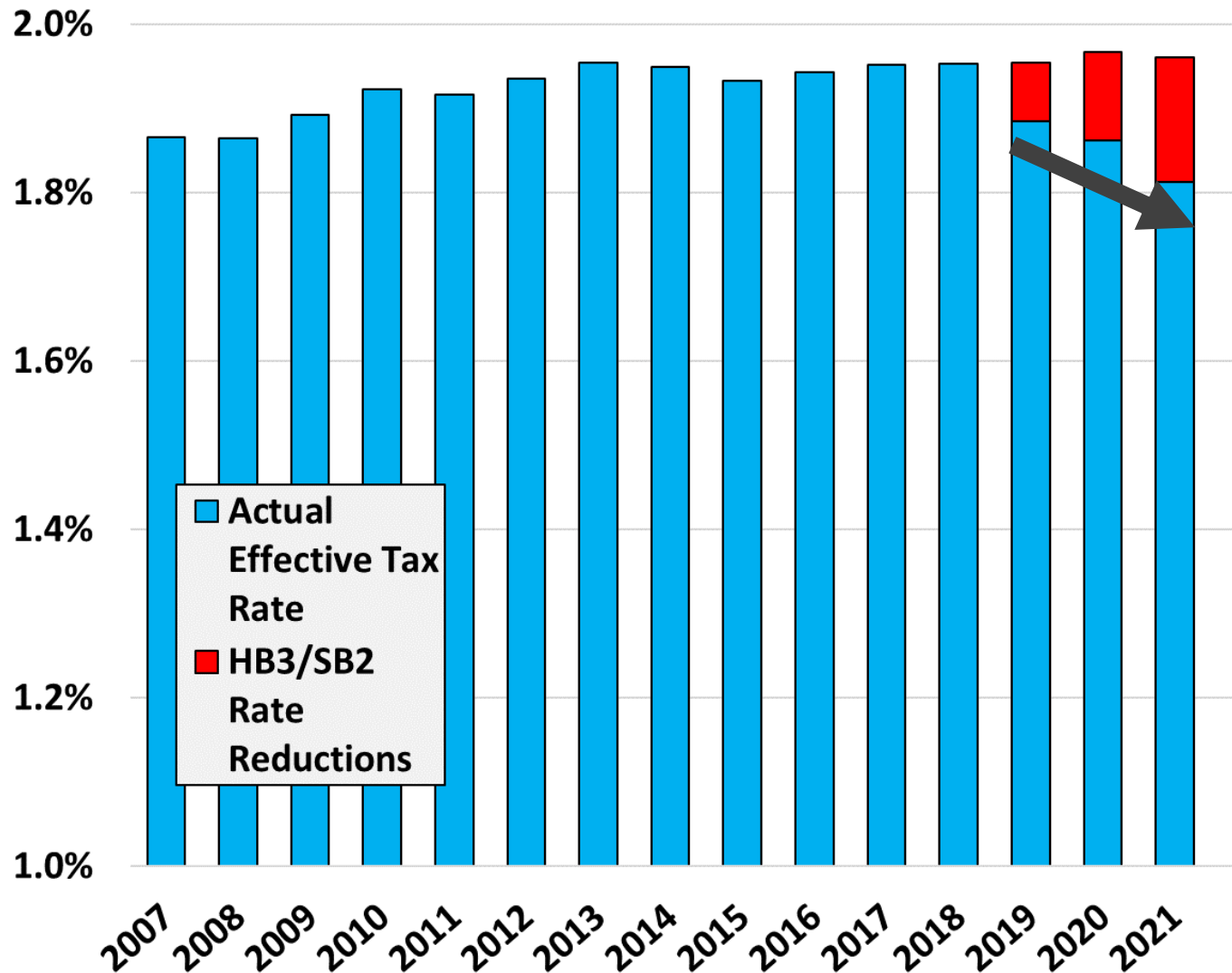
# SB 2 – City, County, & Special District Increases



- Limited tax revenue growth from 8% to 3.5% for Cities and Counties
- Special District remain at the 8% limitation
- Any increase above the limitation requires voter-approval
- Lowered the overall increase in taxes to 4.7% down from 6.5%
- Note the Austin Impact: Voter approved tax increase



# The Impact of HB 3 and SB 2 – Tax Rates



- Total effective property tax rates are declining from around 1.95% to 1.81%
- With the monumental rise in valuations in 2022 the downward trend should continue

# Home Appraisals Up, Tax Bills Down?

## A Look at Travis County

	<u>2021</u>	<u>2022</u>	<u>% Chg</u>
Med Homestead (Mkt)	\$411,658	\$632,208	54%
County Taxable Value	\$239 bl	308 bl	29%

# Home Appraisals Up, Tax Bills Down?

## A Look at Travis County

	<u>2021</u>	<u>2022</u>	<u>% Chg</u>
Med Homestead (Mkt)	\$411,658	\$632,208	54%
County Taxable Value	\$239 bl	\$287 bl	20%
M&O Tax Revenue	\$703 ml	\$727 ml	3.5%
M&O Tax Rate	\$0.307	\$0.253	-18%

# Home Appraisals Up, Tax Bills Down?

## A Look at Travis County

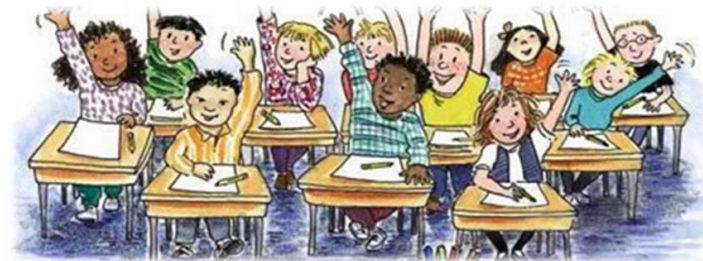
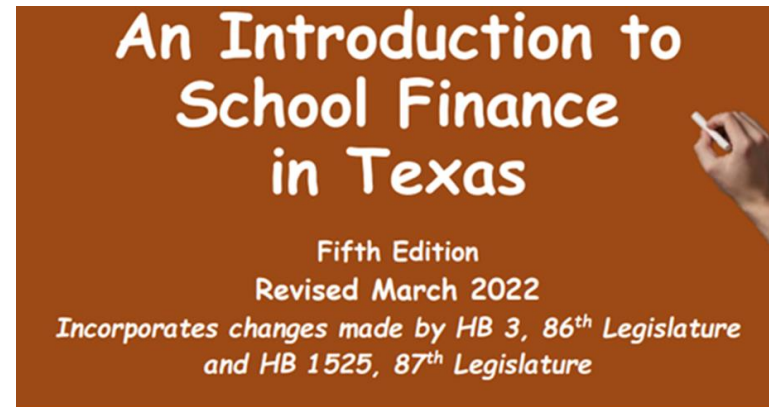
	<u>2021</u>	<u>2022</u>	<u>% Chg</u>
Med Homestead	\$411,658	\$632,208	54%
10% Appraisal Cap	<u>NA</u>	<u>- \$179,384</u>	na
Capped Value	\$411,658	\$452,824	10%
20% HS Exemption	- <u>\$82,332</u>	- <u>\$90,565</u>	10%
Net Taxable Value	\$329,326	\$362,259	10%
M&O Tax Rate (/ \$100)	<u>\$0.307</u>	<u>\$0.253</u>	-18%
M&O Tax Bill	\$1,011	\$917	- 9%

# Budget Adoption Process



# Budget Adoption Process

- Local Government Code
  - Cities and Municipalities – Chapter 102
  - Counties – Chapter 111
- Special Districts – Information by individual district in Special District Local Laws Code (Due to time constraints, Special Districts will not be discussed)
- School Districts – See Sheryl Pace’s: “An Introduction to School Finance in Texas”



# City Budget Requirements

- **Mayor** serves as Budget Officer
  - **City Manager** in those cities that have one
- Annual budget adopted prior to start of fiscal year – October 1 for most
- Must contain complete financial statement showing:
  - Outstanding obligations
  - Cash on hand to the credit of each fund
  - Funds received in previous year
  - Funds available next year
  - Estimated revenue and tax needs



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**A LOOK**  
*at the*  
**BUDGET**

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# City Budget Requirements

- Adoption by record vote of governing body after conclusion of public hearing
- If more property tax revenue, separate votes on revenue increase required
- **Cover Page** with property tax information and record vote of each member of governing body
- Filed with clerk and posted on website



# County Budget Laws

## Local Gov't Code Chapter 111

- Subchapter A – ***225,000 or less*** population
- Subchapter B – ***more than 225,000*** population
- Subchapter C – ***more than 125,000 population*** and **choose** to operate under this subchapter

# County Budget Requirements

- Annual budget required – no expenditures without
- Budget officer
  - SubCh. A – County Judge
  - SubCh. B – County Auditor
  - SubCh. C – Court may appoint budget officer
- Proposed budget preparation
  - SubCh. A – 7th or 10th month of FY as determined by Comm. Court
  - SubCh. B – 30 days before or immediately after 1st day of FY
  - SubCh. C – No deadline specified



# County Budget Requirements

- Attached financial statement includes:
  - Outstanding obligations
  - Cash on hand in each fund
  - Funds received prior year and available next year from all sources
  - Estimated revenues
  - Estimated taxes to fund proposed budget
- Property tax increase ***cover page*** statement (SubCh. A&B)
  - Amount and percent of increase
  - Amount raised on new property added to tax roll
- Filed for public inspection
  - SubCh. A&B – county clerk and website
  - SubCh. C – county clerk and auditor

# County Budget Requirements

- Public hearing required
  - SubCh. A – After 15th of month following month prepared but before taxes levied
  - SubCh. B&C – Within 10 days of filing but before end of 1st month of FY
- Public notice 10 to 30 days before hearing.
- Adopted at hearing conclusion
  - SubCh. A&B – If more property tax revenue, separate votes on revenue increase required



# County Budget Requirements

- Property tax information ***cover page***
  - Amount and percent increase or decrease – no change statement
  - Record vote of each court member
  - Previous and current year adopted, no-new-revenue, no-new-revenue M&O, voter-approval and debt rates
  - Debt obligations
- Filed
  - SubCh. A – county clerk and website
  - SubCh. B&C – county clerk, auditor and website

# Budget Cover Page

## CITY OF AUSTIN PROPERTY TAX INFORMATION AND ADOPTED BUDGET VOTE

This budget will raise more revenue from property taxes than last year's budget by an amount of \$56,309,077, which is a 6.1 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$23,007,014.

The Austin City Council vote by each member on the fiscal year 2021-2022 Adopted Budget:

### FOR:

Mayor Steve Adler  
District 1 Mayor Pro Tem Natasha Harper-Madison  
District 2 Council Member Vanessa Fuentes  
District 3 Council Member Sabino Renteria  
District 4 Council Member Gregorio Casar  
District 5 Council Member Ann Kitchen  
District 6 Council Member Mackenzie Kelly  
District 7 Council Member Leslie Pool  
District 8 Council Member Paige Ellis  
District 9 Council Member Kathie Tovo  
District 10 Council Member Alison Alter

### AGAINST:

PRESENT and not voting:

ABSENT:

### CITY OF AUSTIN PROPERTY TAX RATES

Fiscal Year	2020-21	2021-22
Property Tax Rate	0.5335	0.5410
No-New-Revenue Tax Rate	0.4284	0.4975
No-New-Revenue M&O Tax Rate	0.3222	0.4086
Voter-Approval Tax Rate	0.4460	0.5542
Debt Rate	0.1126	0.1130

2021-2022 Austin General Obligation Debt Service: \$239,107,427

## TRAVIS COUNTY ADOPTED BUDGET FOR FISCAL YEAR 2022

This budget will raise more revenue from property taxes than last year's budget by an amount of \$47,295,468, which is a 6.0 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$23,293,922.

### Record Vote of Commissioners Court

Andy Brown	(In favor of budget)
Jeffrey W. Travillion, Sr.	(In favor of budget)
Brigid Shea	(In favor of budget)
Ann Howard	(In favor of budget)
Margaret J. Gómez	(In favor of budget)

### Property Tax Rates and Financial Information:

Travis County Property Tax Rate for 2021 Fiscal Year

Property Tax Rate: \$.374359 per \$100 valuation

Travis County Property Tax Rates for 2022 Fiscal Year

Property Tax Rate:	\$.357365 per \$100 valuation
No New Revenue Rate:	\$.346859 per \$100 valuation
No New Revenue Effective	
Maintenance and Operations Tax Rate:	\$.296919 per \$100 valuation
Voter Approval Rate:	\$.357365 per \$100 valuation
Debt Rate:	\$.050054 per \$100 valuation

Total Debt Obligations: \$1,054,720,000



# Rate Adoption Process

# Rate Adoption Process

- Three major components of property tax system – appraisal, assessment and collection
- Assessment encompasses tax rate adoption and tax bill calculation.
- Truth in Taxation Laws
  - Notice of revaluation and protest process
  - Notice of proposed tax increase
  - Opportunity for public comment and limitation
- Texas Constitution, Art. VIII, Sec. 21 – Property Tax Code, Chapter 26





# 2 Key Deadlines Linking Appraisal Process to Rate Adoption

1. **July 20** – ARB approves appraisal records
  - May be extended to **August 30** in counties with over 1 million population (Harris, Dallas, Tarrant, Bexar, Travis, Collin)
  - ARB may not approve appraisal records if 5% of appraisal roll remains under protest – 10% for counties of 1 million+
2. **July 25** – Chief Appraiser certifies estimated value
  - If no ARB approval by July 20 Chief Appraiser must prepare and certify an **estimate** of taxing unit taxable value

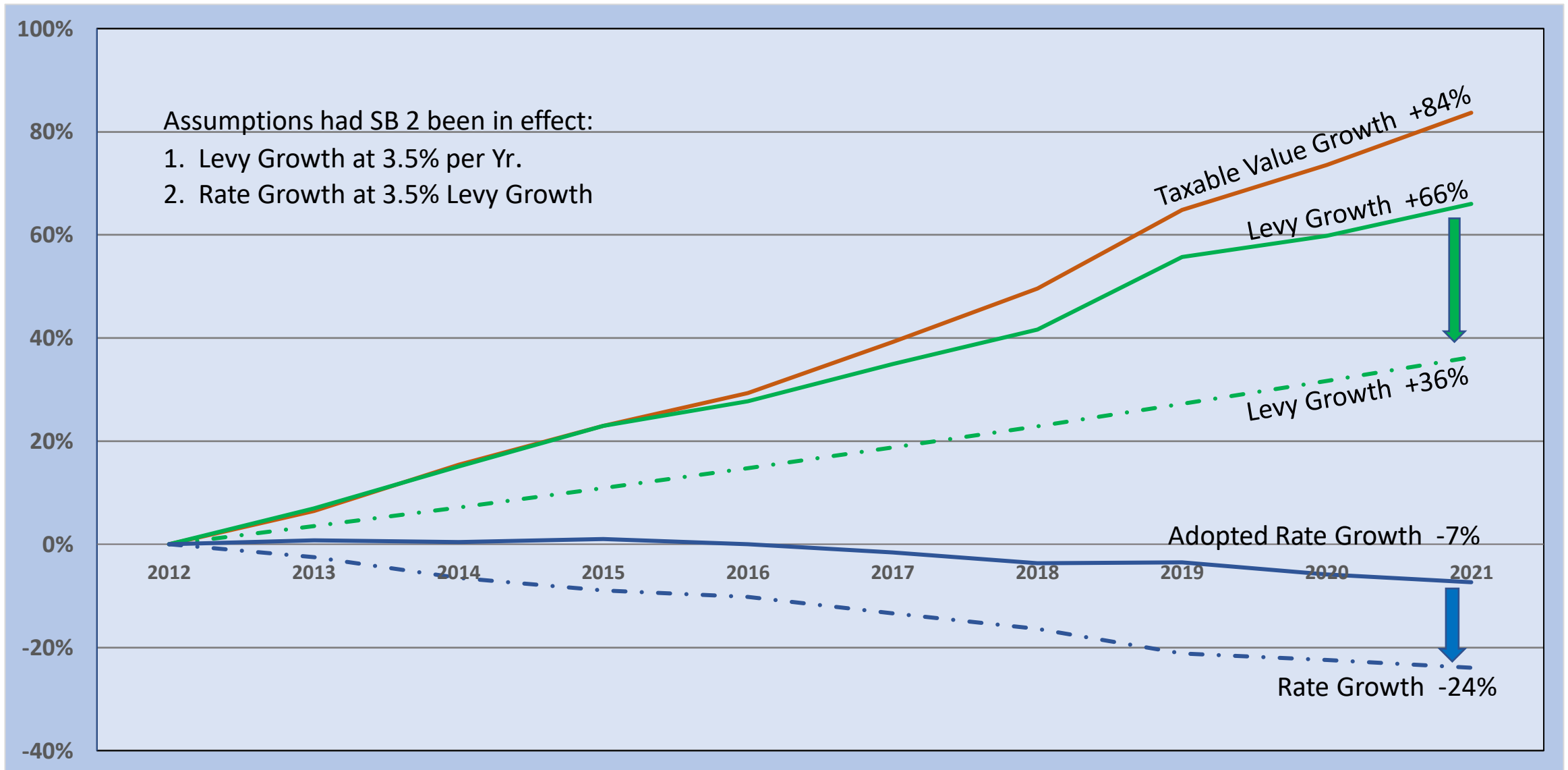
# Property Tax Equation – Taxing Unit Reminder

$$\text{Tax Rate} = \text{Levy} / \text{Tax Roll}$$

- Levy = Revenue needed to fund the budget that is adopted each year
- Tax Rate is adopted from year to year and moves based on value or the *desired level of revenue* of the taxing unit
- Value and Rates should have an inverse relationship

Value  Rates 

# County Value/Levy/Rate Relationship



# Two Elements of a Tax Rate

- Maintenance & Operations (M&O)
  - Funds general operations
- Interest & Sinking (I&S)
  - Pays debt service obligations
  - Covers both voter-approved and non-voter-approved debt such as Certificates of Obligation



# No-New-Revenue Tax Rate

- What is it?
  - Rate that will generate the previous year's revenue when applied to current values of properties on last year's tax roll.
- How is it calculated?
  - NO-NEW-REVENUE TAX RATE = (LAST YEAR 'S LEVY – LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)
  - Numerous adjustments made within the calculation to get revenue and value on equal footing with previous year
    - Key adjustment – Exclusion of current year new value

# Voter-Approval Tax Rate

- What is it?
  - Rate that triggers an automatic ratification election to obtain voter permission to exceed voter-approval rate
- How is it calculated (for jurisdiction other than school districts)?
  - $\text{VOTER-APPROVAL TAX RATE} = (\text{NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE} \times 1.035) + (\text{CURRENT DEBT RATE} + \text{UNUSED INCREMENT RATE})$
  - Baseline is the No-New-Revenue Tax Rate
  - Certain special districts use 8% in place of 3.5% revenue increase
  - Debt rate excluded from revenue limitation because must be paid regardless of value total
  - Unused Increment Rate – Difference between actual tax rate and voter-approval rate for previous 3 years
    - Designed to give taxing units a safety net if needed to address additional future spending needs.
  - De minimis Rate revenue increase threshold – \$500,000

# Tax Rate Calculation Form

- Both the No-New-Revenue Rate and the Voter-Approval Rate are calculated on worksheets
- Use of the form is required
- Source of data?
  - Chief Appraiser's certified or estimated tax roll (July 25)
  - Tax roll submitted to governing body by assessor (Aug. 1) showing:
    - Total appraised, assessed, and taxable values
    - Total taxable value of new property
  - Tax collector's certified estimate of anticipated collection rate for I&S purposes and amount of any excess debt service collections in prior year (Aug. 1)

2021 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

Form 50-856

Taxing Unit Name

Phone (area code and number)

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

Taxing Unit's Website Address

**GENERAL INFORMATION:** Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements or Comptroller Form 50-884 Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements.

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

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

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

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

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

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	<b>2020 total taxable value.</b> Enter the amount of 2020 taxable value on the 2020 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). <sup>1</sup>	\$
2.	<b>2020 tax ceilings.</b> Counties, cities and junior college districts. Enter 2020 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2020 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>2</sup>	\$
3.	<b>Preliminary 2020 adjusted taxable value.</b> Subtract Line 2 from Line 1.	\$
4.	<b>2020 total adopted tax rate.</b>	\$ /\$100
5.	<b>2020 taxable value lost because court appeals of ARB decisions reduced 2020 appraised value.</b> A. Original 2020 ARB values: ..... \$ B. 2020 values resulting from final court decisions: ..... - \$ C. 2020 value loss. Subtract B from A. <sup>3</sup>	\$
6.	<b>2020 taxable value subject to an appeal under Chapter 42, as of July 25.</b> A. 2020 ARB certified value: ..... \$ B. 2020 disputed value: ..... - \$	

# Proposed Tax Rate

- What is it?
  - Rate that will be put up for a vote of the governing body to generate the desired level of revenue needed to fund the expenditures of the budget
- How is it calculated?
  - Maintenance and Operations (M&O) rate plus Interest and Sinking (I&S) rate
    - $\text{M\&O Rate} = \text{Budgeted Expenditures} / \text{Total Taxable Value}$
    - $\text{I\&S Rate} = \text{Annual Debt Service} / \text{Total Taxable Value}$



# Adopted Tax Rate

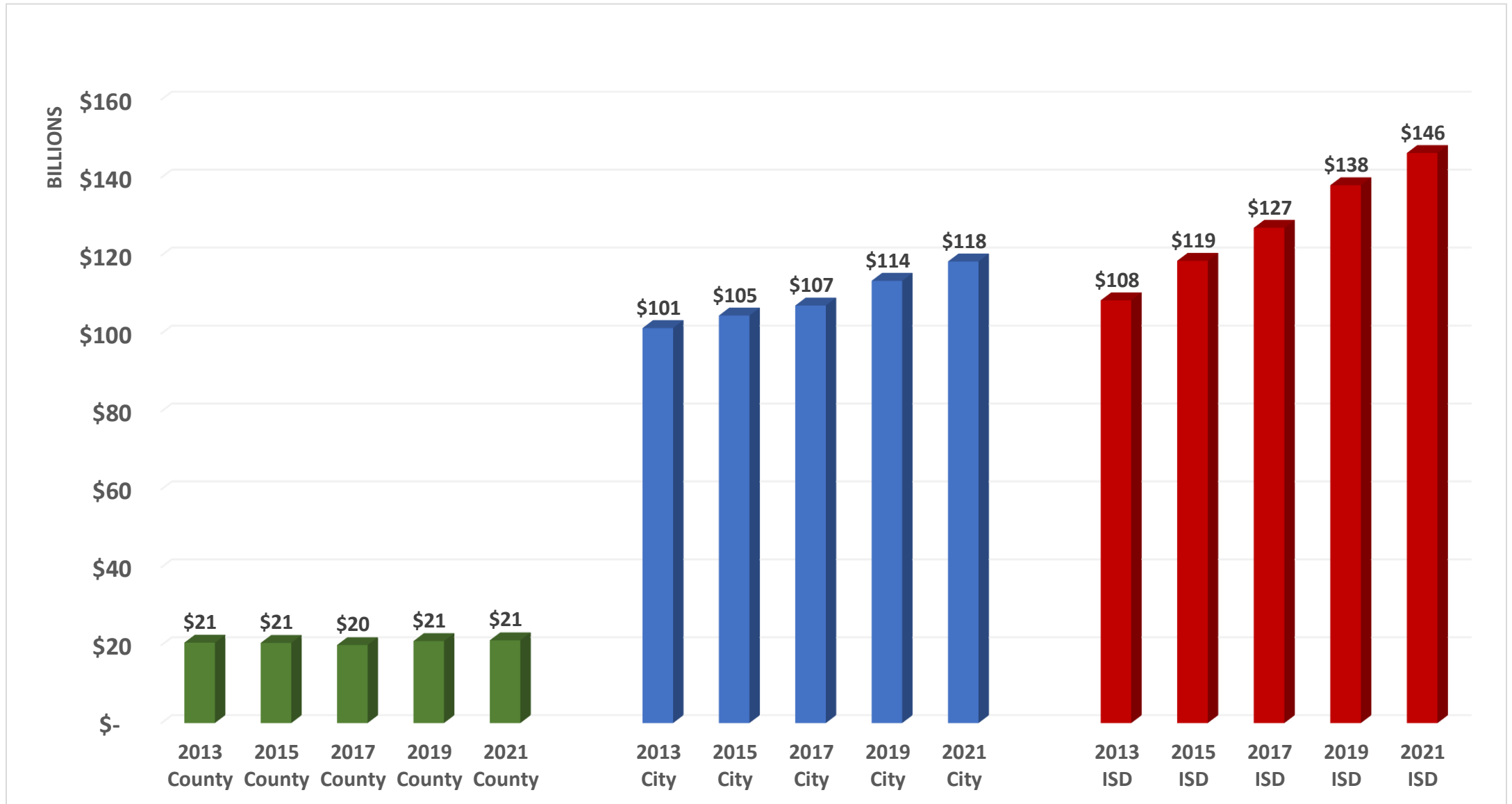
- What is it?
  - Rate that has been voted by the governing body to generate the desired level of revenue needed to fund the expenditures of the budget
  - Final rate applied to taxable property in the jurisdiction
- How is it calculated?
  - Maintenance and Operations (M&O) rate plus Interest and Sinking (I&S) rate
    - $\text{M\&O Rate} = \text{Budgeted Expenditures} / \text{Total Taxable Value}$
    - $\text{I\&S Rate} = \text{Annual Debt Service} / \text{Total Taxable Value}$
  - If adopted rate is above the voter-approval rate, it could trigger an election for voter approval

# Debt Service

- Bond Election Quote from an Austin American Stateman Article, circa 2014

*“I have voted for every park, every library, all the school improvements, for the light rail, for anything that will make this city better. But now I can’t afford to live here anymore.”*

# Statewide Local Debt Outstanding



# I&S or Debt Rate Calculation

- Every bond election is a vote for or against a **TAX INCREASE**
- Disclaimer: Not all bond elections are wasteful tax increases, some capital projects financed by the bond election are very much needed in the community
- Debt Service is the cumulative annual payment of all approved bond elections plus some nonvoter-approved debt

$$\text{Debt Rate} = \text{Debt Service} / \text{Tax Roll}$$

- As debt service decreases, the debt rate decreases
- As taxable value increases, the debt rate decreases
- **DON'T BE FOOLED** by a taxing unit saying a bond election will not increase your taxes

# How to Participate in the Process



# Real-time Tax Notice Website

## Property Tax Transparency in Texas

The budgets adopted by taxing units and the tax rates they set to fund those budgets play a significant role in determining the amount of taxes each property owner pays. In 2019, the Texas Legislature passed legislation to help Texans better understand tax rates in their home county. You can access timely information about how local tax rate decisions affect your tax bill on your county's Truth in Taxation website.

Find your county's website

- [Texas.gov/PropertyTaxes](https://texas.gov/PropertyTaxes)
- One website for each county
- Each taxing unit is required to provide the following information:
  - Property value
  - Each taxing unit's no-new-revenue, voter-approval, and proposed tax rates and taxes due at those rates
  - Link for electronic submission of comments/opinions
  - Date, time, and place of hearings

# Real-time Tax Notice Website

- Travis County Example

## TRAVIS COUNTY

Rates		Taxable Value: \$2,253,000   Last Year's Taxes: \$8,434.00				
Hearings						
Contact Details						
Historical Tax Rates		2020 Tax Rate	2021 No New Revenue	2021 Proposed	Difference	2021 Voter Approval
Feedback		Rate	0.374359	0.346859	0.357365	\$236.70
		Amount	\$8,434.00	\$7,814.73	\$8,051.43	\$8,051.43
		Worksheet	<a href="#">2021 No New Revenue Worksheet</a>		<a href="#">Adopted Tax Rate Statement</a>	



# Real-time Tax Notice Website

- Travis County Example

**TRAVIS COUNTY**

Rates

**Hearings**

Contact Details

Historical Tax Rates

Feedback

**Hearing**

 Hearing on Proposed Budget

 FY 2022 Preliminary Budget Hearing

 Tax Hearing

**Date & Time**

[0021-09-28 1:00:00 pm](#)

2021-08-18 9:00:00 am

[2021-09-14 1:00:00 pm](#)

**Location**

Commissioners Courtroom, 700 Lavaca Street, Austin, TX 78701

Please call (800) 304-1055.

Commissioners Courtroom, 700 Lavaca, Austin, Tx 78701

**TRAVIS COUNTY**

Rates

Hearings

**Contact Details**

Historical Tax Rates

Feedback

**Taxing Unit Contact Info**

Taxing Unit Name: TRAVIS COUNTY

Website: <https://www.traviscountytexas.gov/planning-budget>

Phone Number: (512) 854-9106

Email:

**Tax Assessor Collector**

Assessor Collector: BRUCE ELFANT

Website: <https://tax-office.traviscountytexas.gov>

Phone Number: (512) 854-9473

Email: TaxOffice@traviscountytexas.gov

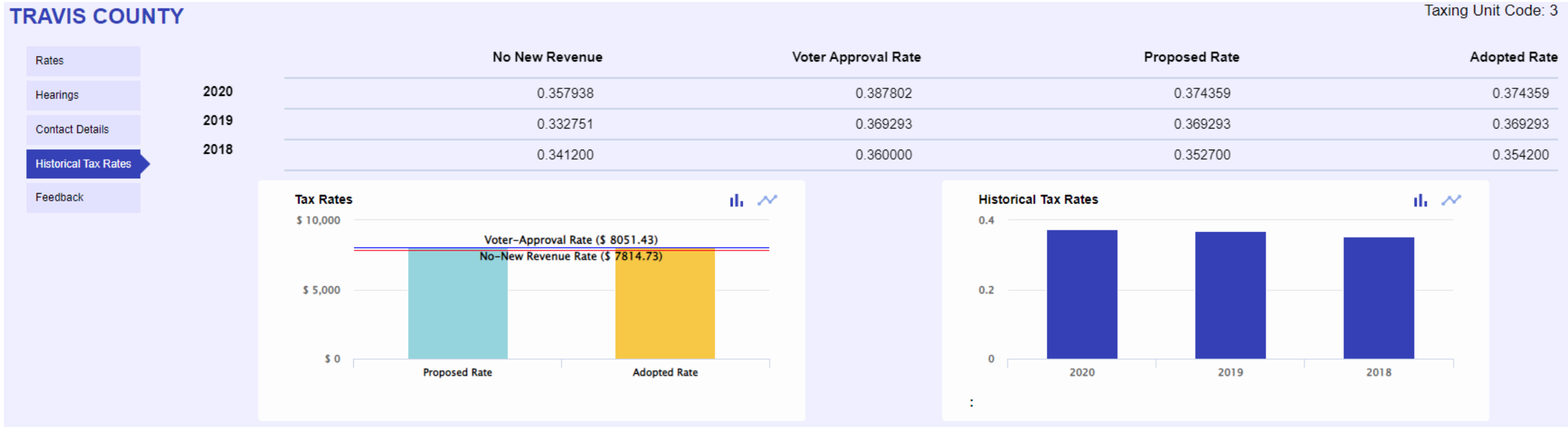
**Budget & Tax Rates**

Budget & Rate Information: [Worksheet PDF](#)



# Real-time Tax Notice Website

- Travis County Example



# Real-time Tax Notice Website

- Travis County Example

**TRAVIS COUNTY**

Taxing Unit Code: 3

Rates

Hearings

Contact Details

Historical Tax Rates

Feedback

**Provide Feedback to Your Taxing Authority**

As part of the new Texas tax transparency laws, we are providing the ability for taxpayers to submit comments to their taxing units. Take advantage of this by providing input in regards to adopted budgets, hearings, tax rates, and any other topic regarding property taxes in your area.

We ask that all comments remain professional and courteous. Upon submission, your comment will be forwarded to taxing unit representatives.

**Comment**

Type your comment here...

**Feedback Questions**


Contact Phone Number \*

Contact Email \*

Are you the owner of this property?

☐

I'm not a robot



reCAPTCHA  
Privacy • Terms

SEND FEEDBACK

# Taxing Unit Websites

- Each taxing unit must have website containing the following information:
  - Taxing unit and governing body contact information
  - Budgets
    - Preceding two years
    - Current year proposed or adopted budget
    - Remember to look for the 1<sup>st</sup> page for property tax information.
      - Amount and percentage change in current budget
  - Budgeted M&O and I&S property taxes in current and preceding 2 years
  - M&O and I&S tax rates for same 3 years
  - Most recent financial audit

# Public Hearing on Tax Rate

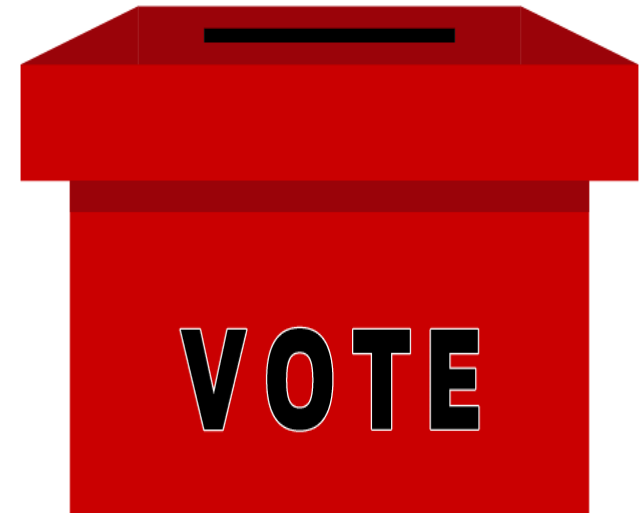
- At least 5 days after notice of hearing
- Must be on weekday and not on public holiday
- Location within taxing unit boundary
- Provide adequate opportunity for all persons or entities to express views on proposed tax rate
- Governing body may adopt tax rate
  - If rate adoption exceeds no-new-revenue rate, then 60% of governing body must vote in favor to adopt
  - If vote not taken, announce date, time, and place of adoption

# Tax Rate Adoption Deadline

- Governing body must act before the later of September 30 or 60th day after certified appraisal roll received
- If governing body plans to adopt rate exceeding voter-approval rate, must do so no later than 71st day before next uniform election date

# Automatic Tax Rate Ratification Election

- Triggered if adopted rate is higher than voter-approval rate
- Held on November general election date
- Not required in year after disaster
- Not applicable to:
  - Cities less than 30,000 population
  - Special taxing units
- If election fails, Voter-Approval Rate adopted



# Tax Rate Reduction Election by Petition

- Applies to cities under 30,000 population and other taxing units except special taxing units if:
  - De minimis rate exceeds voter-approval rate, and
  - Adopted rate is equal to or greater than the higher of voter-approval rate or voter-approval rate calculated like that of a special taxing unit.
- Petition signed by at least 3% of registered voters
- Submitted within 90 days of rate adoption
- Governing body has 20 days to determine validity
- Held on next uniform election date
- Corrected tax bills or tax refunds depending on election timing

# Tax Rate Injunction

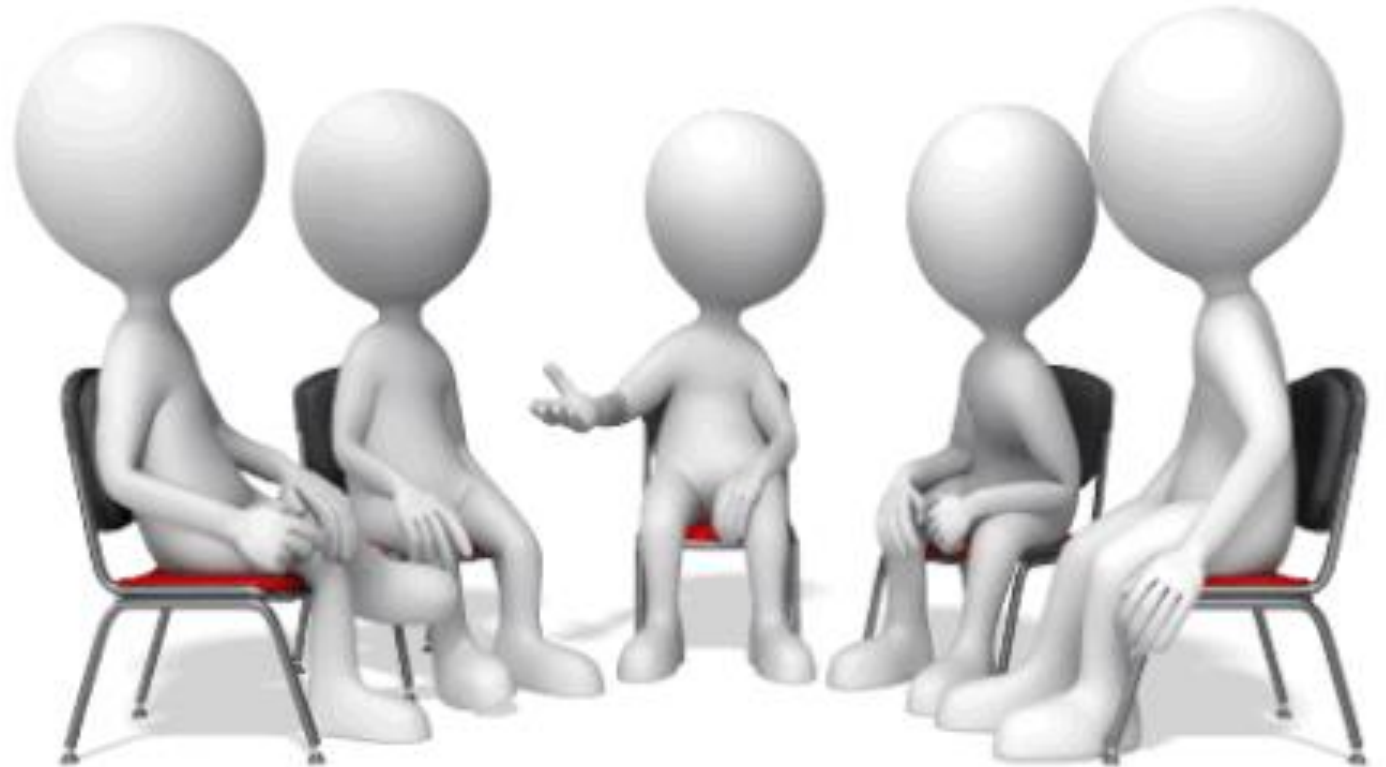
- Prohibits rate adoption and tax collections
- Issued if taxing unit, assessor or chief appraiser has not complied with rate computation, publication, or posting requirements
- Only defense for failure to comply is showing of good faith





# Final Takeaways

- Revenue/Levy Increases are Tax Increases
- The Appraisal District does not set your taxes
- Do not ignore the rate setting portion of the tax equation by the local gov't entities
- Participate, Participate, Participate, Participate  
90% is showing up!!



# Continuing Education Credits Reminder

Certificates will be emailed to attendees, along with a copy of the presentation.

You will need to submit your credit to the appropriate organizations.

# Thank you!

If you have any questions or  
comments, please feel free to contact  
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