



1 (meeting place).

2 "(Names of all members of the governing body, showing how  
3 each voted on the proposal to consider the tax increase or, if one  
4 or more were absent, indicating the absences.)"; and

5 (2) contain the following information:

6 (A) a section entitled "Comparison of Proposed  
7 Budget with Last Year's Budget," which must show the difference,  
8 expressed as a percent increase or decrease, as applicable, in the  
9 amount budgeted in the preceding fiscal year and the amount  
10 budgeted for the fiscal year that begins in the current tax year for  
11 each of the following:

12 (i) maintenance and operations;

13 (ii) debt service; and

14 (iii) total expenditures;

15 (B) a section entitled "Total Appraised Value and  
16 Total Taxable Value," which must show the total appraised value and  
17 the total taxable value of all property and the total appraised  
18 value and the total taxable value of new property taxable by the  
19 unit in the preceding tax year and the current tax year as  
20 calculated under Section 26.04;

21 (C) the total amount of the outstanding and  
22 unpaid bonded indebtedness of the taxing unit;

23 (D) the unit's adopted tax rate for the preceding  
24 tax year and the proposed tax rate, expressed as an amount per \$100;

25 (E) [~~(D)~~] the difference, expressed as an amount  
26 per \$100 and as a percent increase or decrease, as applicable, in  
27 the proposed tax rate compared to the adopted tax rate for the

1 preceding tax year;

2           (F) [~~(C)~~] the average appraised value of a  
3 residence homestead in the taxing unit in the preceding tax year and  
4 in the current tax year; the unit's homestead exemption, other than  
5 an exemption available only to disabled persons or persons 65 years  
6 of age or older, applicable to that appraised value in each of those  
7 years; and the average taxable value of a residence homestead in the  
8 unit in each of those years, disregarding any homestead exemption  
9 available only to disabled persons or persons 65 years of age or  
10 older;

11           (G) [~~(D)~~] the amount of tax that would have been  
12 imposed by the unit in the preceding tax year on a residence  
13 homestead appraised at the average appraised value of a residence  
14 homestead in that year, disregarding any homestead exemption  
15 available only to disabled persons or persons 65 years of age or  
16 older;

17           (H) [~~(E)~~] the amount of tax that would be imposed  
18 by the unit in the current tax year on a residence homestead  
19 appraised at the average appraised value of a residence homestead  
20 in the current tax year, disregarding any homestead exemption  
21 available only to disabled persons or persons 65 years of age or  
22 older, if the proposed tax rate is adopted; and

23           (I) [~~(F)~~] the difference between the amounts of  
24 tax calculated under Paragraphs (G) [~~(D)~~] and (H) [~~(E)~~], expressed  
25 in dollars and cents and described as the annual increase or  
26 decrease, as applicable, in the tax to be imposed by the unit on the  
27 average residence homestead in the unit in the current tax year if

1 the proposed tax rate is adopted.

2 SECTION 2. Subsection (c), Section 44.004, Education Code,  
3 is amended to read as follows:

4 (c) The notice of public meeting to discuss and adopt the  
5 budget and the proposed tax rate may not be smaller than one-quarter  
6 page of a standard-size or a tabloid-size newspaper, and the  
7 headline on the notice must be in 18-point or larger type. Subject  
8 to Subsection (d), the notice must:

9 (1) contain a statement in the following form:

10 "NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

11 "The (name of school district) will hold a public meeting at  
12 (time, date, year) in (name of room, building, physical location,  
13 city, state). The purpose of this meeting is to discuss the school  
14 district's budget that will determine the tax rate that will be  
15 adopted. Public participation in the discussion is invited." The  
16 statement of the purpose of the meeting must be in bold type. In  
17 reduced type, the notice must state: "The tax rate that is  
18 ultimately adopted at this meeting or at a separate meeting at a  
19 later date may not exceed the proposed rate shown below unless the  
20 district publishes a revised notice containing the same information  
21 and comparisons set out below and holds another public meeting to  
22 discuss the revised notice.";

23 (2) contain a section entitled "Comparison of Proposed  
24 Budget with Last Year's Budget," which must show the difference,  
25 expressed as a percent increase or decrease, as applicable, in the  
26 amounts budgeted for the preceding fiscal year and the amount  
27 budgeted for the fiscal year that begins in the current tax year for

1 each of the following:

2 (A) maintenance and operations;

3 (B) debt service; and

4 (C) total expenditures;

5 (3) contain a section entitled "Total Appraised Value  
6 and Total Taxable Value," which must show the total appraised value  
7 and the total taxable value of all property and the total appraised  
8 value and the total taxable value of new property taxable by the  
9 district in the preceding tax year and the current tax year as  
10 calculated under Section 26.04, Tax Code;

11 (4) contain a statement of the total amount of the  
12 outstanding and unpaid bonded indebtedness of the school district;

13 (5) contain a section entitled "Comparison of Proposed  
14 Rates with Last Year's Rates," which must:

15 (A) show in rows the tax rates described by  
16 Subparagraphs (i)-(iii), expressed as amounts per \$100 valuation of  
17 property, for columns entitled "Maintenance & Operations,"  
18 "Interest & Sinking Fund," and "Total," which is the sum of  
19 "Maintenance & Operations" and "Interest & Sinking Fund":

20 (i) the school district's "Last Year's  
21 Rate";

22 (ii) the "Rate to Maintain Same Level of  
23 Maintenance & Operations Revenue & Pay Debt Service," which:

24 (a) in the case of "Maintenance &  
25 Operations," is the tax rate that, when applied to the current  
26 taxable value for the district, as certified by the chief appraiser  
27 under Section 26.01, Tax Code, and as adjusted to reflect changes

1 made by the chief appraiser as of the time the notice is prepared,  
2 would impose taxes in an amount that, when added to state funds to  
3 be distributed to the district under Chapter 42, would provide the  
4 same amount of maintenance and operations taxes and state funds  
5 distributed under Chapter 42 per student in average daily  
6 attendance for the applicable school year that was available to the  
7 district in the preceding school year; and

8 (b) in the case of "Interest & Sinking  
9 Fund," is the tax rate that, when applied to the current taxable  
10 value for the district, as certified by the chief appraiser under  
11 Section 26.01, Tax Code, and as adjusted to reflect changes made by  
12 the chief appraiser as of the time the notice is prepared, and when  
13 multiplied by the district's anticipated collection rate, would  
14 impose taxes in an amount that, when added to state funds to be  
15 distributed to the district under Chapter 46 and any excess taxes  
16 collected to service the district's debt during the preceding tax  
17 year but not used for that purpose during that year, would provide  
18 the amount required to service the district's debt; and

19 (iii) the "Proposed Rate";

20 (B) contain fourth and fifth columns aligned with  
21 the columns required by Paragraph (A) that show, for each row  
22 required by Paragraph (A):

23 (i) the "Local Revenue per Student," which  
24 is computed by multiplying the district's total taxable value of  
25 property, as certified by the chief appraiser for the applicable  
26 school year under Section 26.01, Tax Code, and as adjusted to  
27 reflect changes made by the chief appraiser as of the time the

1 notice is prepared, by the total tax rate, and dividing the product  
2 by the number of students in average daily attendance in the  
3 district for the applicable school year; and

4 (ii) the "State Revenue per Student," which  
5 is computed by determining the amount of state aid received or to be  
6 received by the district under Chapters 42, 43, and 46 and dividing  
7 that amount by the number of students in average daily attendance in  
8 the district for the applicable school year; and

9 (C) contain an asterisk after each calculation  
10 for "Interest & Sinking Fund" and a footnote to the section that, in  
11 reduced type, states "The Interest & Sinking Fund tax revenue is  
12 used to pay for bonded indebtedness on construction, equipment, or  
13 both. The bonds, and the tax rate necessary to pay those bonds,  
14 were approved by the voters of this district.";

15 (6) [~~3~~] contain a section entitled "Comparison of  
16 Proposed Levy with Last Year's Levy on Average Residence," which  
17 must:

18 (A) show in rows the information described by  
19 Subparagraphs (i)-(iv), rounded to the nearest dollar, for columns  
20 entitled "Last Year" and "This Year":

21 (i) "Average Market Value of Residences,"  
22 determined using the same group of residences for each year;

23 (ii) "Average Taxable Value of Residences,"  
24 determined after taking into account the limitation on the  
25 appraised value of residences under Section 23.23, Tax Code, and  
26 after subtracting all homestead exemptions applicable in each year,  
27 other than exemptions available only to disabled persons or persons

1 65 years of age or older or their surviving spouses, and using the  
2 same group of residences for each year;

3 (iii) "Last Year's Rate Versus Proposed  
4 Rate per \$100 Value"; and

5 (iv) "Taxes Due on Average Residence,"  
6 determined using the same group of residences for each year; and

7 (B) contain the following information:  
8 "Increase (Decrease) in Taxes" expressed in dollars and cents,  
9 which is computed by subtracting the "Taxes Due on Average  
10 Residence" for the preceding tax year from the "Taxes Due on Average  
11 Residence" for the current tax year;

12 (7) [~~(4)~~] contain the following statement in bold  
13 print: "Under state law, the dollar amount of school taxes imposed  
14 on the residence of a person 65 years of age or older or of the  
15 surviving spouse of such a person, if the surviving spouse was 55  
16 years of age or older when the person died, may not be increased  
17 above the amount paid in the first year after the person turned 65,  
18 regardless of changes in tax rate or property value.";

19 (8) [~~(5)~~] contain the following statement in bold  
20 print: "Notice of Rollback Rate: The highest tax rate the district  
21 can adopt before requiring voter approval at an election is (the  
22 school district rollback rate determined under Section 26.08, Tax  
23 Code). This election will be automatically held if the district  
24 adopts a rate in excess of the rollback rate of (the school district  
25 rollback rate)."; and

26 (9) [~~(6)~~] contain a section entitled "Fund Balances,"  
27 which must include the estimated amount of interest and sinking



1 fund balances and the estimated amount of maintenance and operation  
2 or general fund balances remaining at the end of the current fiscal  
3 year that are not encumbered with or by corresponding debt  
4 obligation, less estimated funds necessary for the operation of the  
5 district before the receipt of the first payment under Chapter 42 in  
6 the succeeding school year.

7 SECTION 3. (a) The change in law made by this Act applies  
8 to the public notice required in connection with the ad valorem tax  
9 rate of a taxing unit beginning with the 2006 tax year, except as  
10 provided by Subsection (b) of this section.

11 (b) If the governing body of a taxing unit has adopted an ad  
12 valorem tax rate for the taxing unit for the 2006 tax year before  
13 the effective date of this Act, the change in law made by this Act  
14 applies to the public notice required in connection with the ad  
15 valorem tax rate of that taxing unit beginning with the 2007 tax  
16 year, and the law in effect when the tax rate was adopted applies to  
17 the 2006 tax year with respect to that taxing unit.

18 SECTION 4. This Act takes effect immediately if it receives  
19 a vote of two-thirds of all the members elected to each house, as  
20 provided by Section 39, Article III, Texas Constitution. If this  
21 Act does not receive the vote necessary for immediate effect, this  
22 Act takes effect September 1, 2005.

David Newkumst  
President of the Senate

Jim Coakley  
Speaker of the House

I hereby certify that S.B. No. 567 passed the Senate on April 22, 2005, by the following vote: Yeas 28, Nays 0; May 27, 2005, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 28, 2005, House granted request of the Senate; May 29, 2005, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.

Datney Spaw  
Secretary of the Senate

I hereby certify that S.B. No. 567 passed the House, with amendments, on May 25, 2005, by the following vote: Yeas 145, Nays 0, two present not voting; May 28, 2005, House granted request of the Senate for appointment of Conference Committee; May 29, 2005, House adopted Conference Committee Report by the following vote: Yeas 142, Nays 1, three present not voting.

Robert Haney  
Chief Clerk of the House

Approved:

17 JUNE '05

Date

Rick Perry  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
2:15 PM, 6/17/05

Roger Williams  
Secretary of State