#### **DISCLAIMER**

Please be advised that this information is being provided solely as an informational resource. 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 herein should be directed to legal counsel and not to the Comptroller's staff.



Texas Constitution, Article VIII, Section 21 Tax Code, Chapter 26

## Purposes

- Taxpayer awareness
- Limit tax increases

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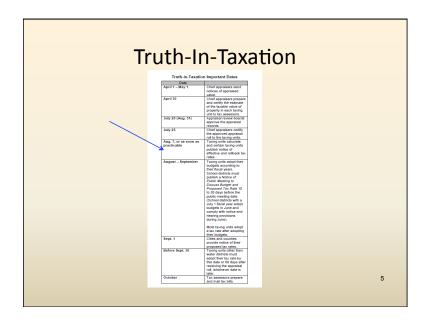
# Truth-In-Taxation

#### **Effective Tax Rate**

- Calculated rate
- Values rise; rate decreases

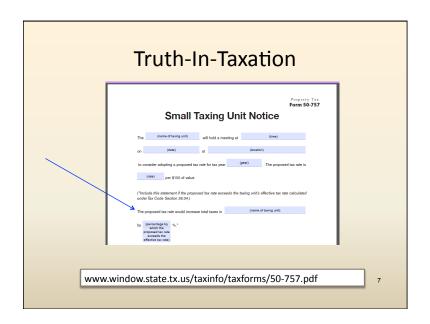
#### Rollback Tax Rate

- Calculated maximum rate
- 8% increase



### **Governing Body Actions**

- Draft budget
- Calculate tax rate
- Publish notices
- Hold hearings
- Adopt tax rate
- Administer rollback election, if necessary



Calculate and publish required rates

- Person designated by governing body
- Failure to comply

Draft a budget and decide how much tax to levy

- Fund the budget
- M&O rate
- Debt service

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# Truth-In-Taxation

Vote by governing body to propose a tax increase

- To place proposal on agenda
  - Must specify desired rate
  - Must be recorded
- Two hearings
  - Within taxing unit boundaries
  - Weekday, not holiday
  - Public building

Publish first quarter-page notice

Notice of Public Hearing on Tax Increase

- Specific language
- 7 days prior
  - Web site
  - Television, if free access

www.window.state.tx.us/taxinfo/taxforms/50-197.pdf

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# Truth-In-Taxation

Hold two public hearings

- Quorum present
- Public comment
- Tax rate not adopted
- Vote announced

Publish second quarter-page notice

- Notice of Tax Revenue Increase
- Web site
- Television, if free access

www.window.state.tx.us/taxinfo/taxforms/50-198.pdf

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# Truth-In-Taxation

Adopt the tax rate in a public meeting

- Open meetings notice
- Agenda item
- Official action item

Adopt the tax rate in a public meeting

- Two-part rate
- Deadline to adopt rate
- Failure to comply

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# Truth-In-Taxation

Administer a rollback election, if necessary

- If tax rate exceeds rollback rate
- Voters may petition

Property Tax Assistance Division Comptroller of Public Accounts 1711 San Jacinto, 3<sup>rd</sup> Floor Austin, Texas 78701

1-800-252-9121

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www.window.state.tx.us/taxinfo/proptax/

Note: The Comptroller's office is providing technical assistance, and not offering legal advice. Interpretations of law must be made by legal counsel.