



mvba Going Further...

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**A Guide for Setting
Tax Rates**

**TRUTH-IN-TAXATION
2018**

for Our Clients

We are pleased to present this easy-to-use guidebook to help you with this year's truth-in-taxation activities.

Thoroughly updated for 2018, based on previous publications by the Office of the Texas Comptroller of Public Accounts.*

**Only MVBA puts
all this information
in one convenient
place for you.**

Please let us know how we can be of further assistance in this process or any questions you may have about your taxing unit's situation.

** Comptroller's worksheets will be dated 2017 until updated in July 2018.*

This guide offers:

- Clear concise definitions of all phrases important to Texas taxing units
- How to calculate effective and rollback tax rates, plus considerations for additional sales tax
- Detailed steps to conduct rollback and ratification elections
- Full support for each of the five categories of taxing units with regards to truth-in-taxation laws:
 - counties and municipalities
 - small taxing units
 - school districts
 - water districts
 - and all other taxing units
- Guidance for each of these categories includes procedures, notice requirements, exceptions, planning calendars, related forms, and more

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Executive Overview

In order to serve their constituents, governing bodies in Texas must establish budgets and set property tax rates in support of those budgets.

The Texas Constitution and Tax Code require taxing units to comply with certain steps when adopting their tax rates. In addition, taxing units are obliged to follow legislative guidelines that ensure the public is informed of any increase.

2 purposes of truth-in-taxation laws

- Make taxpayers aware of tax rate proposals.
- Allow taxpayers to rollback or limit tax increases, in some cases.

4 truth-in-taxation principles

- Property owners have the right to know about increases in their properties' appraised value and to be notified of estimated taxes that could result from the new value.
- A taxing unit, other than a water district, must calculate its effective and rollback tax rates before adopting a current tax rate.
- A taxing unit must publish a notice about either a public hearing or meeting to adopt a tax rate.
- If a taxing unit adopts a rate that exceeds the rollback rate, voters may limit the rate.

Effective and Rollback Rates Defined

Effective Tax Rate

A calculated rate that would provide the taxing unit with about the same amount of revenue it received in the year before on property taxed in both years. If property values rise, the effective tax rate will go down and vice versa.

Rollback Tax Rate

A calculated maximum rate allowed by law without voter approval.

Taxing units other than school or water districts

The rollback rate provides the taxing unit with about the same amount of tax revenue it spent the previous year, plus an 8%—increase, for day-to-day operations, in addition to sufficient funds to pay debts in the coming year.

Taxing units other than school districts

Voters in the unit can circulate a petition calling for an election to limit the size of the tax increase if a tax rate higher than the rollback has been adopted.

Effective and Rollback Rates Defined

School districts

In its most simplistic form, the school district's rollback rate is the LESSER of:

- CURRENT STATE COMPRESSION PERCENTAGE (0.6667)*
✗ 1.50 + \$0.04
- + ANY ADDITIONAL PENNIES FROM SUCCESSFUL TAX RATIFICATION ELECTIONS (TRE) SINCE 2006
- + CURRENT DEBT RATE
- OR -
- THE EFFECTIVE MAINTENANCE AND OPERATIONS (M&O) RATE
- + CURRENT STATE COMPRESSION PERCENTAGE + \$0.06
- + CURRENT DEBT RATE

**To provide property tax relief, the Texas Legislature established a "compressed" tax rate beginning with the 2006 tax year. Per House Bill 3646, 81st Texas Legislature, Regular Session, 2009, (HB 2646), for the 2009 tax year and subsequent years, a district's compressed tax rate (CTR) is its 2005 M&O tax rate multiplied by the state compression percentage, which is 0.6667%. The compression percentage to be attained each year is not set in statute, but is instead contained in a rider to Article III of the appropriations bill.*

Timetables for truth-in-taxation activities

The Tax Code establishes many target dates for truth-in-taxation activities. Although circumstances may force appraisal districts or taxing units to alter their timetables, a well-planned calendar provides a framework for successful truth-in-taxation events.

Beginning in late July or early August, taxing units take the first step toward adopting a tax rate by calculating and, in some instances, publishing the effective and rollback tax rates.

Each category of taxing unit follows a slightly different planning calendar. In some instances, there are two calendars to review:

- one for a taxing unit whose proposed tax rate does not exceed the limits and
- another for a taxing unit whose proposed tax rate does exceed the limits.

If a taxing unit's governing body does not propose a tax rate that exceeds legislative limits, it can adopt the property tax rate at a scheduled meeting for that purpose following the proper notice requirements.

General provisions for Texas taxing units

All taxing units, other than water districts

If a taxing unit levied a property tax in the previous year and intends to levy a tax in the current year, they must calculate an effective and rollback tax rate. Counties, municipalities, school districts and small taxing units do not have to publish these calculations, but must make the calculations available for public inspection, if requested.

By August 7, or as soon thereafter as practicable, the designated officer or employee calculates, then submits the effective and rollback tax rates to the unit's governing body.

Water districts are exempt from the effective tax rate calculations and publication requirements.

New taxing units

A taxing unit that did not levy property taxes in the previous year is not required to comply with truth-in-taxation laws, unless it levied the additional sales tax to reduce property taxes the previous year.

Consolidation of two or more taxing units

A newly consolidated taxing unit handles effective and rollback rate calculations differently.

- To determine the effective tax rate, the newly consolidated unit calculates last year's taxes separately for each unit and combines these levies. This combined tax levy is divided by the total current year value for the consolidated unit.
- To determine the rollback tax rate, separately calculate, and then combine, the M&O tax levies of each unit. Divide the combined M&O levies by the total taxable value for the current year. The calculation for the debt rate remains the same with no additional steps. Add the calculation for the effective M&O and the debt rate to get the rollback rate.

Vote requirements for proposed tax rates that exceed limits

Recent legislation requires that at least 60% of the members of the governing body of a taxing unit, other than a school district, must vote in favor of a tax rate that exceeds the effective tax rate. For a school district, a vote setting a tax rate that exceeds the sum of the effective M&O tax rate and the current debt rate must be a record vote and at least 60% of the

members of the governing body must vote in favor of the ordinance, resolution or order.

Failure to comply

- If the taxing unit fails to comply in good faith with the computation or publication requirements, a taxpayer of the unit may seek an injunction to prohibit the unit from adopting a tax rate.
- Additionally, if a taxing unit fails to comply in good faith with certain tax rate adoption procedures, a taxpayer of the unit may seek an injunction restraining the collection of taxes. This injunctive action must be filed prior to the date the taxing unit delivers substantially all of its tax bills.
- The injunction process does not apply to small taxing units that follow Tax Code Section 26.052 or to water districts.

Administer a rollback election, if necessary

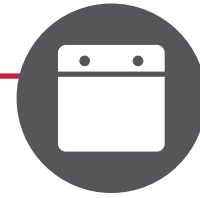
If a taxing unit, other than a school district, adopts a tax rate that exceeds the rollback rate, voters in the unit may petition for an election on the tax increase.

A school district, however, is required to hold an automatic rollback election—without the petition process—to ratify a current year's tax rate, if the school board adopts a rate above the rollback rate. These are called Tax Ratification Elections, or TREs.



Open meetings

In compliance with the open-meetings law, Government Code Chapter 551, all taxing units must post notice of the unit's meetings and the meetings must be open to the public.



Deadline to adopt rate

Tax Code Section 26.05 requires a taxing unit, other than a water district, to adopt its rate before September 30, or by the 60th day after the taxing unit receives the certified appraisal roll, whichever date is later.

Failure to adopt a tax rate by this deadline

If a taxing unit misses the deadline, the unit must adopt its effective tax rate or last year's rate, whichever is lower, as its tax rate for the current year. The governing body must ratify the applicable tax rate as the adopted rate before the fifth day after establishing that tax rate.



Agenda item and official action

State law requires most counties, general law cities and school districts to adopt a budget before they adopt a tax rate. These units may adopt a budget and a tax rate at the same meeting as long as the budget is adopted first as a separate item.

Other taxing units should refer to their enabling legislation, such as the Local Government Code, for specific guidance.

The taxing unit's governing body must adopt a tax rate by official action and set it out in a written resolution, ordinance or order. Tax Code Section 26.05 (b) provides specific language relative to this procedure and can be found in the Appendix.



Prepare and mail tax bills

Tax Code Section 31.01 (a) requires taxing units to prepare and mail a tax bill to each property owner by October 1, or as soon thereafter as possible. Tax Code Section 31.01 (c) gives specific direction on the required items that must be on a tax statement while (d-1) has additional instructions for a school district's tax bills.

General truth-in-taxation planning calendar for all taxing units

This calendar covers the entire truth-in-taxation process and includes both suggested and “mandated” Tax Code dates.

Date	Activity
April–May	Mailing of notices of appraised value by chief appraiser
April 1	Chief appraiser consults with assessor concerning the form in which the roll will be provided
April 30	Certification by chief appraiser of an estimate of taxable value for county, city or school district
May 15 or as soon thereafter as practicable	Submission of appraisal records to Appraisal Review Board (ARB)
July 20	Deadline for ARB to approve appraisal records (August 30 for a county of one million or more)
July 25	Deadline for chief appraiser to certify appraisal roll to assessor
August 1 or as soon thereafter as practicable	Assessor submits appraisal roll to governing body
August 1 or as soon thereafter as practicable	Collector for the taxing unit certifies the estimated collection rate for the current year
August 7 or as soon thereafter as practicable	Assessor submits the effective and rollback tax rates to the governing body
August–September	Governing body adopts its budget, holds hearings, if required, and adopts a tax rate
September 29	A taxing unit must adopt its tax rate by this date, or 60 days after receiving the certified appraisal roll, whichever is later

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Effective Tax Rate

The effective 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 if applied to the same properties taxed in both years.

Calculating the effective tax rate requires both last year's taxes (Levy) and the current year's taxable Value for property taxed in both years. In short, divide the levy by the value and multiply that by 100 to get the effective tax Rate.

The calculation process

The chief appraiser certifies and delivers the appraisal roll to the taxing unit. This includes the estimated value of properties under protest and the values of properties not under protest that are not listed in the certified appraisal roll.

The taxing unit's assessor determines the following and submits it to the governing body:

- total appraised and taxable value of property in the taxing unit,
- total appraised and taxable value of new improvements, and
- total taxable value of property annexed since the previous year.

The governing body designates an officer or employee to calculate the effective and rollback tax rates.

$$\left(\frac{\text{LAST YEAR'S TAXES} - \text{LOST PROPERTY LEVY}}{\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE}} \right) \times \$100 = \text{EFFECTIVE TAX RATE}$$



Line-by-line explanations of effective tax rate calculations

The first section of these worksheets is used to calculate the effective tax rate.

- Taxing Units Other Than School Districts or Water Districts (Comptroller Form 50–856)
- School Districts (Comptroller Form 50–859)

For taxing units other than school or water districts, Lines 1–15 of the effective tax rate worksheet are used to calculate last year's adjusted taxes (Levy). Lines 16–23 determine the current total Value. Lines 24 and 25 give the current year's effective tax Rate.

These line numbers vary only slightly for school districts in order to accommodate Tax Code Chapter 313 limitation agreements.

Water districts are not required to calculate the effective tax rate.

Last year's taxes (Levy)

Prior year's taxes

First, determine the total taxes for the prior year, including all supplements and corrections that have occurred to the tax roll since the prior year's certification and tax rate adoption. The process begins by making value adjustments that will eventually be converted to reflect a tax levy.

However, do not include corrections ordered according to Tax Code Section 25.25 (d) for late appraisal roll changes ordered by the Appraisal Review Board (ARB) as of the date of calculation

(Line 1). To do so would result in lower effective and rollback tax rates for the taxing unit.

Tax ceiling adjustment

If a county, city or junior college adopted the tax ceiling provision in the prior tax year for homeowners age 65 or older, or homeowners who are disabled, that taxing unit adjusts last year's value by subtracting the value of those homesteads with tax ceilings. School districts have a state-mandated ceiling for homeowners age 65 or older, or disabled persons, and must subtract the value of these properties also (Line 2).

Subtracting the value lost because of these tax ceiling changes results in the taxing unit's adjusted taxes for the prior tax year (Line 3).

Court appeals

Any court-ordered refunds made in the prior year must be included as a separate step in the tax rate calculation. A taxing unit may increase the last tax year's taxes to reflect lost taxes due to a court-overruled ARB decision with a lower taxable value. Including these refunds in last year's levy results in higher effective and rollback tax rates that give taxing units the ability to recapture revenue removed from last year's taxes (Line 5 A–C).

Lost value

Taxing units must reduce last year's total taxes for the amount of lost property levy. This is the amount of taxes on property value that was taxable in the prior year, but not in the current year; such as property value not taxed in the current year that ceased to be a part of the taxing unit (Line 7), received a new exemption (Line 8C) or qualified for special appraisal in the current year (Line 9C). Property that first qualified for a new exemption does not include freeport property or goods-in-transit property. Tax Code 26.012 (15) lists all exceptions.

Refunds

Taxing units required to refund taxes for tax years previous to the last year must include the refunded taxes in last year's levy. Taxing units include all types of refunds for years before the prior year including court decisions older than one year, corrections and payment errors (Line 13). Refund information can be obtained from the collector.

Tax Increment Financing (TIF)

Taxing units exclude the taxes agreed to be paid into a TIF fund and the portion of the captured appraised value that corresponds to the TIF payment in calculating both the effective and rollback tax rates. School districts do not make this calculation.

The captured appraised value is the difference between the current appraised value and the base appraised value, which is the value that existed at the time the TIF was created. The taxes on the base appraised value remain with the taxing unit. Only the portion of the captured appraised value that corresponds to the portion of the tax increment agreed to be paid into the TIF fund may be excluded in the tax rate calculations.

If a taxing unit does not have TIF-captured appraised value in the current year to exclude from the effective and rollback tax rate calculations, then it does not have any TIF taxes to exclude in those calculations (Line 14). This provision addresses the situation when the taxable values in a TIF decline, rather than continue to increase.

Making all the appropriate adjustments results in last year's adjusted levy (Line 15).

Current taxable value

Certified value

Before calculating its effective tax rate, a taxing unit must adjust the current tax year values. Start with the total taxable value on the certified appraisal roll as of the date of calculation (Line 16A). Counties add the railroad rolling stock values certified by the Comptroller's office (Line 16B).

TIF adjustment

A taxing unit, other than a school district, subtracts the captured appraised value of property taxable in a TIF zone that corresponds to agreed-upon levy to be paid into the tax increment fund. The TIF-captured appraised value to be deducted in the effective and rollback calculations do not include any value that was included as new property value in the calculations. This provision prevents a taxing unit from including the same value in two different deductions in the calculations (Line 16 D).

Properties under protest or not certified

If a property's value is under protest when the taxing unit receives the certified appraisal roll, the chief appraiser submits both the appraisal district and the taxpayer's estimated values. In calculating the effective and rollback tax rates, the taxing unit uses the lower taxable value.

If the property owner did not estimate a value, the chief appraiser must estimate the outcome of the ARB appeal. The following two rules govern this estimate.

- If this year's appraised value is the same or less than last year's, the chief appraiser estimates the value that would be assigned if the property owner wins.
- If this year's value is greater than last year's, the chief appraiser uses last year's value. However, if it's likely that the ARB will reduce the value, the chief appraiser should estimate the ARB value.

The unit adds the value of properties still under protest that have not been determined by the ARB (Line 17A). The chief appraiser also must give taxing units a list of taxable properties that the chief appraiser knows about, but that are not included on the certified appraisal roll. These properties are not on the list of properties that are still under protest.

The chief appraiser includes the market value, appraised value and exemptions for the prior year and a reasonable estimate of the market value, appraised value and exemptions for the current year. A taxing unit's tax assessor must use the lower of the market, appraised or taxable value

for computing the taxing unit's effective and rollback tax rates (Line 17B).

Tax ceiling adjustment

If a county, city or junior college adopted the tax ceiling provision in the prior tax year, the current year's values are adjusted by subtracting the current year's values of homesteads with tax ceilings for both age 65 or older and disabled homeowners (Line 18). School districts must subtract the values of properties with a tax ceiling.

New property value

The taxing unit subtracts the value of new property, that is property that has been annexed since January 1 of the prior tax year (Line 20).

For real property, new value includes additions to existing improvements, such as a garage, or new separate structures added to a property containing existing improvements, such as a company expansion, made after January 1 of the prior tax year. Only the value of the individual new improvement is new value. The increased value on any existing structures is not new value.

For personal property, new value includes only the personal property that is located in a new improvement and that entered the taxing unit after January 1 of the prior tax year.

New property value also includes property value in the current year that was previously exempt under an abatement agreement. New property value for tax abatements applies to agreements that are expiring and to agreements that have a declining percentage or amount of exemption each year.

Certain taxing units include value changes that increase in value from the preceding year as new property. This includes land value that increased from the prior year because the land was subdivided by plat; had water, sewer or drainage lines installed; or paving of undeveloped land (Line 21).

By subtracting any new property value, the unit adjusts the current year's taxable values to include only property taxed in the current tax year and the prior tax year (Line 23).

Special cases

Counties

The effective tax rate for a county is the sum of the effective tax rates calculated for each type of tax the county levies (Line 25). These rates are commonly referred to as:

- County General Tax,
- Farm-to-Market or Flood Control Tax, and
- Special Road and Bridge Tax.

School districts

School districts with Tax Code Chapter 313 limitation agreements take additional steps when calculating the effective tax rate. While school districts do not publish the effective tax rate or use it as a benchmark for public hearings, it is necessary to calculate in order to comply with Tax Code Section 26.05 (b), which can be found in the Appendix. This section of the Tax Code requires specific language be used in the motion to adopt the current year's tax rate in comparison to the effective tax rate.

Effective Tax Rate Calculation

Calculating the effective tax rate requires the prior year's taxes (Lines 1–15) and the current year's taxable value for property taxed in both years (Lines 16–23). Dividing the taxes by the value (and multiplying by 100 to convert to a rate per \$100 of value) produces the effective tax rate (Line 24).

Rollback Tax Rate

To preserve a taxing unit's ability to pay their debt service, the Texas legislature split these calculations into two components:

Maintenance and operations (M&O) rate

- includes salaries, utilities and other day-to-day operations
- is the tax rate needed to raise 8% more operating funds than were levied in the preceding year, except for school districts

Debt service rate

- covers the interest and principal on bonds and other debt secured by property tax revenues
- also called "interest and sinking" (I&S)
- does not depend on prior year's debt taxes at all, only what the unit will need for the current year
- does not trigger a rollback when the portion of the overall rate used to retire debt rises

The calculation process

Calculations for the rollback tax rate are more complicated than for the effective tax rate. Ultimately, the rollback tax rate is the sum of the M&O and debt services rates.

In most cases, this rate will exceed the effective tax rate. However, on occasion, decreases in the

taxing unit's debt service will cause the effective tax rate to be higher than the rollback tax rate.

Exceptions

School districts

The M&O portion allows school districts to add four cents (\$0.04) to the lesser of the current compressed operating tax rate or the effective M&O rate to generate operating funds. School districts get to add to the compressed operating rate any additional cents approved by voters in tax ratification elections since 2006.

Water districts

None of the foregoing procedures apply. Water districts follow Water Code Section 49.236 (d) to calculate their rollback tax rate.

Basic Rollback Tax Rate Calculations

(except school districts)

LAST YEAR'S M&O LEVY

÷

CURRENT ADJUSTED
TAXABLE VALUE

× \$100 =

EFFECTIVE M&O RATE

× 1.08 =

ROLLBACK TAX
RATE LIMIT

+

DEBT RATE

=

TOTAL ROLLBACK
TAX RATE

Line-by-line explanations of rollback tax rate calculations

The Second Section of these Worksheets is Used to Calculate the Rollback Tax Rate.

- Taxing Units Other Than School Districts or Water Districts (Comptroller Form 50–856)
- School Districts (Comptroller Form 50–859)

With the exception of school districts and water districts, the M&O tax rate calculation begins with Line 26 and goes through Line 31. Line 28 can have up to six different adjustments depending on special provisions. The debt service component rate calculations begin with Line 32 and go through Line 38. The total rollback tax rate is determined on Line 39, for taxing units other than counties, school districts and water districts. Line 40 gives the total rollback tax rate for counties only.

M&O Component

To calculate the current year's effective M&O rate, start with last year's M&O rate (Line 26). Multiply the adjusted taxable value for the preceding year (Line 27) by last year's M&O rate, then divide by \$100. This gives you the adjusted M&O tax levy for the previous year (Line 28A).

Up to six special provisions.

Some taxing units must perform extra steps to adjust their rollback tax rates. Many of these adjustments provide for a higher rollback tax rate.

Sales tax. Counties, cities and applicable hospital districts, add the last year's sales tax revenue spent on M&O to the adjusted M&O levy (Line 28B).

The last year's sales tax revenue is the amount from the first full year of sales tax revenue spent for M&O and is provided by the governing body's Chief Financial Officer (CFO).

Counties only. Exclude the amount of sales tax revenue which was distributed for economic development grants. The county subtracts this amount from the sales tax revenue spent in the calculation of the county's effective M&O rate (Line 28B).

Counties may increase their rollback tax rate to replace funds spent to house prisoners sentenced to state correctional facilities. This amount includes the cost during the previous twelve months to keep inmates in county-paid facilities after they have been sentenced to a Texas Department of Criminal Justice facility (Line 28C).

The county auditor certifies the amount, based on information provided by the county sheriff, minus any amount received from the state for reimbursement. If the amount is the same or less, the county does not adjust the M&O rate. The county continues to use the same twelve-month period in subsequent years. For more information on this mandate, call the Texas Commission on Jail Standards at (512) 463–5505.

Transferring a function or activity. If a taxing unit discontinues all of a department, function or activity and transfers it to another taxing unit by written contract, the two taxing units must adjust their M&O rates for the transfer. The taxing unit discontinuing the function subtracts the amount spent for the function in the twelve months preceding the month of the rollback tax rate calculation. If the taxing unit did not operate this function for this twelve-month period, the discontinuing taxing unit uses the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit receiving the function adds this amount to the rollback tax rate for the function's expenses (Line 28D).


Refunds. Taxing units required to refund taxes for tax years previous to the last year must include the refunded taxes in last year's M&O levy only. Taxing units include all types of refunds for years before the prior year including court decisions older than one year, corrections and payment errors (Line 28E). This may or may not be the same amount entered on Line 13 of the Effective Tax Rate Worksheet, depending on whether or not the taxing unit has debt. Refund information can be obtained from the collector.

Enhanced indigent health care. A taxing unit can increase its rollback tax rate to generate funds it will spend for enhanced indigent health care expenses, which is the amount spent for M&O costs of providing indigent healthcare at the increased minimum eligibility standards. Deduct any state assistance received for these expenses.

Compute the enhanced indigent health care expenditures for the prior tax year by subtracting

the taxing unit's increased expenditures from July 1 of the year preceding last year through June 30 of last year and the amount of any state assistance from the enhanced expenditures for the current year. Any remaining amount is the increased amount for the current year (Line 28F).

Tax Increment Financing (TIF). Taxes paid into the tax increment fund for a reinvestment zone are deducted.



M&O (LEVY) FOR PREVIOUS YEAR ÷ CURRENT YEAR'S TAXABLE VALUE

× \$100 = EFFECTIVE M&O RATE

× 1.08 = ROLLBACK TAX RATE LIMIT

To recap, a taxing unit, other than a school district, calculates last year's M&O taxes and, if applicable:

- adds additional sales tax spent,
- adds expenses for the state criminal justice mandate,
- adds receipt of a transferred function costs,
- adds refunded taxes, and/or
- adds any enhanced indigent healthcare expenditures not reimbursed by the state.

Further, if applicable, the taxing unit:

- subtracts the expense of a transferred function and subtracts taxes paid into a TIF.

Completing all applicable calculations yields the adjusted M&O taxes (Line 28H).

Divide the adjusted M&O taxes by the current taxable value (Line 29) and multiply that by \$100 to get the effective M&O rate (Line 30).

Multiply the effective M&O rate by 1.08 to get the rollback tax rate limit (Line 31). This rate, when added to the debt rate, gives the total rollback tax rate.

Debt Service Component

This portion of the rollback tax rate is the rate necessary to pay the taxing unit's debt payments in the coming year (Line 32A).

The portion of the overall rate used to retire debt may rise as high as necessary without triggering the threat of a rollback.

This step concerns the actual debt payments required for the current fiscal year, not the last fiscal year's debt. Remember, these are debt payments that the current year's property taxes will pay.

A taxing unit that pays debt with other funds should include those payments in the calculation (Line 32B–C).

Excess Debt and Anticipated Collections.

A taxing unit that levies a debt service tax must consider anticipated collections in calculating the debt service component of its rollback tax rate. The collector for such a taxing unit must certify the current year's estimated debt collection rate and last year's excess debt tax collections to the governing body (Lines 33, 35).

Excess Debt Tax Collections for Prior Year.

The law requires the collector to compare the actual collected amount for last year's debt, from July 1 of last year through June 30 of the current year, against the amount which the collector had estimated according to last year's anticipated

collection rate. Actual collections include current taxes, delinquent taxes, special appraisal rollback taxes, penalties and interest.

EXAMPLE | Excess Debt Collections

Last year, the collector projected a collection rate of 95% and the governing body levied \$500,000 in debt service taxes. The anticipated debt tax collections last year were \$475,000 ($0.95 \times \$500,000$). The collector determines whether the total amount of debt service taxes collected from July 1 of last year through June 30 of the current year exceeds \$475,000 and determines the amount of any excess. If the taxing unit collected \$485,000 in debt service taxes last year, the collector certifies excess debt tax collections of \$10,000. The taxing unit subtracts this \$10,000 from the current year's debt payments to lower the current year's debt service rate.

If the taxing unit took in more debt tax dollars than the estimated collection, the collector certifies the amount of excess debt tax collections to the governing body (Line 33).

The collector will not know the precise amount until this collection period is completed. Truth-in-taxation laws, however, require the collector's estimate.

Estimated Debt Collection Rate for Current Tax Year.

To find the estimated collection rate, the collector must first estimate the taxing unit's total debt collections from July 1 of the current year through June 30 of the next year. This estimate equals the total tax dollars that will be collected for current debt taxes, delinquent taxes, special appraisal roll-back taxes, penalties and interest.

The collector compares this amount to what the taxing unit plans to levy for paying debt service in the current fiscal year (Line 35).



Dividing the estimated collections by the required debt payments gives the estimated collection rate.

EXAMPLE | Anticipated Collections

The collector projects the taxing unit will take in \$950,000 in debt revenues before July 1 of next year. The taxing unit's budget calls for it to levy \$1 million in debt service taxes for the current year. The anticipated collection rate is \$950,000 divided by \$1 million, or 95%.

Using an anticipated collection rate of less than 100% in the calculations creates a higher debt levy. If the collector's anticipated collection rate exceeds 100%, the collector uses 100% in the calculation. Delinquent taxes from prior years may generate more than a 100% collection rate. If the collector projected a collection rate of 100% for last year and collected more than 100%, the collector may certify excess debt collections of zero.

Calculating the Debt Service Rate

The debt service component does not use the same adjusted current taxable value as the effective tax rate and the effective M&O rate.

It uses the taxable value of all taxable properties less properties with a tax ceiling or the appropriate portion of any TIF-captured appraised value. Dividing the adjusted debt payments (Line 36) by the current year's total taxable values (Line 37), times \$100, gives the debt service portion of the rollback tax rate (Line 38).

For all other taxing units (AOTU) that must publish the effective tax rate notice and Schedule B showing the Current Year Debt Service, the debt rate calculated is the debt rate that is published. The published debt rate is the same rate the governing body must adopt.

Total Rollback Tax Rate

Adding the M&O rollback rate and the debt service rate creates the total rollback tax rate for taxing units other than school districts and water districts.

School District Rollback Tax Rate

School districts are required to consider the amount of facilities state aid (Existing Debt Allotment and/or Instructional Facilities Allotment) they will receive in setting their local debt service rates.

School districts that do not take the state funding into account will both violate state law and levy debt rates that are too high.

Doing so reduces the amount of debt that school districts pay from local funds and produces a lower debt service tax rate.

The rollback rate is a calculated maximum rate allowed by law without voter approval. The rollback rate is the LESSER of:

**CURRENT STATE COMPRESSION PERCENTAGE
(0.6667)***

✗ 1.50 + \$0.04

**+ ANY ADDITIONAL PENNIES FROM SUCCESSFUL
TAX RATIFICATION
ELECTIONS (TRE) SINCE 2006**

+ CURRENT DEBT RATE

– OR –

**THE EFFECTIVE MAINTENANCE
AND OPERATIONS (M&O) RATE**

**+ CURRENT STATE COMPRESSION PERCENTAGE
+ \$0.06**

+ CURRENT DEBT RATE

Water District Rollback Tax Rate

It is the current year's debt service and contract tax rates, plus the M&O rate that would impose no more than 1.08 times the amount of M&O tax imposed in the preceding year on the average appraised value of a residence homestead in the water district.

The rollback tax rate is the highest rate the water district may adopt without qualified voters petitioning for a rollback election.

The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

Rollback Tax Rate Calculation

Calculating the rollback tax rate requires the prior year's M&O taxes plus an 8% increase (Lines 28H, 31). Adding the debt rate (Line 38) to this calculated M&O rate creates the total rollback rate (Line 39 or 40, whichever is applicable) for a taxing unit other than a school or water district.

School districts add the lesser calculated M&O rate (Line 27) to the debt rate (Line 34) to create the district's total rollback rate (Line 35).

Water districts create a rollback rate by using the taxable value of an average residence homestead. The calculated maximum M&O rate (Line 10) is added to the debt rate (Line 11) and the contract rate (Line 12) to produce a total rollback rate for the district.

Additional Sales Tax to Reduce Property Taxes

Tax Code provisions allow cities, counties and hospital districts to levy a sales tax specifically to reduce property taxes. In each case, the taxing unit reduces its effective and rollback tax rates to offset the expected sales tax revenue.

Timing a Sales Tax Election

Local voters must approve imposing or abolishing the additional sales tax by election. Elections may be held on either of the two general election dates in May or November. If the additional sales tax to reduce property taxes passes, the taxing unit will calculate the reduced effective and rollback tax rates using Section 3, Lines 41–48, of the Comptroller’s Tax Rate Calculation Worksheet.

Collecting the sales tax begins on October 1 following the first full quarter after the taxing unit notifies the Comptroller’s office of the election results. A taxing unit that held a successful election in November of 2017 or May 2018 will adjust its 2018 rates.

Impact on effective and rollback tax rates

A taxing unit that adopted the additional sales tax in prior years adjusts only its rollback tax rate each year thereafter.

However, a taxing unit that adopted the additional sales tax in November of the previous year or in May of the current year must adjust both its effective and rollback tax rates.

Steps for the first year

For the first-year adjustment to both effective and rollback tax rates, compute an additional tax rate based on an estimate of sales tax revenue and subtract that rate from the effective and rollback tax rates.

This adjustment rate is called the sales tax gain rate. To calculate it for the first time, contact the Comptroller’s office to get an estimate of the last four quarters’ total dollar-volume of business activity subject to sales tax (Line 41). The Comptroller’s Tax Allocation Section can be reached at (800) 531–5441, extension 3–4530.

Multiply that estimate by the voter approved additional sales tax rate (usually 0.005) and multiply the result by 95% (Line 42A). Using 95% yields a conservative amount to offset low first-year estimates of the total taxable sales. This number is the sales tax revenue estimate.

**TOTAL ESTIMATE OF BUSINESS ACTIVITY
SUBJECT TO SALES TAX DURING THE LAST
FOUR QUARTERS, OBTAINABLE FROM THE
COMPTROLLER'S TAX ALLOCATION SECTION**

×

**VOTER-APPROVED ADDITIONAL
SALES TAX RATE**

×

95%

=

**SALES TAX
REVENUE ESTIMATE**

Divide that estimated levy amount by the current year's total taxable values (Line 43) and multiply the result by \$100 to arrive at the sales tax gain rate (Line 44). Subtract the sales tax gain rate from the effective tax rate (Line 45) and the rollback tax rate (Line 47) to adjust for the anticipated additional sales tax (Lines 46, 48).

Counties exclude the amount of sales tax revenue that is or will be distributed by the county for economic development grants which are created and authorized by Local Government Code Chapter 381.

Steps for following years

Effective tax rate

Once a taxing unit has collected the additional sales tax for a year, its property tax revenues will already reflect any tax rate reduction arising from the additional sales tax. As a result, an adjustment to the effective tax rate is no longer necessary.

Rollback tax rate

Since the M&O component of the rollback tax rate uses last year's sales tax revenue, the taxing unit must continue to subtract a sales tax adjustment rate (Line 48) from the rollback rate.

Sales tax in the M&O rate

To calculate the effective M&O rate, add the last year's sales tax revenue spent on M&O to the adjusted M&O levy.

The last year's sales tax revenue is the amount from the first full year of sales tax revenue spent for M&O (Line 28B). This adjustment properly accounts for sales tax revenue received in the preceding year. If it were not added, the sales tax adjustment would not accurately reflect the change in sales tax revenue from one year to the next.

Again, counties exclude the amount of sales tax revenue distributed for economic development grants. Subtract this amount from the sales tax revenue spent in the calculation of the county's effective M&O rate.

Sales tax adjustment rate

After the first year, the sales tax adjustment rate is based on actual sales tax collections in the previous four quarters. The Comptroller's office supplies this amount on request. Also, a taxing unit's historical summary of monthly local sales and use tax allocation payments is available on the Comptroller's website at <https://comptroller.texas.gov/taxes/sales/>.

Unlike the first year, there is no 95% adjustment. To calculate the sales tax adjustment rate, the taxing unit must divide the additional sales tax revenue from the last four quarters (Line 42B) by this year's

total taxable values (Line 43). Multiply this number by \$100 to arrive at the sales tax gain rate (Line 44).

Changing the additional sales tax rate

If the taxing unit either increases or decreases the sales tax rate from last year, there is an additional step to determine the projected sales tax.

Abolishing the additional sales tax

If voters abolish the additional sales tax to reduce property taxes, the taxing unit adjusts its effective tax rate upward by adding a sales tax loss rate. To calculate this rate, divide sales tax revenues for the last four quarters by the current year's property value, then add that result in calculating the effective tax rate.

To calculate the rollback tax rate, the taxing unit includes the sales tax in the M&O rate but does not include the sales tax loss rate.

Tax bills and the additional sales tax

Taxing units that levy the additional sales tax must show on tax bills the amount of additional property taxes that the taxpayer would have paid had the additional sales tax not been adopted. The language on the property tax statement could read, "\$XX.XX amount of property taxes the taxpayer would have paid if sales tax for Property Tax Relief had not been adopted."

The Comptroller's office recommends calculating this amount by applying the sales tax adjustment rate (Line 44) to each property's total taxable value.

City mass transit sales tax

In the tax year in which a city has set an election on whether to impose a local sales and use tax for mass transit, the city may not make effective and rollback calculations until the outcome of the election is determined.

If the sales tax rate increased (for example, from \$0.0025 to \$0.005), the taxing unit must have two sales tax projections. The first projection uses the increased rate; the second projection does not. The difference between the two projections is the extra revenue generated by the rate increase. In the first year that the rate changed, the effective tax rate is the rate before the increase, less a rate for the extra revenue. To determine the revenue gain rate to subtract, divide the revenue gain by the current total property values (less new property value).

If the sales tax rate decreased (for example, from \$0.005 to \$0.0025), then the taxing unit again has two sales tax projections: the new decreased rate and the old rate. The difference between the two projections is the revenue loss for the rate change. In the first year that the rate changed, the effective tax rate is the rate before the decrease, plus a rate for the revenue loss. To determine the revenue loss rate to add, divide the revenue loss by the current total property values (less new property value).

If the election is determined in favor of the imposition of the tax, the city must subtract from the city's rollback and effective tax rates the amount that, if applied to the city's current total value, would be equal to the amount of property taxes budgeted in the current tax year to pay for expenses related to mass transit services.

Additional Rollback Protection for Pollution Control

Any taxing unit may increase its rollback tax rate to recoup funds spent on pollution control. This program is called Tax Relief for Pollution Control Property and is permitted by the Texas Commission on Environmental Quality (TCEQ).

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements.

Such a scenario might be when a taxing unit discovers asbestos during a remodeling project and must abate it before proceeding. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the TCEQ.

The TCEQ executive director issues a determination letter stating the portion of the cost (Line 49) of the installation for pollution control. The taxing unit must provide its tax assessor with a copy of the TCEQ letter. The tax assessor must accept the copy stating the cost of the pollution control property as conclusive evidence and shall adjust the rollback tax rate. Taxing units should check for rules regarding this process by calling TCEQ's Air Quality Division at (512) 239-6348 or online at Tax Relief for Pollution Control Property at <https://tceq.texas.gov/airquality/taxrelief>.

To find the additional rate for pollution control that is to be added to the rollback tax rate divide the amount certified by TCEQ letter by the taxing unit's current total value. Multiply the result by 100.

Taxing units other than school districts use Section 4 (Lines 49-52) of the Comptroller's Tax Rate Calculation Worksheet. School districts use Section 3 of their respective worksheet (Lines 36-39).

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Counties and Municipalities

Texas has 254 counties and over 1,000 cities that levy a tax on the taxable value of properties. Many of these counties and cities also have a voter-approved additional sales tax to reduce property taxes. Verify additional sales tax information for any county or municipality on the Comptroller's website at <https://mycpa.cpa.state.tx.us/taxrates/RateHist.do>.

Procedures

A county or city must calculate the effective and rollback tax rates according to Tax Code Section 26.04 (c). If the county or city has an additional sales tax to reduce property taxes, the unit will have to complete additional steps and make further adjustments. For a full discussion on the calculation of these rates, please refer to second section of this guidebook.

The designated officer or employee will calculate the effective and rollback tax rates and submit them to the governing body by August 7, or as soon thereafter as practicable. The taxing unit's effective tax rate is a calculated rate generally equal to the last year's taxes divided by the current taxable value of properties that were also on the tax roll last year. The resulting tax rate is used for comparison and as a benchmark for certain notice requirements.

The city or county has to notify the public of the proposed tax rate by publishing, or mailing to each property owner, a Notice of Proposed Tax Rate (Comptroller Form 50-818), which can be found in the Appendix.

Not Exceeding Rate Limits

If the governing body proposes a tax rate that does not exceed the lower of the effective or rollback tax rates, then the county or municipality is not required to hold two public hearings.

This notification must be published or mailed by September 1, or by the 30th day after the date the taxing unit received the appraisal roll, whichever is later. The governing body must adopt a rate before September 30, or 60 days after receiving the certified appraisal roll.

The adopted tax rate consists of two components. Each is approved separately. The governing body will adopt both a debt rate and an M&O rate. The assessor will enter the amount of tax determined using the appraisal roll and the adopted tax rate and submit it to the governing body for approval. The governing body will approve these amounts which will become the tax roll. The assessor will mail tax statements.

County or Municipality

Planning calendar for county or municipality **NOT EXCEEDING** rate limits

Statutory Date*	As soon thereafter as practicable or scheduled date	Activity
July 20	or _____	Deadline for ARB to approve appraisal records
July 25	_____	Deadline for chief appraiser to certify appraisal roll
Aug 1	or _____	Assessor submits appraisal roll to governing body
Aug 1	or _____	Collector for taxing unit certifies estimated collection rate for the current year
Aug 7	or _____	Assessor calculates the Effective and Rollback Tax Rates
	_____	72-hour notice for meeting to propose tax rate
	_____	Meeting of governing body to take record vote of proposed tax rate
	_____	Deadline for submission of quarter-page notice to newspaper
	_____	Notice of <i>Proposed Tax Rate</i> posted to internet website of taxing unit
By Sept 1	_____	Date Notice of <i>Proposed Tax Rate</i> appears in the newspaper
	—or—	
By Sept 1	_____	Date <i>Notice of Proposed Tax Rate</i> is mailed to each property owner in taxing unit
	_____	72-hour notice for meeting to adopt tax rate
By Sept 30	_____	Meeting to adopt tax rate

*Tax Code Section 1.06 directs that if a date falls on a weekend, the deadline is extended to the following regular business day.

Exceeds Limit Rate Proposal

If the governing body votes for a proposed rate that exceeds the lower of the effective tax rate or rollback rate, additional actions must be taken, specifically two public hearings and a public notice of same.

The governing body must vote for a specific proposed rate as this rate will be used as a comparison and be published both in the newspaper and on the internet.

After holding two public hearings, the governing body will meet to adopt the tax rate. The governing body must also comply with Tax Code Section 26.05 (b) when making the motion to adopt a tax rate that exceeds the effective tax rate. If the ordinance, resolution or order proposes a tax rate for the unit that will raise more funds for M&O, the taxing unit must further comply with Tax Code Section 26.05 (b), which can be found in the Appendix.

Public Hearing Requirements

If the governing body has proposed a rate that exceeds the lower of the effective or rollback tax rates, it must schedule two public hearings. These hearings must:

- have a quorum of the governing body present at both hearings,
- take place within the boundaries of the taxing unit,
- be conducted on a weekday that is not a holiday,
- take place in a public building or, if a public building isn't available, in a building normally open to the public, and

- allow taxpayers an opportunity to express their views at each hearing.

When scheduling the two hearings, the second hearing may not be held earlier than the third day after the date of the first hearing.

The governing body must follow a strict timetable once it holds these public hearings. The meeting to vote on the tax rate must take place no less than 3 days and no more than 14 days after the second public hearing. Similar to the public hearings, the meeting to vote must take place in a building inside the taxing unit's boundaries; however, the meeting can take place on any day, including a holiday.

Public Hearing Notice Requirements

After proposing a tax increase and scheduling the two public hearings, the governing body must notify the public of the dates, times and place or places for these hearings and provide information about the proposed tax rate.

Cities and counties that propose a property tax rate that exceeds the lower of the effective tax rate or the rollback tax rate must provide notice using language specified in Local Government Code Section 140.010 (e). You can download the *Notice of Proposed (Exceeds) Tax Rate* as a pdf (Comptroller Form 50–819), which can be found in the Appendix.

The taxing units either publish this notice in a newspaper or mail it to each property owner in the taxing unit. Notice must be provided by September 1, or by the 30th day after the date the taxing unit received the appraisal roll. Cities and counties providing notice under the Local Government Code requirements are exempt from the notice and publication requirements and certain injunction provisions of the Tax Code.

County or Municipality

Planning calendar for county or municipality **EXCEEDING** rate limits

Statutory Date*	As soon thereafter as practicable or scheduled date	Activity
July 20	or _____	Deadline for ARB to approve appraisal records
July 25	_____	Deadline for chief appraiser to certify appraisal roll
Aug 1	or _____	Assessor submits appraisal roll to governing body
Aug 1	or _____	Collector for taxing unit certifies estimated collection rate for the current year
Aug 7	or _____	Assessor calculates the Effective and Rollback Tax Rates
	_____	72-hour notice for meeting to propose tax rate
	_____	Meeting of governing body to take record vote of proposed tax rate (which exceeds limits)
	_____	Deadline for submission of quarter-page notice to newspaper
By Sept 1	_____	<i>Notice of Proposed Tax Rate</i> posted to internet website of taxing unit (at least 7 days before first public hearing)
	_____	Date <i>Notice of Proposed Tax Rate</i> appears in the newspaper (at least 7 days before first public hearing)
	—or—	

County or Municipality (cont.)

Planning calendar for county or municipality **EXCEEDING** rate limits

By Sept 1		Date <i>Notice of Proposed Tax Rate</i> is mailed to each property owner in taxing unit (at least 7 days before first public hearing)
		1st Public Hearing
		72-hour notice for second public hearing
		2nd Public Hearing
		72-hour notice for meeting to adopt tax rate
By Sept 30		Meeting to adopt tax rate (no earlier than 3 or more than 14 days after the second public hearing)

*Tax Code Section 1.06 directs that if a date falls on a weekend, the deadline is extended to the following regular business day.

Exceptions

A county or city that also qualifies as a small taxing unit as defined by Tax Code Section 26.052 has two options to notify property owners of the proposed tax rate. The unit can either comply with the requirements of Local Government Code Section 140.010, as previously described, or use the form and method described in Tax Code Section 26.052. Either method of notification is acceptable.

A county or city that provides notice according to Local Government Code Section 140.010 is exempt from the notice and publication requirements of Tax Code Sections 26.04 (e), 26.052 and 26.06 and is not subject to an injunction for failure to comply with those requirements. Tax Code Section 26.04 (e) is the publication of the effective tax rate and various schedules. Section 26.052 is the small

taxing unit notice, and Section 26.06 is the required quarter–page notices for the two public hearings and the meeting to vote on the tax rate.

Counties Only

County quorum

At least four members of the county commissioners' court must be present for a county to adopt a tax rate; at least three must vote for the rate. The county judge is considered a member for this purpose.

Rate limits

A county rate may be composed of as many as three individual rates for a total rate not to exceed \$1.25 per \$100 of value.

Not all counties levy all three taxes. The Texas Constitution sets the following rate limits:

- \$0.30 per \$100 for farm-to-market/flood control,
- \$0.80 per \$100 for general fund, permanent improvement fund, road and bridge fund, jury fund, and
- \$0.15 per \$100 for the maintenance of public roads, which is commonly referred to as the "special road and bridge fund."

Sales tax adjustment

Counties exclude any amount of sales and use tax that is or will be spent for economic development grants under Local Government Code Section 381. This adjustment is made when calculating the sales tax gain rate.

Cities Only

Some cities will have to take an extra step before making the sales tax gain rate calculations. These are cities which voted for an additional sales tax to reduce property taxes in addition to other sales and use tax, which are dedicated to other projects.

This extra step in calculation ensures that cities do not use all of the sales tax funds received from the Comptroller for property tax relief, only the portion which voters approved for that purpose.

When calculating the sales tax gain rate for property tax purposes, a city's sales and use tax rate history can be found on the Comptroller's website at <https://mycpa.cpa.state.tx.us/taxrates/RateHist.do>

Sales Tax Rate History

Eff Date	Rate
10/01/1998	0.015000 (total sales tax rate)
Economic/Industrial Dev Sec 4B	0.0025000 (additional sales and use tax dedicated to another project)
Property Tax Relief	0.0025000 (rate used for property tax reduction)
Regular Rate	0.0100000

EXAMPLE | Sales Tax Gain Rate

The total amount of sales and use tax this city received from the Comptroller's office for the previous four quarters was \$1,800,000. Previously, voters dedicated 1/6 of the total amount of sales and use tax received from the Comptroller's office to property tax reduction.

To arrive at this factor, divide the total sales tax rate (1.5%) by the rate used for property tax reduction (0.25%).

$$1.5 \div 0.25 = 6$$

To find the sales tax amount used to reduce property taxes, divide the total amount by the factor.

$$\$1,800,000 \div 6 = \$300,000$$

This city will use \$300,000, not the full \$1,800,000, as the amount of sales and use tax to reduce property tax in the sales tax gain rate calculation.

Small Taxing Units

A small taxing unit is one that proposes a tax rate for the current year that:

- is \$0.50 or less per \$100 of taxable value and
- would impose taxes of \$500,000 or less from the current total value for the unit.

A taxing unit must meet both conditions to be exempt from the effective tax rate publication requirements of Tax Code Section 26.04 (e) and the injunction provision prohibiting the adoption of a tax rate according to Section 26.04 (g) or restraining the mailing of tax statements under 26.05 (e).

Procedures

A small taxing unit is required by Tax Code Section 26.04 (c) to calculate the effective and rollback tax rates. For full guidance in determining both of these rates, refer to the second section of this guidebook.

The governing body must propose a tax rate before a notice can be published. A small taxing unit following notice requirements of Tax Code Section 26.052 is not required to have a public hearing.

Once the notice requirements have been met, the governing body will meet to adopt a tax rate. The tax rate consists of two components and each component is approved separately. The governing body must also comply with Tax Code Section

26.05 (b), which can be found in the Appendix, when making the motion to adopt a tax rate that exceeds the effective tax rate.

If the ordinance, resolution or order proposes a tax rate for the unit that will raise more funds for maintenance and operations, the small taxing unit must further comply with Tax Code Section 26.05 (b). The assessor will enter the amount of tax determined using the appraisal roll and the adopted tax rate and submit it to the governing body for approval. The governing body will approve these amounts which will become the tax roll. The assessor mails the tax statements.

Notice Requirements

Under Tax Code Section 26.052, a small taxing unit may provide public notice of the proposed tax rate in one of two ways:

- Mail a notice of the proposed rate to each property owner in the unit or
- Publish a notice of the proposed rate in the legal section of a newspaper having general circulation in the unit.

Either notice must be made 7 days before the date on which the taxing unit meets to adopt the proposed tax rate.

Tax Code Section 26.052 provides for a simplified tax rate notice for small taxing units. It must contain the following:

1. The proposed tax rate,
2. Date, time and location of the meeting at which the governing body will consider adopting the proposed tax rate, and

3. If the proposed tax rate exceeds the unit's effective tax rate, the following statement: "The proposed tax rate would increase total taxes in [name of taxing unit] by [percentage by which the proposed tax rate exceeds the effective tax rate]."

To calculate the percentage above the effective tax rate, subtract the effective tax rate from the proposed tax rate and divide the difference by the effective tax rate. Then, multiply by 100.

A small taxing unit that uses Tax Code Section 26.052 notice requirement may not adopt a tax rate that exceeds the proposed tax rate set out in its notice unless the taxing unit provides additional public notice of the higher tax rate or complies with Tax Code Section 26.05 (d) and 26.06 in adopting the higher rate.

The Comptroller provides a sample Small Taxing Unit Notice, which follows the planning calendar for your use.

EXAMPLE | Proposed Tax Rate Increase

The proposed tax rate is \$0.10 per \$100 of taxable value. The calculated effective tax rate is \$0.075 (7.5 cents) per \$100 of taxable value. The percentage increase would be calculated as follows:

$$0.10 - 0.075 = 0.025$$

$$0.025 \div 0.075 = 0.3333$$

$$0.3333 \times 100 = 33\% \text{ increase}$$

Exceptions

A small taxing unit that publicizes its tax rate under Tax Code Section 26.052 is also exempt from Tax Code Sections 26.05 (d) and 26.06. Tax Code Section 26.05 (d) requires publishing two public hearings and quarter-page ads when a taxing unit proposes a tax rate that exceeds the effective tax rate or rollback rate, whichever is lower. Tax Code Section 26.06 provides for the public hearings scheduling and legislative notice requirements.

A small taxing unit is also exempt from Tax Code Section 26.05 (e) which allows a taxpayer to file an injunction restraining the collection of taxes.

- Calculate effective and rollback tax rates
- Mail or publish a simplified notice 7 days before the meeting to adopt the tax rate
- The governing body adopts a tax rate by September 30, or the 60th day after receipt of certified value, whichever is later
- The governing body approves the tax roll
- The assessor mails tax statements by October 1, or as soon thereafter as practicable

QUALIFYING SMALL TAXING UNIT

Planning calendar

Statutory Date*	As soon thereafter as practicable or scheduled date	Activity
July 20	or _____	Deadline for ARB to approve appraisal records
July 25		Deadline for chief appraiser to certify appraisal roll
Aug 1	or _____	Assessor submits appraisal roll to governing body
Aug 1		Collector for taxing unit certifies estimated collection rate for the current year
Aug 7	or _____	Assessor calculates the Effective and Rollback Tax Rates
		Meeting of governing body to take record vote of proposed tax rate
	Deadline for submission of notice to be put in the legal or classified section of the newspaper	
	Date small taxing unit notice appears in newspaper (at least 7 days before meeting)	
	—or—	
		Date small taxing unit notice is mailed to each property owner in taxing unit (at least 7 days before meeting)
		72-hour notice for meeting to adopt tax rate
By Sept 30		Meeting to adopt tax rate

*Tax Code Section 1.06 directs that if a date falls on a weekend, the deadline is extended to the following regular business day.

School Districts

The Lone Star State is home to over 1,000 school districts. Each school district is required to comply with the Texas Constitution, Tax Code and Education Code in adopting their tax rates.

Procedures

Many school districts have boundaries that extend into more than one appraisal district and must have the certified values from all of the appraisal districts that provide taxable values before they can begin the truth-in-taxation process.

After the appraisal district(s) certify appraised values, school districts take the first step toward adopting a tax rate by calculating the following:

- The effective tax rate is used for comparison purposes when adopting the tax rate for the year. If a school district adopts a tax rate that exceeds the effective tax rate, specific language must be used when making the motion to adopt. Additionally if you are a school district with an applicable Chapter 313 limitation, you will calculate two rates and add the two together to create your effective tax rate. One calculation will use last year's maintenance and operations rate and adjust for the current year's taxable value that has been limited because of the Chapter 313 agreement. The second calculation will use last year's debt rate and the current year's taxable value that does not have the limitation. These two rates are added together to create one effective tax rate.

- The effective M&O rate is a rate that, when imposed on the current year's taxable value, yields state and local revenue per student equal to the same from the preceding year. To determine the M&O rate, the amount of local and state funds is divided by the current year's taxable values as certified by the chief appraiser, including any changes, at the time this notice is prepared, plus the school district's anticipated collection rate and any excess taxes collected for debt during the preceding year but not used for debt during that year.

Region 13 Education Service Center (ESC) offers a worksheet for this calculation. It is available for download as an Excel spreadsheet at <https://www4.esc13.net/finance>. Questions regarding this worksheet should be addressed to either the Texas Education Agency (TEA) or the school district's ESC.

The rollback rate is a calculated maximum rate allowed by law without voter approval. The rollback rate is the LESSER of:

$$\begin{aligned} & \text{CURRENT STATE COMPRESSION PERCENTAGE} \\ & \quad (0.6667)^* \\ & \quad \times 1.50 + \$0.04 \\ & + \text{ANY ADDITIONAL PENNIES FROM SUCCESSFUL} \\ & \quad \text{TAX RATIFICATION} \\ & \quad \text{ELECTIONS (TRE) SINCE 2006} \\ & \quad + \text{CURRENT DEBT RATE} \\ & \quad - \text{OR} - \\ & \quad \text{THE EFFECTIVE MAINTENANCE} \\ & \quad \text{AND OPERATIONS (M\&O) RATE} \\ & + \text{CURRENT STATE COMPRESSION PERCENTAGE} \\ & \quad + \$0.06 \\ & + \text{CURRENT DEBT RATE} \end{aligned}$$

Generally, the tax rate consists of two components and each needs to be approved separately. The governing body will adopt both a debt rate and an M&O rate. The assessor will enter the amount of tax determined using the appraisal roll and the adopted tax rate and submit it to the governing body for approval. The governing body will approve these amounts which will become the tax roll. The assessor mails the tax statements.

If the school district adopts a tax rate that is higher than the rollback rate, school trustees must hold an election to ask voters to approve the rate. This election is commonly known as the Tax Ratification Election (TRE).

Required Public Notice

School districts do not follow the notice and hearing requirements of Tax Code Chapter 26. Rather, Education Code Section 44.004 requires a meeting notice for the budget and proposed tax rate.

One public notice and meeting

A school district is required to publish one notice in a local newspaper, the *Notice of Public Meeting to Discuss Budget and Proposed Tax Rate*. The Comptroller's office prescribes the language and format of the notice in Comptroller Form 50–280, which can be found in the Appendix.

This notice must:

- Be published no later than 10 days nor earlier than 30 days before the date of the public meeting. Be published in a daily, weekly, or biweekly newspaper printed in the district.

- Be not less than a quarter-page in a standard or tabloid-size newspaper.
- Have a headline of at least 18-point type.
- If no such newspaper is published in the district, the president of the School Board shall provide for the publication notice in at least one newspaper of general circulation in the county in which the district's central administrative office is located.

Content and purpose of the notice

The purpose of the meeting is to discuss the budget and proposed tax rate. The notice also states that public participation in the discussion is invited.

9 sections of the notice

FIRST

- Names the school district and lists the time, date and place of the public meeting to discuss its budget and proposed tax rate.
- States that the budget determines the adopted tax rate and that the school board may not adopt a rate that exceeds the proposed rate shown on the notice unless it publishes a revised notice and holds another public meeting to discuss the revised notice.

SECOND

- Lists the proposed M&O rate and rate to pay for any bonded indebtedness; that is, the school debt approved by voters.
- These rates reappear in the sixth section.

THIRD

- Compares the proposed budget with last year's budget.
- Shows the percent increase or decrease in the amount budgeted in the preceding fiscal year.
- Gives the percent increase or decrease budgeted for this fiscal year for M&O, debt service and total expenditures.

FOURTH

- Lists the total appraised value and total taxable values for all property in the school district, as calculated under Tax Code Section 26.04 for last year and the current year.

FIFTH

- Regards the school district's debt.
- Lists the amount of outstanding principal and unpaid bonded indebtedness.

SIXTH

- The first three columns show the school district's tax rates for M&O, interest and sinking fund (I&S), also known as the debt rate, and the total rate. The rows compare Last Year's Rate (adopted M&O rate and I&S rate); Rate to maintain the Same Level of M&O Revenue and Pay Debt Service; and Proposed Rates for M&O and I&S and the total proposed rate, as previously shown in the second section.
- The last two columns list Local Revenue Per Student and State Revenue Per Student.

1. To compute the Local Revenue Per Student, multiply the total taxable value, as determined by the chief appraiser for the applicable year and as adjusted to reflect any changes as of the time this notice is prepared, by the total tax rate. Then divide by the number of students in average daily attendance for the applicable school year.
2. To compute the State Revenue Per Student, divide the amount of state aid received, or to be received in the applicable school year, by the number of students in average daily attendance.

SEVENTH

- Compares the proposed levy on an average residence in the district with last year's levy. The rows in this chart show the:
 1. Average Market Value of Residences for last year and this year, while disregarding the limited home value that some homeowners may have for the 110% appraisal limitation under Tax Code Section 23.23. Use the same group of residences for each year to determine the average market value. Also, use the same group of residences for the different rows.
 2. Average Taxable Value of Residences after subtracting all homestead exemptions applicable in each year, taking into account the 110% appraisal limitation under Tax Code Section 23.23, and disregarding the age 65 or older and disabled homeowners' exemptions. The

appraisal district can assist with the average market and taxable values of residences.

3. Last Year's Rate Versus Proposed Rate—per \$100 Value. The district's adopted rate last year and the proposed rate for this year.
4. Taxes Due on Average Residence. The amount of taxes due on the average residence for both years.
5. Increase (Decrease) in Taxes on the average residence from last year's taxes to this year's proposed taxes.

- Following these comparisons must appear the following, verbatim and in bold face, as set forth by law, **“Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.”**

EIGHTH

- Bold print Notice of Rollback Rate. Again, the law sets out the exact wording of this statement, **“The highest tax rate the district can adopt before requiring voter approval at an election is _____.** This election will be automatically held if the district adopts a rate in excess of the rollback rate of _____.”

NINTH

(school rollback rate)

- States the estimated unencumbered fund balances remaining in the I&S fund and the M&O, or general, fund balances at the end of the current fiscal year.
- The district may subtract estimated funds necessary to operate the school district before receiving its first state aid payment for the succeeding school year.

School Districts

Planning calendar

Statutory Date*	As soon thereafter as practicable or scheduled date	Activity
July 20	or _____	Deadline for ARB to approve appraisal records
July 25	_____	Deadline for chief appraiser to certify appraisal roll
Aug 1	or _____	Assessor submits appraisal roll to governing body
Aug 1	or _____	Collector for taxing unit certifies estimated collection rate for the current year
Aug 7	or _____	Assessor calculates the Effective and Rollback Tax Rates
By Sept 30	_____	72-hour notice for meeting to propose tax rate
	_____	Meeting of governing body to decide date to have meeting to discuss budget and take record vote of proposed tax rate
	_____	Deadline for submission of quarter-page notice to newspaper
	_____	<i>Date Notice of Public Meeting to Discuss Budget and Proposed Tax Rate appears in the newspaper (10 to 30 days before public hearing)</i>
	_____	Date of public hearing on budget and proposed tax rate. <i>School board may adopt tax rate after the public hearing.</i>
	—or—	
	_____	72-hour notice for meeting to adopt tax rate
By Sept 30	_____	Meeting to adopt tax rate

*Tax Code Section 1.06 directs that if a date falls on a weekend, the deadline is extended to the following regular business day.

School Districts

Planning calendar for July 1 school district

Statutory Date*	As soon thereafter as practicable or scheduled date	Activity
April 30		Chief Appraiser certifies estimate of taxable value to school district
	or _____	72-hour notice for meeting to propose tax rate
	_____	Meeting of governing body to take record vote of proposed tax rate
	_____	Deadline for submission of quarter-page notice to newspaper
	_____	Date <i>Notice of Public Meeting to Discuss Budget and Proposed Tax Rate</i> appears in the newspaper (10 to 30 days before public hearing)
	_____	72-hour notice for meeting
By June 30		School board may adopt budget after the public hearing. <i>*School board must wait to adopt tax rate until receipt of certified taxable value.</i>
July 20	or _____	Deadline for ARB to approve appraisal record
July 25	or _____	Deadline for chief appraisal roll to governing body
	or _____	Assessor submits appraisal roll to governing body
Aug 1	or _____	Collector for taxing unit certifies estimated collection rate for the current year
	or _____	Assessor recalculates the Effective and Rollback Tax Rates
	_____	72-hour notice for meeting to adopt tax rate
By Sept 30	_____	School District adopts tax rate at meeting

***After receipt of certified appraisal roll the district must publish a revised notice and hold another public meeting if the district intends to adopt a rate that exceeds:**

The original proposed rate published using the estimate taxable value

—or—

- **the district’s rollback rate using the certified appraisal roll**

After recalculation of rates		72-hour notice for meeting
		Meeting of governing body to vote on a proposed tax rate that is higher than the previously published proposed tax rate or rollback rate
	(insert date)	Deadline for submission of quarter-page notice to newspaper
	(insert date)	Date <i>Notice of Public Meeting to Discuss Budget and Proposed Tax Rate</i> appears in the newspaper (10 to 30 days before public hearing)
	(insert date)	72-hour notice for meeting
By Sept 30	(insert date)	Date of public hearing on proposed tax rate. <i>*School board may adopt tax rate after the public hearing.</i>
	—or—	
	(insert date)	72-hour notice for meeting to adopt tax rate
By Sept 30	(insert date)	Meeting to adopt tax rate

Exceptions

Certain circumstances may give school districts options during the truth-in-taxation process while other circumstances mandate specific actions.

School district with July 1 fiscal year

A school district may change its fiscal year to begin July 1, rather than September 1.

If the school district changes its fiscal year, then the chief appraiser shall certify an estimate of the school district's taxable values to the school district's assessor by April 30. A school district uses the certified estimate in preparing its budget and tax rate meeting notice.

The school district may adopt its budget using the estimate but may not adopt its tax rate until the district receives the certified appraisal roll.

After receiving a certified appraisal roll, the school district must publish a revised notice and hold another public meeting to adopt a tax rate that exceeds the rate proposed in the first notice using the estimated values or exceeds the school district's rollback rate calculated using the final certified values.

Disaster

School districts are not required to ratify their tax rates when responding to a disaster. No election is called if the school district is spending increased revenue to respond to a disaster for the year following the year in which the disaster occurred. Disasters include tornadoes, hurricanes, floods or other similar events that affect the school district. For these purposes, a disaster exists only if the governor requests federal disaster assistance for the area. The law excludes drought.

Rate before budget

A school district may adopt a budget after it adopts a tax rate for the tax year in which the fiscal year covered by the budget begins if the district elects to adopt a tax rate before receiving the certified appraisal roll.

In this event, the district must publish a notice and hold a meeting for the purpose of discussing the proposed tax rate. The school district may use the certified estimate of taxable value in preparing this notice. The law states that the Comptroller will prescribe the language and format to be used in the notice, which can be found in the *Notice of Public Meeting to Discuss Proposed Tax Rate* (Comptroller Form 50-777).

Following the adoption of the tax rate, the district must publish notice and hold another public meeting before it may adopt a budget. Refer to Comptroller Form 50-286 *Notice of Public Meeting to Discuss Budget*.

Chapter 313 value limitations

If a school district has a Chapter 313 value limitation agreement, additional steps must be taken when calculating the effective tax rate. A Chapter 313 value limitation agreement affects the M&O taxes only. The definition of "current total value" in the Tax Code states that a school district excludes the new property value of property that is subject to an agreement entered into under Chapter 313.

This is why an applicable school district would calculate the effective M&O rate first when going through the worksheet, then calculate an effective debt rate and add the two rates together for the total effective tax rate.

School Districts

Planning calendar when the tax rate is adopted **before** the budget

Statutory Date*	As soon thereafter as practicable or scheduled date	Activity
April 30		Chief Appraiser certifies estimate of taxable value to school district
		72-hour notice for meeting to propose tax rate
		Meeting of governing body to take record vote of proposed tax rate
		Deadline for submission of quarter-page notice to newspaper
		<i>Date Notice of Public Meeting to Discuss Proposed Tax Rate</i> appears in the newspaper
		72-hour notice for meeting
Before certification of appraisal roll		School board may adopt tax rate after the public hearing or at another meeting but must do so before receiving certified appraisal roll
July 25		Deadline for chief appraiser to certify appraisal roll
After the tax rate has been adopted, the school district will have another meeting to discuss the budget.		
		Deadline for submission of quarter-page notice to newspaper
		<i>Date Notice of Public Meeting to Discuss Budget</i> appears in the newspaper
		72-hour notice for meeting
		School board may adopt budget after the public hearing

Water Districts

According to Water Code Section 49.001 “Water District” means any district or authority created by authority of the Texas Constitution either in Sections 52 (b) (1) and (2), Article III, or Section 59, Article XVI; regardless of how created.

The term “water district” shall not include:

- any navigation district or port authority created under general or special law,
- any conservation and reclamation district created pursuant to Chapter 62, 52 Legislature, 1951 (Article 8280–141 Vernon’s Texas Civil Statutes), or
- any conservation and reclamation district governed by Chapter 36, unless a special law creating the district or amending the law creating the district, states that Water Code Section 49.001 applies to that district.

Procedures

Water Code Section 49.107 (g) provides that Tax Code Sections 26.04, 26.05 and 26.07 do not apply to a tax levied and collected under Water Code Section 49.107. These Tax Code Sections address calculating an effective and rollback tax rate, adopting a tax rate and having a rollback election for a tax increase above the rollback rate. These Tax Code Sections also do not apply to a tax levied and collected for payments made under a contract set out in Water Code Section 49.108.

The assessor will enter the amount of tax determined using the appraisal roll and the adopted tax rate and submit it to the governing body for approval. The governing body will approve these amounts which will become the tax roll. The assessor mails the tax statements.

That means, once the public hearing and notice requirements have been met, the water district’s governing body will adopt a tax rate.

Rollback Tax Rate

The rollback tax rate is the highest rate the water district may adopt without qualified voters petitioning for a rollback election. Water Code Section 49.236 (d) sets the rollback rate as the current year’s debt service and contract tax rates, plus the M&O rate that would impose no more than 1.08 times the amount of M&O tax imposed by the district in the preceding year on the average appraised value of a residence homestead in the district.

The average appraised value disregards any homestead exemption available only to people with disabilities or those 65 years of age or older. The rollback election procedures follow those found in Tax Code Section 26.07 (b)–(g).

The Comptroller provides a digital copy of the Water District Sample Calculation Worksheet, which can also be found in the Appendix.

Notice Requirements

Water districts must follow Water Code Section 49.236 which requires one public hearing on a proposed tax rate. It also requires publishing a special hearing notice, the *Notice of Public Hearing on Tax Rate* (Comptroller Form 50–304), which can be found in the Appendix.

The water district board publishes the quarter-page notice at least 7 days before the hearing date or may mail it to each property owner at least 10 days before the hearing date. The notice compares property taxes on the average residence homestead for last year against the proposed rate for this year. The notice has the names of each board member present, as well as absences. The notice tells how each board member voted as well as any abstentions. The notice also affirms the taxpayers' right to a rollback election.

- Mail a notice 10 days before a public hearing or publish a quarter-page notice at least 7 days before a public hearing.
- The governing body adopts a tax rate.
- The governing body approves the tax roll.
- The assessor mails tax statements by October 1, or as soon thereafter as practicable.

WATER DISTRICTS

Planning calendar

Statutory Date*	As soon thereafter as practicable or scheduled date	Activity
July 20	or _____	Deadline for ARB to approve appraisal records
July 25		Deadline for chief appraiser to certify appraisal roll
Aug 1	or _____	Assessor submits appraisal roll to governing body
Aug 1	or _____	Collector for taxing unit certifies estimated collection rate for the current year
	_____	72-hour notice for meeting to propose tax rate
	_____	Meeting of governing body to take record vote of proposed tax rate
	_____	Deadline for submission of quarter-page notice to newspaper
	_____	Date Notice of Public Hearing on Tax Rate appears in the newspaper (at least 7 days before meeting)
	—or—	
	_____	Date Notice of Public Hearing on Tax Rate is mailed to each property owner in taxing unit (at least 10 days before meeting)
	_____	72-hour notice for meeting to adopt tax rate
	_____	Meeting to adopt tax rate

*Tax Code Section 1.06 directs that if a date falls on a weekend, the deadline is extended to the following regular business day.

All Other Taxing Units (AOTU)

Procedures

All other taxing units (AOTU) must calculate and publish the effective and rollback tax rates according to Tax Code Section 26.04 (c) and (e). For a full discussion on how to arrive at these calculations, refer to the second section of this guidebook.

Taxing units and authorities, such as:

- Community college districts,
- Junior college districts,
- Emergency service districts, that do not qualify as small taxing units,
- Hospital districts,
- Library districts, and
- Other taxing units.

By August 7, or as soon thereafter as practicable, the designated officer or employee that calculated these two rates submits them to the governing body and either mails them to each property owner or publishes them in a newspaper, see Comptroller Form 50–212 (*Notice of Effective Tax Rate*). The notice must be mailed or published before the taxing unit adopts the tax rate.

Further action is contingent on the governing body's proposed tax rate:

- If the AOTU's governing body does not propose a rate that exceeds the lower of the effective or rollback tax rate, no further publication is necessary and the governing body can adopt its proposed tax rate.
- If the governing body proposes a tax rate that exceeds either the effective tax rate or the rollback rate (whichever is lower), additional notifications must be published and two public hearings must be held.

Once the notice and hearing requirements have been met, the governing body will meet to adopt a tax rate. The tax rate consists of two components and each component is approved separately. The governing body must also comply with Tax Code Section 26.05 (b) when making the motion to adopt a tax rate that exceeds the effective tax rate. If the ordinance, resolution or order proposes a tax rate for the unit that will raise more funds for M&O, the taxing unit must further comply with Tax Code Section 26.05 (b), which can be found in the Appendix.

The assessor will enter the amount of tax determined using the appraisal roll and the adopted tax rate and submit it to the governing body for approval. The governing body will approve these amounts which will become the tax roll. The assessor mails the tax statements.

ALL OTHER TAXING UNITS

Planning calendar for taxing units **NOT EXCEEDING** rate limits

Statutory Date*	As soon thereafter as practicable or scheduled date	Activity
July 20	or _____	Deadline for ARB to approve appraisal records
July 25	_____	Deadline for chief appraiser to certify appraisal roll
Aug 1	or _____	Assessor submits appraisal roll to governing body
Aug 1	or _____	Collector for taxing unit certifies estimated collection rate for the current year
Aug 7	or _____	Assessor calculates the Effective and Rollback Tax Rates
	_____	Assessor or governing body publishes <i>Notice of Effective Tax Rate</i> (deadline is before tax rate is adopted)
	_____	72-hour notice for meeting to propose tax rate
	_____	Meeting of governing body to take record vote of proposed tax rate
By Sept 30	_____	72-hour notice for meeting to adopt tax rate
	_____	Meeting to adopt tax rate

*Tax Code Section 1.06 directs that if a date falls on a weekend, the deadline is extended to the following regular business day.

ALL OTHER TAXING UNITS

Planning calendar for taxing units **EXCEEDING** rate limits

Statutory Date*	As soon thereafter as practicable or scheduled date	Activity
July 20	or _____	Deadline for ARB to approve appraisal records
July 25	_____	Deadline for chief appraiser to certify appraisal roll
Aug 1	or _____	Assessor submits appraisal roll to governing body
Aug 1	or _____	Collector for taxing unit certifies estimated collection rate for the current year
Aug 7	or _____	Assessor calculates the Effective and Rollback Tax Rates
Aug 7	or _____	Assessor or governing body publishes Notice of Effective Tax Rate (deadline is before tax rate is adopted)
	_____	72-hour notice for meeting to propose tax rate
	_____	Meeting of governing body to take record vote of proposed tax rate (which exceeds limits)
	_____	Deadline for submission of first quarter-page notice to newspaper
	_____	<i>Notice of Public Hearing on Tax Increase</i> posted to internet website of taxing unit (at least 7 days before first public hearing)
	_____	<i>Date Notice of Public Hearing on Tax Increase</i> appears in the newspaper (at least 7 days before first public hearing)

	_____	—or—

ALL OTHER TAXING UNITS (Cont.)

Planning calendar for taxing units **EXCEEDING** rate limits

		Date <i>Notice of Public Hearing on Tax Increase</i> is mailed to each property owner in taxing unit (at least 7 days before first public hearing)	
		72-hour notice for first public hearing	
		First Public Hearing	
		Deadline for submission of second quarter-page notice to newspaper	
		72-hour notice for second public hearing	
		Second Public Hearing	
		Date <i>Notice of Tax Revenue Increase</i> appears in the newspaper	
		72-hour notice for meeting to adopt tax rate	
	By Sept 30		Meeting to adopt tax rate (no earlier than 3 or more than 14 days after the second public hearing)

Notice of Effective Tax Rate

The law requires the unit to notify property owners of the effective and rollback tax rates either by mail or newspaper publication. *The Notice of Effective Tax Rate* (Comptroller Form 50–212) delineates the required content and format of this information. A copy is provided for your use.

The Comptroller's office recommends the notice be printed in at least 8-point type and it may appear in any section of the newspaper. Notices prepared for more than one unit may combine information within a single notice as long as it clearly identifies the information for each unit.

Content of the notice

Most of the information required for this notice can be found on the effective and rollback tax rate worksheets in the second section of this guidebook.

- Last year's tax rate and taxable value (tax base)
- This year's effective tax rate and adjusted taxable value (tax base)
- This year's rollback tax rate
- Adjustments to the rollback rate for sales tax or pollution control, if applicable
- Statement of Increase/Decrease
- Schedule A—Unencumbered Fund Balances
- Schedule B—Current Year Debt Service, if applicable
- Schedule C—Expected Revenue from Additional Sales tax, if applicable
- Schedule D—Transfer of Department, Function or Activity, if applicable
- Schedule E—Enhanced Indigent Healthcare Expenditures, if applicable

- Where to inspect a copy of the full calculations, who prepared the notice and the date it was prepared

It is not necessary to publish schedules that are not relative to your taxing unit. For example, if you do not have enhanced indigent healthcare expenditures, do not publish Schedule E.

Statement of Increase/Decrease

This section states that, if the taxing unit adopts a tax rate equal to the effective tax rate, it would result in either an increase or decrease in the unit's taxes compared to last year's taxes as well as the amount of that increase or decrease.

To calculate last year's taxes for this increase/decrease statement, multiply the adjusted values for the previous year (Line 6) from the Effective Tax Rate Worksheet by last year's total tax rate (Line 4) divide by \$100 and add the refunded taxes (Line 13).

To calculate this year's taxes for this statement, multiply this year's total taxable value (Line 19) by the effective tax rate (Line 24) and divide by \$100. Subtract the two numbers for the difference.

Schedule A

Schedule A lists unencumbered fund balances remaining in each tax fund at the end of the current fiscal year. Fund balances are "unencumbered" if they are not needed to meet a corresponding debt obligation. Obtain a written estimate of these balances from the unit's budget officer.

In 2001, the Texas Supreme Court (*Gilbert v. El Paso County Hospital District*, 38 S.W.3d 85 (Tex. 2001)) ruled that the Tax Code requires a taxing unit to report all of its estimated unencumbered fund balances regardless of the revenue source. This can be confusing, as the Comptroller's form has not been changed and currently identifies the column as, "Type of Property Tax Fund."

Schedule B

Schedule B lists only debts that meet the four criteria of debt service identified on the Rollback Tax Rate Worksheet (Line 32). Report only the amount paid from property taxes. The taxing unit's budget officer can provide this information. Other information reported on Schedule B can be acquired from the rollback worksheet.

Schedule C

Schedule C lists the amount of additional sales tax revenue the unit expects. This information comes from the Comptroller's office and is also found on the Rollback Tax Rate Worksheet (Line 42).

Schedule D lets taxpayers see what the transferred function cost in property tax revenue for the current year versus the prior year.

Schedule D

Schedule D applies to a taxing unit that transfers all of a department, function or activity to another taxing unit by written contract.

- In the first year of the transfer, both units publish a special schedule. The schedule includes the name of the unit discontinuing the function or activity, the amount spent by that unit to operate the discontinued function in the preceding 12 months and the name of the unit that will receive the function. If the unit discontinuing the function did not operate the function for a full 12 months before the calculation, then the unit uses the last full fiscal year in which it operated the function.
- In the second year after the transfer, the unit that received the fund publishes an updated Schedule D. This second year schedule states the amount of property tax revenue actually spent for the 12 months preceding the month of the calculations and the amount that was published in the preceding year. The unit discontinuing the function does not publish a Schedule D in the second year.

Schedule E

Schedule E applies to a taxing unit that has enhanced indigent healthcare expenditures. It describes and states the amount of enhanced indigent healthcare expenditures, both for the preceding year and the current year, less any state assistance. For the preceding tax year 2017, the unit's enhanced expenditures are computed from July 1, 2016, through June 30, 2017. The current year is from July 1, 2017, through June 20, 2018.

Failure to comply

If the taxing unit does not calculate or publish these required rates and schedules, a property owner in the unit may seek an injunction to prohibit the unit from adopting a tax rate. The

district court may grant an injunction if it finds that the unit did not act in good faith.

Public Hearing Requirements

If the governing body has proposed a rate that exceeds the lower of the effective or rollback tax rates, it must schedule two public hearings on the tax increase.

Once the taxing unit's representative publishes the effective and rollback tax rates and reports them to the governing body, the governing body assumes the duty of complying with truth-in-taxation laws.

These hearings must:

- Have a quorum of the governing body present at both hearings
- Take place within the boundaries of the taxing unit
- Be conducted on a weekday that is not a holiday
- Take place in a public building or, if a public building isn't available, in a building normally open to the public, and
- Allow taxpayers an opportunity to express their views at each hearing

When scheduling the two hearings, the second hearing may not be held earlier than the third day after the date of the first hearing.

The governing body must follow a strict timetable once it holds these public hearings. The meeting to vote on the tax rate must take place

no less than 3 days, and no more than 14 days, after the second public hearing. Similar to the public hearings, the meeting to vote must take place in a building inside the taxing unit's boundaries. However, the meeting can take place on any day, including a holiday.

Notice of Public Hearing on Tax Increase

Once the governing body has determined the dates and place, or places, to have the two public hearings, it must notify the public. The law does not require taxing units use the Comptroller's *Notice of Public Hearing on Tax Increase* (Form 50-197). However, this notice is already in compliance with the statutory language of Tax Code Section 26.06 and is provided for your use.

Content of the notice

The notice has information required by Tax Code Section 26.06 (b). The first part of the notice states the percentage increase that the proposed rate exceeds the effective or rollback rate. The notice lists the times, dates and place, or places, of the two public hearings and tells how members of the governing body voted on the proposal.

The notice states the average taxable value of a residence homestead in the taxing unit last year, last year's total tax rate for the taxing unit and the amount of taxes imposed on the average home last year.

The notice then lists this year's average taxable value of a residence homestead in the taxing unit and the taxes that would be imposed this year on the average home if the governing body of the taxing unit adopts the stated effective tax rate.

Next, the notice shows what the taxes would be on the same average residence homestead if the governing body adopts the stated proposed tax rate.

There are several ways to calculate the average taxable value of a residence homestead in the taxing unit. The taxing unit could average the value of all residential property or only homes with general homestead exemptions. In each instance, the total appraised value of the properties, before exemptions, is divided by the number of properties. Then, if the taxing unit offers a general homestead exemption, that amount is subtracted from the average appraised value to determine the average taxable value. The taxing unit disregards the age 65 or older and disabled homestead exemptions. For the current year's average taxable value, the taxing unit must take into account the 110% appraisal limitation for residence homesteads. Taxing units may rely on assistance from the appraisal district when finding the average taxable value for this notice.

The last portion of the notice states that members of the public are encouraged to attend the hearings and express their views.

Newspaper Requirements

The notice may be mailed to each property owner in the unit at least 7 days before the first public hearing or published in a newspaper. The publishing requirements are:

- Published in a newspaper at least 7 days before the first public hearing
- At least a quarter-page ad in a standard or tabloid-size newspaper
- Headline must be in 24-point type or larger

- May not appear in the legal or classified section of the newspaper, and
- Must strictly follow statutory language in Tax Code Section 26.06

Website and TV

Tax Code Section 26.065 requires supplemental notice for the hearing on a tax rate increase. If the taxing unit owns, operates or controls a website, the unit shall post on its website this additional notice of public hearings at least 7 days immediately before the first hearing on the proposed tax rate increase and leave the notice there until the second hearing is concluded.

If the taxing unit has free access to a television channel, the unit shall request that the station carry a 60-second notice of the public hearing at least five times a day between 7 AM and 9 PM. The notice will run for at least 7 days immediately before the first public hearing.

Both the website and TV notice must contain substantially the same information that is in the quarter-page notice published in the newspaper.

This additional notice does not apply to a taxing unit that is unable to comply because of the failure of an electronic or mechanical device or due to other circumstances beyond its control.

A property owner is not entitled to an injunction restraining the collection of the taxing unit's taxes if the unit has, in good faith, attempted to comply with the additional notice requirements.

Notice of Tax Revenue Increase

After the public hearings and before the meeting scheduled for the tax rate vote, the governing body must publish a second quarter-page notice, the *Notice of Tax Revenue Increase* (Comptroller Form 50–198), as provided for your use.

This notice must comply with the same mailing, print and electronic publications requirements as the *Notice of Public Hearing on Tax Increase*.

The one difference is the timing of the notice, which is after the public hearings but with no instruction on the minimum number of days before the meeting to vote. The taxing unit must also follow the Open Meetings Act when announcing the meeting.

Content of the notice

- The dates of the two public hearings
- The percentage by which the proposed tax rate exceeds the lower of the rollback or effective tax rate
- The total tax revenue derived from last year's taxable value
- The proposed tax revenue to be raised using the proposed tax rate and the current taxable value excluding new property value
- The proposed tax revenue to be raised using the proposed tax rate and the current taxable value including new property value
- A description of the purpose for the increase, and

- The time, location and mailing address where the governing body is scheduled to vote on the tax rate

The Tax Code requires that the governing body adopt the tax rate no less than 3 days, but no more than 14 days, after the second public hearing.

If a taxing unit that is required to publish a *Notice of Tax Revenue Increase* does not adopt a tax rate during this period, the taxing unit must republish the *Notice of Tax Revenue Increase* with a new date, time and location of the meeting to adopt the tax rate.

- Calculate the effective and rollback tax rates.
- Mail or publish the effective and rollback tax rates.
- When applicable, hold two public hearings and publish the *Notice of Public Hearing on Tax Increase* and *Notice of Tax Revenue Increase*.
- The governing body adopts a tax rate by September 30, or the 60th day after the date the certified value is received, whichever is later, and no less than 3 days, and no more than 14 days, after the second public hearing.
- The governing body approves the tax roll.
- The assessor mails tax statements by October 1, or as soon thereafter as practicable.

Conducting Rollback and Ratification Elections

Rollback Elections for Taxing Units Other than School Districts 60

- Petition for an election
- Determine if the petition is valid
- Hold election if necessary
- Act on election results
- Tax collections and refunds
- Delinquency date
- Sample tax rate rollback ballot

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- The election
- Disaster
- Tax collections and refunds
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Rollback elections for taxing units other than school districts

If a taxing unit, other than a school district, adopts a tax rate that exceeds the rollback tax rate, voters in the taxing unit may petition for an election on the tax increase. A successful election limits the taxing unit's current tax rate to the rollback tax rate.

While water districts follow Water Code provisions in most truth-in-taxation matters, they follow these Tax Code procedures when it comes to a rollback election.

Petition for an election

The rollback process starts after the taxing unit formally adopts the tax rate. If the adopted tax rate exceeds the rollback tax rate, voters may start the petition drive.

A petition must meet specific requirements:

- It must state the intention to require an election to reduce the tax rate for the current year.
- If the tax rate adopted for the current year imposes \$5 million or more in M&O taxes, then 7% of the registered voters shown on the most recent official voter list must sign the petition.
- If the tax rate adopted imposes less than \$5 million in M&O taxes, then 10% of the registered voters are required to sign the petition.
- The petition must be submitted to the taxing unit's governing body within 90 days of the tax rate adoption.

Signatures collected by a paid person are valid. A provision that did not allow for signatures collected by a person that was paid was repealed many years ago.

Determine if the petition is valid

The taxing unit's governing body is responsible for determining if a rollback petition is valid. Once the governing body validates the petition, they must adopt a resolution regarding its validity within 20 days of receiving it.

If the governing body finds the petition invalid, it should make a resolution or order setting it aside and specify the reasons why.

If the governing body takes no action within 20 days of receipt, the petition is automatically valid.

Hold election if necessary

If the governing body for a taxing unit determines the rollback petition is valid, the governing body must set a rollback election date. This date cannot be earlier than 30 days, or later than 90 days, after the last date the governing body could have ruled on the validity of the petition.

The requirement that local elections be held on a specified date does not apply to this election, unless a specified date falls within the permitted 30 to 90 days.

More information about election dates may be obtained from the Election Division of the Secretary of State's Office at (800) 252-8683.

Act on election results

A simple majority is necessary for passing the rollback election.

- If the rollback fails, the taxing unit's adopted tax rate stands.
- If the rollback election passes, a taxing unit must reduce its tax rate for the current year to the rollback tax rate. The taxing unit's tax assessor must prepare and mail new tax bills.

Tax collections and refunds

If the taxing unit had already begun collecting taxes at the time of the election, some taxpayers will have paid taxes under the original tax rate. The taxing unit must refund the difference between the taxes levied under the original tax rate and taxes levied under the rollback tax rate.

The taxing unit has 60 days from the date the election results are certified to send refunds. After 60 days, taxing units must pay interest on refunds. The interest is 1% per month, or part of a month, from the date that the election results were certified to the date the refund is mailed.

If the refund is less than \$1.00, the taxing unit shall refund the difference only upon the taxpayer's request. The taxpayer must apply for the refund of less than \$1 within 90 days after the date the refund becomes due or forfeit the right to the refund.

Delinquency date

The delinquency date is postponed by the number of days between the mailing of original bills and corrected bills.

For example, if the original tax bills were mailed on October 1 and the corrected tax bills were mailed on March 31 the number of days for the extended delinquency date is 182. Add this number of days to February 1 and the delinquency date is postponed to August 1.

Ratification elections for school districts

School districts must hold automatic rollback elections, without the petition process, to ratify a current year's tax rate, if the school board adopts a tax rate above the rollback rate. These are commonly referred to as Tax Ratification Elections (TREs).

The election

The election date cannot be earlier than 30 days, or later than 90 days, after the date the school board adopted the tax rate. School districts that adopt a tax rate before adopting the budget based on the chief appraiser's certified estimate of taxable value must order the rollback election at least 30 days prior to the election date.

The ballot states the voter is voting for or against ratifying the adopted tax rate, rather than limiting the levy to the rollback tax rate. More information about rollback election procedures may be obtained from the Election Division of the Texas Secretary of State's Office at (800) 252-8683.

Disaster

School districts are not required to ratify their tax rates when responding to a disaster. No election is called if the school district is spending increased revenue to respond to a disaster for the year following the year in which the disaster occurred. Disasters include tornadoes, hurricanes, floods or other similar events that affect the school district. For these purposes, a disaster exists only if the

governor requests federal disaster assistance for the area. The law excludes drought.

Tax collections and refunds

If the school district had already begun collecting taxes at the time of the election, some taxpayers will have paid taxes under the original tax rate. The school district must refund the difference between the taxes levied under the original tax rate and taxes levied under the newly adopted rate that does not exceed the rollback rate, if the tax ratification election fails.

The district has 60 days from the date the election results are certified to send refunds. After 60 days, school district must pay interest on refunds. The interest is 1% per month, or part of a month, from the date that the election results were certified to the date the refund is mailed.

If the refund is less than \$1.00, the district shall refund the difference only upon the taxpayer's request. The taxpayer must apply for the refund of less than \$1 within 90 days after the date the refund becomes due or forfeit the right to the refund.

Delinquency date

The delinquency date is postponed by the number of days between the mailing of original bills and corrected bills.

Appendix

Important Tax Code Statutes 64

- Tax Code Section 1.06
- Tax Code Section 26.012 (15)
- Tax Code Section 26.04 (g)
- Tax Code Section 26.05 (b)
- Tax Code Section 26.05 (e)
- Tax Code Section 31.01 (a), (c) and (d–1)

Comptroller Forms 68

- Comptroller Form 50–856: Taxing Units Other Than School Districts or Water Districts
- Comptroller Form 50–858: Water Districts
- Comptroller Form 50–859: School Districts
- Comptroller Form 50–861: Sample Rollback Ballot for Taxing Units Other Than School Districts
- Comptroller Form 50–863: Sample Rollback Ballot for School Districts
- Comptroller Form 50–818: Notice of Proposed Property Tax Rate
- Comptroller Form 50–819: Notice of Proposed (Exceeds) Property Tax Rate
- Comptroller Form 50–757: Small Taxing Unit Notice
- Comptroller Form 50–280: Notice of Public Meeting to Discuss Budget and Proposed Tax Rate
- Comptroller Form 50–777: Notice of Public Meeting to Discuss Proposed Tax Rate
- Comptroller Form 50–786: Notice of Public Meeting to Discuss Budget
- Comptroller Form 50–304: Notice of Public Hearing on Tax Rate
- Comptroller Form 50–212: Notice of Effective Tax Rate
- Comptroller Form 50–197: Notice of Public Hearing on Tax Increase
- Comptroller Form 50–198: Notice of Tax Revenue Increase

Important Tax Code statutes referred to in this guide.

Tax Code Section 1.06

EFFECT OF WEEKEND OR HOLIDAY. If the last day for the performance of an act is a Saturday, Sunday, or legal state or national holiday, the act is timely if performed on the next regular business day.

Tax Code Section 26.012 (15)

(15) “Lost property levy” means the amount of taxes levied in the preceding year on property value that was taxable in the preceding year but is not taxable in the current year because the property is exempt in the current year under a provision of this code other than Section 11.251 or 11.253, the property has qualified for special appraisal under Chapter 23 in the current year, or the property is located in territory that has ceased to be a part of the unit since the preceding year.

Tax Code Section 26.04 (g)

A person who owns taxable property is entitled to an injunction prohibiting the taxing unit in which the property is taxable from adopting a tax rate if the assessor or designated officer or employee of the unit, as applicable, has not complied with the computation or publication requirements of this section and the failure to comply was not in good faith.

Tax Code Section 26.05 (b), legislated in 2005, sets forth the exact state-mandated language for tax rate increases.

(b) A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget. For a taxing unit other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the effective tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. For a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the sum of the effective maintenance and operations tax rate of the district as determined under Section 26.08(i) and the district’s current debt rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order. A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the effective tax rate must be made in the following form: “I move that the property tax rate be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds the effective tax rate) percent increase in the tax rate.” If the ordinance, resolution, or order sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the taxing unit that exceeds the amount of taxes

imposed for that purpose in the preceding year, the taxing unit must:

(1) include in the ordinance, resolution, or order in type larger than the type used in any other portion of the document:

(A) the following statement: “THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE.”; and

(B) if the tax rate exceeds the effective maintenance and operations rate, the following statement: “THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount).”; and

(2) include on the home page of any Internet website operated by the unit:

(A) the following statement: “(Insert name of unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE.”; and

(B) if the tax rate exceeds the effective maintenance and operations rate, the following statement: “THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount).”

Tax Code Section 26.05 (e)

(e) A person who owns taxable property is entitled 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 with the requirements of this section and the failure to comply was not in good faith. An action to enjoin the collection of taxes must be filed prior to the date a taxing unit delivers substantially all of its tax bills.

Tax Code Section 31.01 (a), (c) and (d-1)

Sec. 31.01. TAX BILLS. (a) Except as provided by Subsections (f), (i-1), and (k), the assessor for each taxing unit shall prepare and mail a tax bill to each person in whose name the property is listed on the tax roll and to the person’s authorized agent. The assessor shall mail tax bills by October 1 or as soon thereafter as practicable. The assessor shall mail to the state agency or institution the tax bill for any taxable property owned by the agency or institution. The agency or institution shall pay the taxes from funds appropriated for payment of the taxes or, if there are none, from funds appropriated for the administration of the agency or institution. The exterior of the tax bill must show the return address of the taxing unit. If the assessor wants the United States Postal Service to return the tax bill if it is not deliverable as addressed, the exterior of the tax bill may contain, in all capital letters, the words “RETURN SERVICE REQUESTED,” or another appropriate statement directing the United States Postal Service to return the tax bill if it is not deliverable as addressed.

Sec. 31.01 (c) The tax bill or a separate statement accompanying the tax bill shall:

- (1)** identify the property subject to the tax;
- (2)** state the appraised value, assessed value, and taxable value of the property;
- (3)** if the property is land appraised as provided by Subchapter C, D, E, or H, Chapter 23, state the market value and the taxable value for purposes of deferred or additional taxation as provided by Section 23.46, 23.55, 23.76, or 23.9807, as applicable;
- (4)** state the assessment ratio for the unit;
- (5)** state the type and amount of any partial exemption applicable to the property, indicating whether it applies to appraised or assessed value;
- (6)** state the total tax rate for the unit;
- (7)** state the amount of tax due, the due date, and the delinquency date;
- (8)** explain the payment option and discounts provided by Sections 31.03 and 31.05, if available to the unit's taxpayers, and state the date on which each of the discount periods provided by Section 31.05 concludes, if the discounts are available;
- (9)** state the rates of penalty and interest imposed for delinquent payment of the tax;
- (10)** include the name and telephone number of the assessor for the unit and, if different, of the collector for the unit;
- (11)** for real property, state for the current tax year and each of the preceding five tax years:

(A) the appraised value and taxable value of the property;

(B) the total tax rate for the unit;

(C) the amount of taxes imposed on the property by the unit; and

(D) the difference, expressed as a percent increase or decrease, as applicable, in the amount of taxes imposed on the property by the unit compared to the amount imposed for the preceding tax year; and

(12) for real property, state the differences, expressed as a percent increase or decrease, as applicable, in the following for the current tax year as compared to the fifth tax year before that tax year:

(A) the appraised value and taxable value of the property;

(B) the total tax rate for the unit; and

(C) the amount of taxes imposed on the property by the unit.

Sec. 31.01 (d-1) This subsection applies only to a school district. In addition to stating the total tax rate for the school district, the tax bill or the separate statement shall separately state:

(1) the maintenance and operations rate of the school district;

(2) if the school district has outstanding debt, as defined by Section 26.012, the debt rate of the district;

(3) the maintenance and operations rate of the school district for the preceding tax year;

(4) if for the current tax year the school district imposed taxes for debt, as defined by Section 26.012, the debt rate of the district for the current tax year;

(5) if for the preceding tax year the school district imposed taxes for debt, as defined by Section 26.012, the debt rate of the district for that year; and

(6) the total tax rate of the district for the preceding tax year.

**The following forms, issued
by the Texas Comptroller's office,
are available at**

**[https://comptroller.texas.gov/
taxes/property-tax/forms/](https://comptroller.texas.gov/taxes/property-tax/forms/)**

**and printed here for your
convenient reference.**

Form 50-856 | Taxing Units Other Than School / Water Districts

LINE	Effective Tax Rate Activity (Lines 1-15) — Calculate the Value	Amount/Rate
1.	2016 total taxable value. Enter the amount of 2016 taxable value on the 2016 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 14).	\$ _____
2.	2016 tax ceilings. Counties, cities and junior college districts. Enter 2016 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 2016 or a prior year for homeowners age 65 or older or disabled, use this step.	\$ _____
3.	Preliminary 2016 adjusted taxable value. Subtract Line 2 from Line 1.	\$ _____
4.	2016 total adopted tax rate	\$ _____ /\$100
5.	2016 taxable value lost because court appeals of ARB decisions reduced 2016 appraised value. A. Original 2016 ARB values:\$ _____ B. 2016 values resulting from final court decisions: - \$ _____ C. 2016 value loss. Subtract B from A.	\$ _____
6.	2016 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$ _____
7.	2016 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2016. Enter the 2016 value of property in deannexed territory.	\$ _____
8.	2016 taxable value lost because property first qualified for an exemption in 2017. Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport or goods-in-transit exemptions. A. Absolute exemptions. Use 2016 market value:\$ _____ B. Partial exemptions. 2017 exemption amount or 2017 percentage exemption times 2016 value: +\$ _____ C. Value loss. Add A and B.	\$ _____
9.	2016 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2017. Use only properties that qualified in 2017 for the first time; do not use properties that qualified in 2016. A. 2016 market value:\$ _____ B. 2017 productivity or special appraised value: - \$ _____ C. Value loss. Subtract B from A.	\$ _____
10.	Total adjustments for lost value. Add Lines 7, 8C and 9C.	\$ _____
11.	2016 adjusted taxable value. Subtract Line 10 from Line 6.	\$ _____
12.	Adjusted 2016 taxes. Multiply Line 4 by Line 11 and divide by \$100.	\$ _____
13.	Taxes refunded for years preceding tax year 2016. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2016. Types of refunds include court decisions, Tax Code Section 25.25 (b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2016. This line applies only to tax years preceding tax year 2016.	\$ _____
14.	Taxes in tax increment financing (TIF) for tax year 2016. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2017 captured appraised value in Line 16D, enter 0.	\$ _____
15.	Adjusted 2016 taxes with refunds and TIF adjustment. Add Lines 12 and 13, subtract Line 14.	\$ _____

Form 50-856 | Taxing Units Other Than School / Water Districts

LINE	Effective Tax Rate Activity (Lines 16-23) — Calculate the Value	Amount/Rate
	<p>Total 2017 taxable value on the 2017 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 18). These homesteads include homeowners age 65 or older or disabled.</p> <p>A. Certified values:.....\$ _____</p> <p>B. Counties: Include railroad rolling stock values certified by the Comptroller's office: +\$ _____</p> <p>16. C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:..... - \$ _____</p> <p>D. Tax increment financing: Deduct the 2017 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2017 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 21 below. - \$ _____</p> <p>E. Total 2017 value. Add A and B, then subtract C and D. \$ _____</p>	
	<p>Total value of properties under protest or not included on certified appraisal roll.</p> <p>A. 2017 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value.\$ _____</p> <p>17. B. 2017 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value..... +\$ _____</p> <p>C. Total value under protest or not certified. Add A and B. \$ _____</p>	
18.	<p>2017 tax ceilings. Counties, cities and junior colleges enter 2017 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 2016 or a prior year for homeowners age 65 or older or disabled, use this step. \$ _____</p>	
19.	<p>2017 total taxable value. (Add Lines 16E and 17C. Subtract Line 18. \$ _____</p>	
20.	<p>Total 2017 taxable value of properties in territory annexed after Jan. 1, 2016. Include both real and personal property. Enter the 2017 value of property in territory annexed.</p>	
21.	<p>Total 2017 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2016. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2016, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2017. \$ _____</p>	
22.	<p>Total adjustments to the 2017 taxable value. Add Lines 20 and 21. \$ _____</p>	
23.	<p>2017 adjusted taxable value. Subtract Line 22 from Line 19. \$ _____</p>	
LINE	Effective Tax Rate Activity (Lines 24-25) — Calculate the Effective Tax Rate	Amount/Rate
24.	<p>2017 effective tax rate. Divide Line 15 by Line 23 and multiply by \$100. \$ _____ /\$100</p>	
25.	<p>Counties Only. Add together the effective tax rates for each type of tax the county levies. The total is the 2017 county effective tax rate. \$ _____ /\$100</p>	

Form 50-856 | Taxing Units Other Than School / Water Districts

LINE	Rollback Tax Rate Activity (Lines 26-31) — Calculate the M&O Component	Amount/ Rate
26.	2016 maintenance and operations (M&O) tax rate.	\$ _____ /\$100
27.	2016 adjusted taxable value. Enter the amount from Line 11.	\$ _____
28.	<p>2016 taxable value lost because property first qualified for an exemption in 2017.</p> <p>A. Multiply Line 26 by Line 27 and divide by \$100.....\$ _____</p> <p>B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2016. Enter amount from full year's sales tax revenue spent for M&O in 2016 fiscal year, if any. Other taxing units enter 0. Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent..... +\$ _____</p> <p>C. Counties: Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other taxing units enter 0..... +\$ _____</p> <p>D. Transferring function: If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in H below. The taxing unit receiving the function will add this amount in H below. Other taxing units enter 0 + /- \$ _____</p> <p>E. Taxes refunded for years preceding tax year 2016: Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2016. This line applies only to tax years preceding tax year 2016..... +\$ _____</p> <p>F. Enhanced indigent health care expenditures: Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance +\$ _____</p> <p>G. Taxes in TIF: Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2017 captured appraised value in Line 16D, enter 0..... -\$ _____</p> <p>H. Adjusted M&O Taxes. Add A, B, C, E and F. For taxing unit with D, subtract if discontinuing function and add if receiving function. Subtract G.</p>	\$ _____
29.	2017 adjusted taxable value. Enter Line 23 from the Effective Tax Rate Worksheet.	\$ _____
30.	2017 effective maintenance and operations rate. Divide Line 28H by Line 29 and multiply by \$100.	\$ _____ /\$100
31.	2017 rollback maintenance and operation rate. Multiply Line 30 by 1.08.	\$ _____ /\$100

Form 50-856 | Taxing Units Other Than School / Water Districts

LINE	Rollback Tax Rate Activity (Lines 32-38) — Calculate the Debt Service Rate Component	Amount/ Rate
32.	<p>Total 2017 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that:</p> <ul style="list-style-type: none"> (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year, and (4) are not classified in the taxing unit's budget as M&O expenses. <p>A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments.</p> <p>Enter debt amount\$ _____</p> <p>B. Subtract unencumbered fund amount used to reduce total debt..... - \$ _____</p> <p>C. Subtract amount paid from other resources..... - \$ _____</p> <p>D. Adjusted debt. Subtract B and C from A.</p>	\$ _____
33.	Certified 2016 excess debt collections. Enter the amount certified by the collector.	\$ _____
34.	Adjusted 2017 debt. Subtract Line 33 from Line 32D	\$ _____
35.	Certified 2017 anticipated collection rate. Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	\$ _____%
36.	2017 debt adjusted for collections. Divide Line 34 by Line 35	\$ _____
37.	2017 total taxable value. Enter the amount on Line 19.	\$ _____
38.	2017 debt tax rate. Divide Line 36 by Line 37 and multiply by \$100.	\$ _____ /\$100
LINE	Rollback Tax Rate Activity (Lines 39-40) — Calculate the Rollback Tax Rate	Amount/ Rate
39.	2017 rollback tax rate. Add Lines 31 and 38.	\$ _____ /\$100
40.	Counties Only. Add together the rollback tax rates for each type of tax the county levies. The total is the 2017 county rollback tax rate.	\$ _____ /\$100

Form 50-856 | Taxing Units Other Than School / Water Districts

LINE	Rollback Tax Rate Activity (Lines 41-48) — Additional Sales Tax to Reduce Property Taxes	Amount/ Rate
41.	Taxable Sales. For taxing units that adopted the sales tax in November 2016 or May 2017, enter the Comptroller's estimate of taxable sales for the previous four quarters. Taxing units that adopted the sales tax before November 2016, skip this line.	\$ _____
42.	<p>Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.</p> <p>Taxing units that adopted the sales tax in November 2016 or in May 2017 Multiply the amount on Line 41 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95.</p> <p style="text-align: center;">- or -</p> <p>Taxing units that adopted the sales tax before November 2016. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.</p>	\$ _____
43.	2017 total taxable value. Enter the amount from Line 37 of the Rollback Tax Rate Worksheet.	\$ _____
44.	Sales tax adjustment rate. Divide Line 42 by Line 43 and multiply by \$100.	\$ _____ /\$100
45.	2017 effective tax rate, unadjusted for sales tax Enter the rate from Line 24 or 25, as applicable, on the Effective Tax Rate Worksheet.	\$ _____ /\$100
46.	<p>2017 effective tax rate, adjusted for sales tax.</p> <p>Taxing units that adopted the sales tax in November 2016 or in May 2017 Subtract Line 44 from Line 45. Skip to Line 47 if you adopted the additional sales tax before November 2016.</p>	\$ _____ /\$100
47.	2017 rollback tax rate, unadjusted for sales tax. Enter the rate from Line 39 or 40, as applicable, of the Rollback Tax Rate Worksheet.	\$ _____ /\$100
48.	2017 rollback tax rate, adjusted for sales tax. Subtract Line 44 from Line 47.	\$ _____ /\$100
49.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. The taxing unit shall provide its tax assessor-collector with a copy of the letter.	\$ _____
50.	2017 total taxable value. Enter the amount from Line 37 of the Rollback Tax Rate Worksheet.	\$ _____
51.	Additional rate for pollution control. Divide Line 49 by Line 50 and multiply by \$100.	\$ _____ /\$100
52.	2017 rollback tax rate, adjusted for pollution control. Add Line 51 to one of the following lines (as applicable): Line 39, Line 40 (counties) or Line 48 (taxing units with the additional sales tax).	\$ _____ /\$100

Form 50-858 | Water Districts

LINE	Rollback Tax Rate Activity (Lines 1-10) — Calculate the M&O Component	Amount/Rate
1.	2016 average appraised value of residence homestead.	\$ _____
2.	2016 general exemptions available for the average homestead (excluding age 65 or older or disabled persons exemptions)	-\$ _____
3.	2016 average taxable value of residence homestead (Line 1 minus Line 2).	\$ _____
4.	2016 adopted M&O tax rate (per \$100 of value).	\$ _____ /\$100
5.	2016 M&O tax on average residence homestead (Multiply Line 3 by Line 4, divide by \$100).	\$ _____
6.	Highest M&O tax on average residence homestead with increase (Multiply Line 5 by 1.08).	\$ _____
7.	2017 average appraised value of residence homestead.	\$ _____
8.	2017 general exemptions available for the average homestead (Excluding age 65 or older or disabled persons exemptions).	-\$ _____
9.	2017 average taxable value of residence homestead (Line 7 minus Line 8).	\$ _____
10.	Highest 2017 M&O Tax Rate (Line 6 divided by Line 9, multiply by \$100)	\$ _____ /\$100
LINE	Rollback Tax Rate Activity (Lines 11-12) — Add the Debt Rate and Contract Rate	Amount/Rate
11.	2017 Debt Tax Rate.	\$ _____ /\$100
12.	2017 Contract Tax Rate.	\$ _____ /\$100
LINE	Rollback Tax Rate Activity (Line 13) — Calculate the Rollback Tax Rate	Amount/Rate
13.	2017 Rollback Tax Rate (add Lines 10, 11 and 12). This is the highest rate that the water district may adopt without authorizing voters to petition for a rollback election.	\$ _____ /\$100

Form 50-859 | School Districts

LINE	Effective Tax Rate Activity (Lines 1-14) — Calculate the Levy	Amount/Rate
1.	2016 total taxable value. Enter the amount of 2016 taxable value on the 2016 tax roll today. Include any adjustments since last year's certification; exclude one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2).	\$ _____
2.	<p>2016 tax ceilings and Chapter 313 limitations.</p> <p>A. Enter 2016 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled\$ _____</p> <p>B. Enter 2016 total taxable value of applicable Chapter 313 limitations when calculating effective maintenance and operations (M&O) taxes. Enter zero when calculating effective debt service taxes. (Use these numbers on the advice of your legal counsel.)\$ _____</p> <p>C. Add A and B.</p>	\$ _____
3.	Preliminary 2016 adjusted taxable value. Subtract Line 2 from Line 1.	\$ _____
4.	2016 total adopted tax rate (School districts with an applicable Chapter 313 limitation agreement will do a two step process using the adopted M&O rate and debt rate separately).	\$ _____ /\$100
5.	<p>2016 taxable value lost because court appeals of ARB decisions reduced 2016 appraised value.</p> <p>A. Original 2016 ARB values:\$ _____</p> <p>B. 2016 values resulting from final court decisions: - \$ _____</p> <p>C. 2016 value loss. Subtract B from A.</p>	\$ _____
6.	2016 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$ _____
7.	2016 taxable value of property in territory the school deannexed after Jan. 1, 2016. Enter the 2016 value of property in deannexed territory.	\$ _____
8.	<p>2016 taxable value lost because property first qualified for an exemption in 2017. Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the school district increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport or goods-in-transit exemptions.</p> <p>A. Absolute exemptions. Use 2016 market value:\$ _____</p> <p>B. Partial exemptions. 2017 exemption amount or 2017 percentage exemption times 2016 value: +\$ _____</p> <p>C. Value loss. Add A and B.</p>	\$ _____
9.	<p>2016 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2017. Use only properties that qualified in 2017 for the first time; do not use properties that qualified in 2016.</p> <p>A. 2016 market value:\$ _____</p> <p>B. 2017 productivity or special appraised value: - \$ _____</p> <p>C. Value loss. Subtract B from A.</p>	\$ _____
10.	Total adjustments for lost value. Add Lines 7, 8C and 9C.	\$ _____
11.	2016 adjusted taxable value. Subtract Line 10 from Line 6.	\$ _____
12.	Adjusted 2016 taxes. Multiply Line 4 by Line 11 and divide by \$100.	\$ _____
13.	Taxes refunded for years preceding tax year 2016. Enter the amount of taxes refunded by the district for tax years preceding tax year 2016. Types of refunds include court decisions, corrections and payment errors. Do not include refunds for tax year 2016. This line applies only to tax years preceding tax year 2016.	\$ _____
14.	Adjusted 2016 taxes with refunds. Add Lines 12 and 13.	\$ _____

Form 50-859 | School Districts

LINE	Effective Tax Rate Activity (Lines 15-22) — Calculate the Value	Amount/Rate	
15.	<p>Total 2017 taxable value on the 2017 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in line 17). These homesteads include homeowners age 65 or older or disabled.</p> <p>A. Certified values only:.....\$ _____</p> <p>B. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:..... - \$ _____</p> <p>C. Total value. Subtract B from A......\$ _____</p>	\$ _____	
	16.	<p>Total value of properties under protest or not included on certified appraisal roll.</p> <p>A. 2017 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value:.....\$ _____</p> <p>B. 2017 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives school districts a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value:..... +\$ _____</p> <p>C. Total value under protest or not certified. Add A and B.\$ _____</p>	\$ _____
		17.	<p>2016 tax ceilings and Chapter 313 limitations.</p> <p>A. Enter 2017 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled.\$ _____</p> <p>B. Enter 2017 total taxable value of applicable Chapter 313 limitations when calculating effective M&O taxes. Enter zero when calculating effective debt service taxes. (Use these numbers on the advice of your legal counsel.) +\$ _____</p> <p>C. Add A and B......\$ _____</p>
18.			2017 total taxable value. Add Lines 15C and 16C. Subtract Line 17C.\$ _____
19.	Total 2017 taxable value of properties in territory annexed after Jan. 1, 2016. (Include both real and personal property. Enter the 2017 value of property in territory annexed by the school district.\$ _____		\$ _____
20.	<p>Total 2017 taxable value of new improvements and new personal property located in new improvements.</p> <p>New means the item was not on the appraisal roll in 2016. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the school district after Jan. 1, 2016, and be located in a new improvement.\$ _____</p>	\$ _____	
21.	Total adjustments to the 2017 taxable value. Add lines 19 and 20.\$ _____	\$ _____	
22.	2017 adjusted taxable value. Subtract line 21 from line 18.\$ _____	\$ _____	
LINE	Effective Tax Rate Activity (Lines 23-24) — Calculate the Effective Tax Rate	Amount/Rate	
23.	2017 effective tax rate. Divide line 14 by line 22 and multiply by \$100.\$ _____ / \$100	\$ _____ / \$100	
24.	2017 effective tax rate for ISDs with Chapter 313 Limitations. Add together the effective tax rates for M&O and debt service for those school districts that participate in an applicable Chapter 313 limitations agreement.\$ _____ / \$100	\$ _____ / \$100	

Form 50-859 | School Districts

LINE	Rollback Tax Rate Activity (Lines 25-27) — Calculate the M&O Component	Amount/Rate
25.	Maintenance and Operations (M&O) tax rate. Enter \$1.50 OR the 2005 adopted M&O rate if voters approved a rate higher than \$1.50.	\$ _____ /\$100
26.	Multiply line 25 times 0.6667.	\$ _____ /\$100
27.	2017 rollback M&O rate. Use the lesser of the M&O rate as calculated in Tax Code Section 26.08(n)(2)(A) and (B).	\$ _____ /\$100
LINE	Rollback Tax Rate Activity (Lines 28-34) — Calculate the Debt Service Rate Component	Amount/Rate
28.	<p>Total 2017 debt to be paid with property tax revenue.</p> <p>Debt means the interest and principal that will be paid on debts that:</p> <ul style="list-style-type: none"> (1) Are paid by property taxes, (2) Are secured by property taxes, (3) Are scheduled for payment over a period longer than one year, and (4) Are not classified in the school district's budget as M&O expenses. <p>A. Debt includes contractual payments to other school districts that have incurred debt on behalf of this school district, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments.</p> <p>Enter debt amount:.....\$ _____</p> <p>B. Subtract unencumbered fund amount used to reduce total debt..... – \$ _____</p> <p>C. Subtract state aid received for paying principal and interest on debt for facilities through the existing debt allotment program and/or instructional facilities allotment program– \$ _____</p> <p>D. Adjust debt: Subtract B and C from A.</p>	\$ _____
29.	Certified 2016 excess debt collections. Enter the amount certified by the collector	\$ _____
30.	Adjusted 2017 debt. Subtract line 29 from line 28D.	\$ _____
31.	Certified 2017 anticipated collection rate. Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	\$ _____%
32.	2017 debt adjusted for collections. Divide line 30 by line 31.	\$ _____
33.	2017 total taxable value. Enter amount on line 18.	\$ _____
34.	2017 debt tax rate. Divide line 32 by line 33 and multiply by \$100.	\$ _____ /\$100
LINE	Rollback Tax Rate Activity (Lines 35) — Calculate the Rollback Tax Rate	Amount/Rate
35.	2017 rollback tax rate. Add lines 27 and 34.	\$ _____ /\$100

Form 50-859 | School Districts

LINE	Rollback Tax Rate Activity (Lines 36-39) — Additional Rollback Protection for Pollution Control Activity	Amount/Rate
36.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. The school district shall provide its tax assessor with a copy of the letter.	\$ _____
37.	2017 total taxable value. Enter the amount from line 33 of the Rollback Tax Rate Worksheet.	\$ _____
38.	Additional rate for pollution control. Divide line 36 by line 37 and multiply by \$100.	\$ _____ /\$100
39.	2017 rollback tax rate, adjusted for pollution control. Add line 38 and line 35.	\$ _____ /\$100

Comptroller Form 50–861

Sample Tax Rate Rollback Ballot

For Taxing Units Other Than School Districts

Tax Rate Rollback Election

For _____
(name of taxing unit)

Date _____
(date of election)

Place an “X” in the square beside the statement indicating the way you wish to vote.

- For**
- Against**

Reducing the tax rate in _____
for the current year from _____ (Name of taxing unit)
to _____ (the rate adopted)
_____ (the rollback rate calculated according to Tax Code § 26.04)

Comptroller Form 50–863 Sample Tax Rate Rollback Ballot

For School Districts

Tax Rate Rollback Election

For _____ (name of school district)

Date _____ (date of election)

Place an “X” in the square beside the statement indicating the way you wish to vote.

For

Against

Approving the ad valorem tax rate of \$ _____ (adopted tax rate)

per \$100 valuation in _____ (name of school district) for the

current year, a rate that is \$ _____ (difference between adopted rate and rollback tax rate)

higher per \$100 valuation than the school district rollback tax rate, for

the purpose of _____ (description of purpose of increase)

COMPTROLLER FORM 50-819
NOTICE OF *(insert current tax year)* **TAX YEAR**
PROPOSED PROPERTY TAX RATE FOR

(Insert name of county or municipality)

A tax rate of \$ _____ per \$100 valuation has been proposed for adoption by the governing body of _____ *(insert name of county or municipality)*. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of _____ *(insert name of county or municipality)* proposes to use revenue attributable to the tax rate increase for the purpose of _____ *(description of purpose of increase)*

PROPOSED TAX RATE	\$ _____ per \$100
PRECEDING YEAR'S TAX RATE	\$ _____ per \$100
EFFECTIVE TAX RATE	\$ _____ per \$100
ROLLBACK TAX RATE	\$ _____ per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for _____ *(insert name of county or municipality)* from the same properties in both the _____ *(preceding)* tax year and the _____ *(current)* tax year.

The rollback tax rate is the highest tax rate that _____ *(insert name of county or municipality)* may adopt before. Voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

(insert name of county or municipal tax assessor-collector)

(insert name of county or municipality) tax assessor-collector

(insert address)

(insert telephone number)

(insert email address)

(insert internet website address, if applicable)

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: _____ *(insert date and time)* at _____ *(insert location of meeting)*.

Second Hearing: _____ *(insert date and time)* at _____ *(insert location of meeting)*.

**COMPTROLLER FORM 50-757
SMALL TAXING UNIT NOTICE**

The _____ *(name of taxing unit)* will hold a meeting at _____ *(time)* on
_____ *(date)* at _____ *(location)* to consider adopting a proposed tax
rate for tax year _____ *(year)*. The proposed tax rate is _____ *(rate)*
per \$100 of value.

***(*Include this statement if the proposed tax rate exceeds the taxing
unit's effective tax rate calculated under Tax Code Section 26.04.)***

The proposed tax rate would increase total taxes in _____ by
_____ *(name of taxing unit)*

_____ %.*
*(percentage by which
the proposed tax rate
exceeds the effective
tax rate)*

COMPTROLLER FORM 50-280 (REV. 4-16/3) NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The _____ (name of school district) will hold a public meeting at _____ (time, date, year) in _____ (name of room, building, physical location) _____ (city, state). The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

MAINTENANCE TAX \$ _____ per \$100 (Proposed rate for maintenance and operations)

SCHOOL DEBT SERVICE TAX APPROVED BY LOCAL VOTERS \$ _____ per \$100 (proposed rate to pay bonded indebtedness)

Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories:

Maintenance and operations	_____ % increase	or	_____ % (decrease)
Debt service	_____ % increase	or	_____ % (decrease)
Total expenditures	_____ % increase	or	_____ % (decrease)

Total Appraised Value and Total Taxable Value

(as calculated under Tax Code Section 26.04)

	Preceding Tax Year	Current Tax Year
Total appraised value* of all property	\$ _____	\$ _____
Total appraised value* of new property**	\$ _____	\$ _____
Total taxable value*** of all property	\$ _____	\$ _____
Total taxable value*** of new property**	\$ _____	\$ _____

* "Appraised value" is the amount shown on the appraisal roll and defined by Tax Code Section 1.04(8).

** "New property" is defined by Tax Code Section 26.012(17).

*** "Taxable value" is defined by Tax Code Section 1.04(10).

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness* \$ _____

* Outstanding principal.

Comparison of Proposed Rates with Last Year's Rates

	Maintenance & Operations	Interest & Sinking Fund*	Total	Local Revenue Per Student	State Revenue Per Student
Last Year's Rate	\$ _____	\$ _____ *	\$ _____	\$ _____	\$ _____
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$ _____	\$ _____ *	\$ _____	\$ _____	\$ _____
Proposed Rate	\$ _____	\$ _____ *	\$ _____	\$ _____	\$ _____

* The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	Last Year	This Year
Average Market Value of Residences	\$ _____	\$ _____
Average Taxable Value of Residences	\$ _____	\$ _____
Last Year's Rate VS Proposed Rate/\$100 Value	\$ _____	\$ _____
Taxes Due on Average Residence	\$ _____	\$ _____
Increase (Decrease) in Taxes		\$ _____

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Notice of Rollback Rate: The highest tax rate the district can adopt before requiring voter approval at an election is _____ (school rollback rate). This election will be automatically held if the district adopts a rate in excess of the rollback rate of _____ (school rollback rate).

Fund Balances

The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment:

Maintenance and Operations Fund Balance(s)	\$ _____
Interest & Sinking Fund Balance(s)	\$ _____

COMPTROLLER FORM 50-777 NOTICE OF PUBLIC MEETING TO DISCUSS PROPOSED TAX RATE

The _____ *(name of school district)*
 will hold a public meeting at _____ *(time, date, year)*
 in _____ *(name of room, building, physical location)*
 _____ *(city, state)*

The purpose of this meeting is to discuss the school district’s tax rate that will be adopted. Public participation in the discussion is invited.

The school district has elected to adopt a tax rate before receiving the certified appraisal roll from the chief appraiser(s) of the appraisal district(s) and before adopting a budget. In accordance with Tax Code Section 26.05(g), the chief appraiser(s) of the appraisal district(s) in which the school district participates has (have) certified to the assessor for the school district an estimate of the taxable value of property in the school district as provided by Tax Code Section 26.01(e). In accordance with Education Code Section 44.004(j), following adoption of the tax rate, the school district will publish notice and hold another public meeting before the school district adopts a budget.

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

MAINTENANCE TAX \$ _____ per \$100 *(Proposed rate for maintenance and operations)*

SCHOOL DEBT SERVICE TAX APPROVED BY LOCAL VOTERS \$ _____ *(Proposed rate to pay bonded indebtedness)*

Total Appraised Value and Total Taxable Value

(as calculated under Tax Code Section 26.04)

	Preceding Tax Year	Current Tax Year*
Total appraised value* of all property	\$ _____	\$ _____
Total appraised value* of new property***	\$ _____	\$ _____
Total taxable value**** of all property	\$ _____	\$ _____
Total taxable value**** of new property***	\$ _____	\$ _____

* All values identified are based on estimate(s) of taxable value received pursuant to Tax Code Section 26.01(e).
 ** “Appraised value” is the amount shown on the appraisal roll and defined by Tax Code Section 1.04(8).
 *** “New property” is defined by Tax Code Section 26.012(17).
 **** “Taxable value” is defined by Tax Code Section 1.04(10).

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness* \$ _____

* Outstanding principal.

Comparison of Proposed Rates with Last Year's Rates

	Maintenance & Operations	Interest & Sinking Fund*	Total	Local Revenue Per Student	State Revenue Per Student
Last Year's Rate	\$ _____	\$ _____ *	\$ _____	\$ _____	\$ _____
Rate to Maintain Same Level of Maintenance & Operations					
Revenue & Pay Debt Service	\$ _____	\$ _____ *	\$ _____	\$ _____	\$ _____
Proposed Rate	\$ _____	\$ _____ *	\$ _____	\$ _____	\$ _____

* The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	Last Year	This Year
Average Market Value of Residences	\$ _____	\$ _____
Average Taxable Value of Residences	\$ _____	\$ _____
Last Year's Rate VS Proposed Rate/\$100 Value	\$ _____	\$ _____
Taxes Due on Average Residence	\$ _____	\$ _____
Increase (Decrease) in Taxes		\$ _____

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Notice of Rollback Rate: The highest tax rate the district can adopt before requiring voter approval at an election is (the school district rollback rate determined under Section 26.08, Tax Code). This election will be automatically held if the district adopts a rate in excess of the rollback rate of (the school district rollback rate).

Fund Balances

The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment:

Maintenance and Operations Fund Balance(s)	\$ _____
Interest & Sinking Fund Balance(s)	\$ _____

**COMPTROLLER FORM 50-786
NOTICE OF PUBLIC MEETING
TO DISCUSS BUDGET**

The _____ *(name of school district)*
will hold a public meeting at _____ *(time, date, year)*
in _____ *(name of room, building, physical location)*
_____ *(city, state)*

The purpose of this meeting is to discuss the school district’s budget that will be adopted. Public participation in the discussion is invited.

Comparison of Proposed Budget with Last Year’s Budget

The applicable percentage increase or decrease *(or difference)* in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories:

Maintenance and operations	_____ % <i>(increase)</i>	or	_____ % <i>(decrease)</i>
Debt service	_____ % <i>(increase)</i>	or	_____ % <i>(decrease)</i>
Total expenditures	_____ % <i>(increase)</i>	or	_____ % <i>(decrease)</i>

COMPTROLLER FORM 50-304 NOTICE OF PUBLIC HEARING ON TAX RATE

The _____ (name of the district) will hold a public hearing on a proposed tax rate for the tax year _____ (year of tax levy) on _____ (date and time) at _____ (meeting place).

Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

FOR the proposal: _____ (names of all members of the

AGAINST the proposal: _____ governing body and how each

PRESENT and not voting: _____ voted on the proposed tax rate)

ABSENT: _____

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$ _____ /\$100	\$ _____ /\$100
Difference in rates per \$100 of value	\$ _____ /\$100	
Percentage increase/decrease in rates(+/-)	_____ %	
Average appraised residence homestead value	\$ _____	\$ _____
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$ _____	\$ _____
Average residence homestead taxable value	\$ _____	\$ _____
Tax on average residence homestead	\$ _____	\$ _____
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-)	\$ _____	
and percentage of increase (+/-)	_____ %	

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the water district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code.

Include the following statement if the water district proposes to adopt a combined tax rate that would authorize the qualified voters of the district to require a rollback election (the proposed tax rate exceeds the rollback tax rate).

The _____ (governing body of the water district) proposes to use the tax increase for the purpose of _____ (description of purpose of increase).

COMPTROLLER FORM 50-212 NOTICE OF EFFECTIVE TAX RATE

_____ (insert year) **Property Tax Rates in** _____ (insert taxing unit name) _____

This notice concerns _____ (insert year) property tax rates for _____ (insert taxing unit name). It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$	
Last year's debt taxes	\$	
Last year's total taxes	\$	
Last year's tax base	\$	
Last year's total tax rate	\$	/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$	
÷ This year's adjusted tax base (after subtracting value of new property)	\$	
= This year's effective tax rate (<i>Maximum rate unless taxing unit publishes notices and holds hearings.</i>)	\$	/\$100

In the first year a hospital district collects the additional sales tax to reduce property taxes, it must insert the following lines unless its first adjustment was made last year:

– Sales tax adjustment rate	\$	/\$100
= Effective tax rate	\$	/\$100

This year's rollback tax rate:

Last year's adjusted operating taxes (<i>after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate and/or enhanced indigent health care expenditures</i>)	\$	
÷ This year's adjusted tax base	\$	
This year's effective operating rate	\$	/\$100
x 1.08 = this year's maximum operating rate	\$	/\$100
+ This year's debt rate	\$	/\$100
= This year's total rollback rate	\$	/\$100

A hospital district that collects the additional sales tax to reduce property taxes, including one that collects the tax for the first time this year, must insert the following lines:

– Sales tax adjustment rate	\$	/\$100
= Rollback tax rate	\$	/\$100

For a taxing unit with additional rollback rate for pollution control, insert the following lines:

+ Additional rollback rate for pollution control	\$	/\$100
= Rollback tax rate	\$	/\$100

COMPTROLLER FORM 50-212 STATEMENT OF INCREASE/DECREASE

If _____ (insert taxing unit name) adopts a ^{current} year tax rate equal to the effective tax rate of \$ _____ (unit's effective tax rate) per \$100 of value, taxes would _____ (increase or decrease) compared to ^{previous} year taxes by \$ _____ (amount of increase or decrease) .

Schedule A – Unencumbered Fund Balances

The following estimated balances will be left in the taxing unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
	\$

Schedule B – Current Year Debt Service

The taxing unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment To Be Paid From Property Taxes	Interest To Be Paid From Property Taxes	Other Amounts To Be Paid	Total Payment
	\$	\$	\$	\$

(Expand as needed)

Total required for _____ debt service	\$ _____
– Amount (if any) ^(current year) paid from funds listed in Schedule A	\$ _____
– Amount (if any) paid from other resources.....	\$ _____
– Excess collections last year	\$ _____
= Total to be paid from taxes in _____	\$ _____
^(current year)	
+ Amount added in anticipation that the taxing unit will collect only _____ % of its taxes in _____	\$ _____
^(current year)	
= Total Debt Levy.....	\$ _____

Schedule C – Expected Revenue from Additional Sales Tax

(For hospital districts with additional sales tax to reduce property taxes)

In calculating its effective and rollback tax rates, the taxing unit estimated that it will receive \$ _____ in additional sales and use tax revenues.

COMPTROLLER FORM 50-212
STATEMENT OF INCREASE/DECREASE (CONTINUED)

Schedule D – Transfer of Department, Function or Activity

The _____ spent \$ _____ from
(name of taxing unit discontinuing the function) *(amount spent in the preceding 12 months before the rate calculations)*
_____ to _____ on the _____.
(beginning date) *(ending date)* *(name of discontinuing function)*

The _____ operates this function in all or a majority of the _____
(name of taxing unit discontinuing the function)

_____.
(name of taxing unit discontinuing the function)

[Second Year of Transfer: Modify schedule to show comparison of amount this year and preceding year by taxing unit receiving the function.]

Schedule E – Enhanced Indigent Health Care Expenditures

The _____ spent \$ _____ from
(name of taxing unit) *(amount)*

COMPTROLLER FORM 50-197
NOTICE OF PUBLIC HEARING ON TAX INCREASE

The _____ *(name of taxing unit)* will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by _____ percent (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax rate calculated under Tax Code Chapter 26). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

The first public hearing will be held on _____ *(date and time)* at _____ *(meeting place)*.

The second public hearing will be held on _____ *(date and time)* at _____ *(meeting place)*.

The members of the governing body voted on the proposal to consider the tax increase as follows:

FOR: _____

AGAINST: _____

PRESENT and not voting: _____

ABSENT: _____

The average taxable value of a residence homestead in _____ last year was \$ _____
(average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older)

Based on last year's tax rate of \$ _____ *(preceding year's adopted tax rate)* per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$ _____
(tax on average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons or persons 65 years of age or older)

The average taxable value of a residence homestead in _____ this year is \$ _____
(average taxable value of a residence homestead in the taxing unit for the current tax year, disregarding residence homestead exemptions available only to disabled persons r persons 65 years of age or older). If the governing body adopts the effective tax rate for this year of \$ _____ per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$ _____
(tax on average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons or persons 65 years of age or older)

_____. If the governing body adopts the proposed tax rate of \$ _____ per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$ _____
(tax on average taxable value of a residence homestead in the taxing unit for the preceding tax year, disregarding residence homestead exemptions available only to disabled persons or persons or persons 65 years of age or older). Members of

the public are encouraged to attend the hearings and express their views.

Special Provision*

Enhanced Indigent Health Care Expenditures:

The _____ spent \$ _____ from _____ to _____ on enhanced indigent health care at the increased minimum eligibility standards, less the amount of state assistance. For the current tax year, the amount of increase above last year's enhanced indigent health care expenditures is _____.

**COMPTROLLER FORM 50-198
NOTICE OF TAX REVENUE INCREASE**

The _____ conducted public hearings on _____ and _____ on a proposal to increase the total tax revenues of the _____ from properties on the tax roll in the preceding year by _____ percent.
(name of taxing unit) *(date of first hearing)* *(date of second hearing)* *(name of taxing unit)*
(percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax rate calculated under this chapter)

The total tax revenue proposed to be raised last year at last year's tax rate of _____ for each \$100 of taxable value was _____
(insert tax rate for the preceding year) *(insert total amount of taxes imposed in the preceding year)*

The total tax revenue proposed to be raised this year at the proposed tax rate of _____ for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is _____
(insert proposed tax rate) *(insert amount computed by multiplying proposed tax rate by the difference between current total value and new property value)*

The total tax revenue proposed to be raised this year at the proposed tax rate of _____ for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is _____
(insert proposed tax rate) *(insert amount computed by multiplying proposed tax rate by current total value)*

The _____ is scheduled to vote on the tax rate that will result in that tax increase at a public meeting to be held on _____ at _____ at _____
(governing body of the taxing unit) *(date of meeting)* *(location of meeting, including mailing address)* *(time of meeting)*

The _____ proposes to use the increase in total tax revenue for the purpose of _____
(governing body of the taxing unit) *(description of purpose of increase)*

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