

APPROPRIATIONS AND REVENUE SOURCES
AD VALOREM TAXES

CAI
(LEGAL)

**Tax Bonds and
Maintenance Tax**

The governing board of each junior college district shall be authorized to issue negotiable coupon bonds for the construction and equipment of school buildings and the purchase of the necessary sites therefor, and levy and pledge annual ad valorem taxes sufficient to pay the principal of and interest on said bonds as they come due, and levy annual ad valorem taxes for the further maintenance of its public junior college or junior colleges; provided that the annual bond tax shall never exceed \$.50 on the \$100 valuation of taxable property in the district, and the annual bond tax, if any, together with the annual maintenance tax shall never exceed the aggregate of \$1 on the \$100 valuation of taxable property in the district. [See CAD] *Education Code 130.122(a)*

Notice to Board

By August 7 or as soon thereafter as practicable, the designated officer or employee shall submit the effective tax rate and the rollback tax rate to the governing body. The individual shall deliver by mail to each property owner in the unit or publish in a newspaper in the form prescribed by the comptroller:

1. The effective tax rate, the rollback tax rate, and an explanation of how they were calculated;
2. The estimated amount of interest and sinking fund balances and the estimated amount of maintenance and operation or general fund balances remaining at the end of the current fiscal year that are not encumbered with or by corresponding existing debt obligations;
3. A schedule of the taxing unit's debt obligations as prescribed by Tax Code 26.04(e)(3);
4. The amount of additional sales and use tax revenue anticipated in calculations under Tax Code 26.041;
5. A statement that the adoption of a tax rate equal to the effective tax rate would result in an increase or decrease, as applicable, in the amount of taxes imposed by the unit as compared to last year's levy, and the amount of the increase or decrease;
6. In the year that a taxing unit calculates an adjustment under Tax Code 26.04(i) or (j), a schedule as prescribed by Tax Code 26.04(e)(6); and
7. In the year following the year in which a taxing unit raised its rollback rate as required by Tax Code 26.04(j), a schedule as prescribed by Tax Code 26.04(e)(7).

Tax Code 26.04(e)

Tax Rate

The governing body of each taxing unit, before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, shall adopt a tax rate for the current tax year and shall notify the assessor for the unit of the rate adopted. The tax rate consists of two components, each of which must be approved separately. The components are:

1. The rate that, if applied to the total taxable value, will impose the total amount published under Tax Code 26.04(e)(3)(c), less any amount of additional sales and use tax revenue that will be used to pay debt service; and
2. The rate that, if applied to the total taxable value, will impose the amount of taxes needed to fund maintenance and operation expenditures of the unit for the next year.

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 shall 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.

Tax Code 26.05(a)–(b)

Effective Tax Rate

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. 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." *Tax Code 26.05(b)*

**Maintenance and
Operations 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 include in the ordinance, resolution, or order in type larger than the type used in any other portion of the document the following statement: "THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE."; and 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 EF-

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FFECTIVE MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount).” *Tax Code 26.05(b)*

Internet Posting

The taxing unit must include on the home page of any Internet website operated by the unit 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 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 26.05(b)*

Higher Rate

The governing body of a taxing unit may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate calculated as provided by Tax Code Chapter 26 until the governing body has held two public hearings on the proposed tax rate and has otherwise complied with Tax Code 26.06 and 26.065. The governing body of a taxing unit shall reduce a tax rate set by law or by vote of the electorate to the lower of the rollback tax rate or the effective tax rate and may not adopt a higher rate unless it first complies with Tax Code 26.06. *Tax Code 26.05(d)*

Public Hearing

The public hearing required above may not be held before the seventh day after the notice of the public hearing is given. The second hearing may not be held earlier than the third day after the date of the first hearing. Each hearing must be on a weekday that is not a public holiday. Each hearing must be held inside the boundaries of the unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. At the hearings, the governing body must afford adequate opportunity for proponents and opponents of the tax increase to present their views.

The notice of a public hearing shall be in the size and form prescribed by Tax Code 26.06(b). The notice of a public hearing may be delivered by mail to each property owner in the unit, or may be published in a newspaper. If the notice is published in a newspaper, it may not be in the part of the paper in which legal notices and classified advertisements appear. If the taxing unit operates an Internet website, the notice must be posted on the website from the date the notice is first published until the second public hearing is concluded.

At the public hearings the governing body shall announce the date, time, and place of the meeting at which it will vote on the proposed tax rate. After each hearing, the governing body shall give notice of the meeting at which it will vote on the proposed tax rate and the notice shall be in the size and form as prescribed by Tax Code 26.06(b)–(d).

Tax Code 26.06(a)–(d)

Adoption of Tax
Rate After Hearing

The meeting to vote on the tax increase may not be earlier than the third day or later than the 14th day after the date of the second public hearing. The meeting must be held inside the boundaries of the taxing unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. If the governing body does not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate by the 14th day, it must give a new notice under Tax Code 26.06(d) before it may adopt a rate that exceeds the lower of the rollback tax rate or the effective tax rate. *Tax Code 26.06(e)*

Supplemental Notice

In addition to the notice required under Tax Code 26.06, the governing body of a taxing unit required to hold a public hearing by Tax Code 26.05(d) shall give notice of the hearing in the manner provided by this section.

If the taxing unit owns, operates, or controls an Internet website, the unit shall post notice of the public hearing on the website continuously for at least seven days immediately before the public hearing on the proposed tax rate increase and at least seven days immediately before the date of the vote proposing the increase in the tax rate.

If the taxing unit has free access to a television channel, the taxing unit shall request that the station carry a 60-second notice of the public hearing at least five times a day between the hours of 7:00 a.m. and 9:00 p.m. for at least seven days immediately before the public hearing on the proposed tax rate increase and at least seven days immediately before the date of the vote proposing the increase in the tax rate.

The notice of the public hearing required by Tax Code 26.065(b) must contain a statement that is substantially the same as the statement required by Tax Code 26.06(b).

This section does not apply to a taxing unit if the taxing unit:

1. Is unable to comply with the requirements of this section because of the failure of an electronic or mechanical device, including a computer or server; or

2. Is unable to comply with the requirements of this section due to other circumstances beyond its control.

A person who owns taxable property is not entitled to an injunction restraining the collection of taxes by the taxing unit in which the property is taxable if the taxing unit has, in good faith, attempted to comply with the requirements of this section.

Tax Code 26.065

Election to Repeal Increase

If the governing body of a taxing unit adopts a tax rate that exceeds the rollback tax rate, the qualified voters of the taxing unit by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

Not later than the 20th day after the day a petition is submitted, the governing body shall determine whether or not the petition is valid, as defined by Tax Code 26.07(b), and pass a resolution stating its finding. If the governing body fails to act within the time allowed, the petition is treated as if it had been found valid.

If the governing body finds that the petition is valid, or fails to act within the time allowed, it shall order that an election be held in the taxing unit on a date not less than 30 or more than 90 days after the last day on which it could have acted to approve or disapprove the petition. A state law requiring local elections to be held on a specified date does not apply to the election unless a specified date falls within the time permitted by this section. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Reducing the tax rate in (name of taxing unit) for the current year from (the rate adopted) to (the rollback tax rate calculated as provided by this chapter)."

If a majority of the qualified voters in the election favor the proposition, the tax rate for the current year is the rollback tax rate calculated as provided by Tax Code Chapter 26; otherwise, the tax rate for the current year is the one adopted by the governing body.

Tax Code 26.07(a)–(e)

Call for Election

An election ordered by an authority of a political subdivision shall be ordered not later than the 62nd day before election day. *Election Code 3.005(a)*

Exception

For an election to be held on a uniform election date, the election shall be ordered not later than the 78th day before election day. [See BBB]

Election Code 3.003, .005(c), 41.002

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Notice to County Clerk and Voter Registrar	The governing body of a political subdivision, including a college district, shall deliver notice of the election to the county clerk and voter registrar of each county in which the political subdivision is located not later than the 60th day before election day. <i>Election Code 4.008(a)</i>
Proposition	In addition to any other requirement imposed by law for a proposition, including a provision prescribing the proposition language [see BBB], a proposition submitted to the voters for approval of the reduction of a tax shall specifically state the amount of tax rate reduction or the tax rate for which approval is sought. <i>Election Code 52.072(e)</i>
Tax Information to County	<p>The county assessor-collector for each county that maintains an Internet website shall post on the website of the county the following information for the most recent five tax years beginning with the 2012 tax year for each taxing unit all or part of the territory of which is located in the county: the adopted tax rate, the maintenance and operations rate, the debt rate, the effective tax rate, the effective maintenance and operations rate, and the rollback tax rate.</p> <p>A taxing unit all or part of the territory of which is located in a county shall provide the information described above pertaining to the taxing unit to the county assessor-collector annually following the adoption of a tax rate by the taxing unit for the current tax year.</p> <p><i>Tax Code 26.16(a)–(b)</i></p>
Discounts	The governing body of a taxing unit may adopt one of the discounts described below, or both, in the manner required by law for official action by the body. <i>Tax Code 31.05(a)</i>
Option 1	<p>A taxing unit may adopt the following discounts to apply regardless of the date of which it mails its tax bills:</p> <ol style="list-style-type: none">1. Three percent if the tax is paid in October or earlier;2. Two percent if the tax is paid in November; and3. One percent if the tax is paid in December. <p>This discount does not apply to taxes that are calculated too late for it to be available.</p> <p><i>Tax Code 31.04(c), .05(b)</i></p>
Option 2	<p>A taxing unit may adopt the following discounts to apply when it mails its tax bills after September 30:</p> <ol style="list-style-type: none">1. Three percent if the tax is paid before or during the next full calendar month following the date on which the tax bills were mailed;

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2. Two percent if the tax is paid during the second full calendar month following the date on which the tax bills were mailed; and
3. One percent if the tax is paid during the third full calendar month following the date on which the tax bills were mailed.

Tax Code 31.05(c)

Both Options If a taxing unit adopts both discounts, the discounts described at Option 1 apply unless the tax bills for the unit are mailed after September 30, in which case only the discounts described at Option 2 apply. *Tax Code 31.05(a)*

Rescission The governing body of a taxing unit may rescind a discount adopted by the governing body in the manner required by law for official action by the body. The rescission of a discount takes effect in the tax year following the year in which the discount is rescinded. *Tax Code 31.05(d)*

Split Payment

The governing body of a taxing unit that collects its own taxes may provide, in a manner required by law for official action by the body, that a person who pays one-half of the unit's taxes before December 1 may pay the remaining one-half of the taxes without penalty or interest before July 1 of the following year. The split-payment option, if adopted, applies to taxes for all units for which the adopting taxing unit collects taxes.

If one or more taxing units contract with the appraisal district for collection of taxes, the split-payment option does not apply to taxes collected by the district unless approved by resolution adopted by a majority of the governing bodies of the taxing units whose taxes the district collects and filed with the secretary of the appraisal district board of directors. After an appraisal district provides for the split-payment option, the option applies to all taxes collected by the district until revoked. It may be revoked in the same manner as provided for adoption.

This payment option does not apply to taxes that are calculated too late for it to be available.

Tax Code 31.03, .04(c)

In Certain Counties The governing body of a taxing unit located in a county having a population of not less than 285,000 and not more than 300,000 that borders a county having a population of 3.3 million or more and the Gulf of Mexico that has its taxes collected by another taxing unit that has adopted the split-payment option may provide that the split-payment option does not apply to the taxing unit's taxes collected by the other taxing unit. *Tax Code 31.03(d)*

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**Installment
Payments**

Certain
Homesteads

This section applies only to an individual who is disabled or at least 65 years of age and qualified for an exemption under Tax Code 11.13(c) or an individual who is a disabled veteran or the unmarried surviving spouse of a disabled veteran and qualified for an exemption under 11.132 or 11.22. Subject to Tax Code 31.031, an individual to whom this section applies may pay a taxing unit's taxes imposed on property that the person owns and occupies as a residence homestead in four equal installments without penalty or interest if the first installment is before the delinquency date and is accompanied by notice that the individual will pay the remaining taxes in three equal installments. If the delinquency date is February 1, the second installment must be paid before April 1, the third installment must be paid before June 1, and the fourth installment must be paid before August 1. If the delinquency date is a date other than February 1, the second installment must be paid before the first day of the second month after the delinquency date, the third installment must be paid before the first day of the fourth month after the delinquency date, and the fourth installment must be paid before the first day of the sixth month after the delinquency date.

Notwithstanding the deadline prescribed above for payment of the first installment, an individual to whom this section applies may pay the taxes in four equal installments as provided above if the first installment is paid and the required notice is provided before the first day of the first month after the delinquency date.

Tax Code 31.031(a)-(a-2)

Partial Payments

A tax collector may adopt a policy of accepting partial payments of property taxes. Acceptance of a partial payment does not affect the date that the tax becomes delinquent, but the penalties and interest provided by Tax Code 33.01 are incurred only by the portion of tax that remains unpaid on the date the tax becomes delinquent. A payment option provided by Tax Code 31.03 or a discount adopted under Tax Code 31.05 does not apply to any portion of a partial payment. *Tax Code 31.07(c)*

Disaster Area

This section applies to:

1. Real property that:
 - a. Is the residence homestead of the owner or consists of property that is used for residential purposes and that has fewer than five living units or is owned or leased by a business entity that had not more than the amount calculated as provided by Tax Code 31.032(h) in gross receipts in the entity's most recent federal tax year or state franchise tax annual period, according to the applicable

federal income tax return or state franchise tax report of the entity;

- b. Is located in a disaster area; and
 - c. Has been damaged as a direct result of the disaster;
2. Tangible personal property that is owned or leased by a business entity described above at item 1(a); and
 3. Taxes that are imposed on the property by a taxing unit before the first anniversary of the disaster.

A person may pay a taxing unit's taxes imposed on property that the person owns in four equal installments without penalty or interest if the first installment is paid before the delinquency date and is accompanied by notice to the taxing unit that the person will pay the remaining taxes in three equal installments in accordance with Tax Code 31.032.

Notwithstanding the deadline prescribed above for payment of the first installment, a person to whom this section applies may pay the taxes in four equal installments as provided above if the first installment is paid and the required notice is provided before the first day of the first month after the delinquency date.

Tax Code 31.032(a)-(b-1)

**Performing Services
in Lieu of Paying
Taxes**

In accordance with Tax Code 31.035, the governing body of a taxing unit may permit an individual who is at least 65 years of age to perform service to the taxing unit in lieu of paying property taxes imposed by the taxing unit on property owned by the individual and occupied as the individual's residence homestead. While performing service for the taxing unit, the property owner is not an employee of the taxing unit and is not entitled to any benefit, including workers' compensation coverage, that the taxing unit provides to an employee of the taxing unit. *Tax Code 31.035(a), (f)*

Delinquency Date

Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed, except as provided below:

1. The taxing unit has provided for split payments, as described above. *Tax Code 31.03*
2. The taxing unit's tax bills are mailed after January 10. *Tax Code 31.04(a)*
3. The taxing unit's tax bills are mailed after September 30 and the taxing unit has adopted discounts provided by Tax Code 31.05(c). *Tax Code 31.04(d)*

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4. A person who owns any interest in the property is an eligible person serving on active duty in any branch of the U.S. armed forces during a war or national emergency declared in accordance with federal law as provided by Tax Code 31.02(b).

Tax Code 31.02

**Delinquent Tax
Collection**

The governing body of a taxing unit may contract with any competent attorney to represent the unit to enforce the collection of delinquent taxes. The attorney's compensation is set in the contract, but the total amount of compensation provided may not exceed 20 percent of the amount of delinquent tax, penalty, and interest collected. *Tax Code 6.30(c)*

Additional Penalties

A taxing unit or appraisal district may provide, in the manner required by law for official action by the body, that taxes that become delinquent on or after February 1 but not later than May 1 of that year and remain delinquent on July 1 of the year in which they become delinquent incur an additional penalty to defray costs of collection, if the unit or district or another unit that collects taxes for the unit has contracted with a private attorney for the collection of delinquent taxes pursuant to Tax Code 6.30. The amount of the penalty may not exceed the amount of the compensation specified in the contract with the attorney to be paid in connection with the collection of the delinquent taxes. A tax lien attaches to the property on which the tax is imposed to secure payment of the penalty. If a taxing unit or appraisal district provides for a penalty under this section, the collector shall deliver notice of the delinquency and of the penalty to the property owner at least 30 and not more than 60 days before July 1.

If the governing body of the taxing unit or appraisal district has imposed the penalty for collection costs described above and the taxing unit or appraisal district, or another taxing unit that collects taxes for the unit, has entered into a contract with an attorney under Tax Code 6.30 for collection of delinquent taxes, the governing body of the taxing unit or appraisal district, in a manner required by law for official action, may provide that taxes that become delinquent on or after June 1 under Tax Code 26.07(f), 26.15(e), 31.03, 31.031, 31.032, 31.04, or 42.42 incur an additional penalty to defray costs of collection. The amount of the penalty may not exceed the amount of compensation specified in the contract with the attorney to be paid in connection with the collection of the delinquent taxes. A tax lien attaches to the property on which the tax is imposed to secure payment of the additional penalty. After the taxes become delinquent, the collector for a taxing unit or appraisal district that has provided for the additional penalty shall send a notice of the delinquency and the penalty to the property owner. The pen-

alty is incurred on the first day of the first month that begins at least 21 days after the date the notice is sent.

Tax Code 33.07-.08

**Homestead
Exemptions**

An individual who is disabled or is 65 or older is entitled to an exemption from taxation by a taxing unit of a portion, the amount of which is fixed as provided by Tax Code 11.13(e), of the appraised value of the individual's residence homestead if the exemption is adopted either:

1. By the governing body of the taxing unit; or
2. By a favorable vote of a majority of the qualified voters of the taxing unit at an election called by the governing body of a taxing unit, and the governing body shall call the election on the petition of at least 20 percent of the number of qualified voters who voted in the preceding election of the taxing unit.

The amount of an exemption adopted is \$3,000 of the appraised value of the residence homestead unless a larger amount is specified by the governing body authorizing the exemption as described at item 1 or the petition for the election if the exemption is authorized as described at item 2.

Once authorized, an exemption adopted as provided in this section may be repealed or decreased or increased in amount by the governing body of the taxing unit or by the procedure authorized by item 2 above. In the case of a decrease, the amount of the exemption may not be reduced to less than \$3,000 of the market value.

Tax Code 11.13(d)-(f)

Application for
Exemption

To receive the residence homestead exemption, a person claiming the exemption must apply for the exemption. *Tax Code 11.43(a)*

Homesteads
Rendered
Uninhabitable or
Unusable

If a qualified residential structure for which the owner receives a homestead exemption under Tax Code 11.13 is rendered uninhabitable or unusable by a casualty or by wind or water damage, the owner may continue to receive the exemption for the structure and the land and improvements used in the residential occupancy of the structure while the owner constructs a replacement qualified residential structure on the land in accordance with Tax Code 11.135 and 11.26(n)-(o) and 34 Administrative Code 9.416. *Tax Code 11.135, .26(n)-(o); 34 TAC 9.416*

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Disabled Veterans
and Their Families

*Portion of
Assessed Value*

Owned
Residence

Pursuant to Tax Code 11.22, a disabled veteran and, if that person dies, the person's unmarried surviving spouse or unmarried children, is entitled to an exemption from taxation of a portion of the assessed value of a property the veteran owns and designates in accordance with Tax Code 11.22(f). *Tax Code 11.22*

Donated
Residence

A disabled veteran who has a disability rating of less than 100 percent is entitled to an exemption from taxation of a percentage of the appraised value of the disabled veteran's residence homestead equal to the disabled veteran's disability rating if the residence homestead was donated to the disabled veteran by a charitable organization:

1. At no cost to the disabled veteran; or
2. At some cost to the disabled veteran in the form of a cash payment, a mortgage, or both in an aggregate amount that is not more than 50 percent of the good faith estimate of the market value of the residence homestead made by the charitable organization as of the date the donation is made.

The surviving spouse of a disabled veteran who qualified for the exemption of a percentage of the appraised value of the disabled veteran's residence homestead when the disabled veteran died is entitled to an exemption in accordance with Tax Code 11.132.

Tax Code 11.132(b)-(c)

*Total Appraised
Value*

A disabled veteran who receives from the U.S. Department of Veterans' Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead.

The surviving spouse of a disabled veteran who qualified for an exemption under Tax Code 11.131(b) when the disabled veteran died, or of a disabled veteran who would have qualified for an exemption under Section 11.131(b) if Section 11.131(b) had been in effect on the date the disabled veteran died, is entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied, or to which the disabled veteran's exemption would have applied if the exemption had been authorized on the date the disabled veteran died, if the surviving spouse has not remarried since the death of the disabled veteran; and the property:

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1. Was the residence homestead of the surviving spouse when the disabled veteran died; and
2. Remains the residence homestead of the surviving spouse.

If a surviving spouse who qualifies for an exemption under Tax Code 11.131(c) subsequently qualifies a different property as the surviving spouse's residence homestead, the surviving spouse is entitled to an exemption from taxation of the subsequently qualified homestead in accordance with Tax Code 11.131(d).

Tax Code 11.131(b)-(d)

Surviving Spouse of
Armed Services
Member Killed in
Action

The surviving spouse of a member of the armed services of the United States who is killed in action is entitled to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead in accordance with Tax Code 11.133. *Tax Code 11.133*

Surviving Spouse of
First Responder
Killed in Line of
Duty

The surviving spouse of a first responder listed in Government Code 615.003 who is killed or fatally injured in the line of duty is entitled to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead in accordance with Tax Code 11.134. *Tax Code 11.134*

**Additional
Exemptions**

A taxing unit is required or permitted, as applicable, to grant additional tax exemptions as provided by law. *Tex. Const. Art. VIII, Sec. 1-b; Tax Code Chapter 11, Subchapter B*

**Notice of Optional
Exemption**

If a taxing unit adopts, amends, or repeals an exemption that the unit by law has the option to adopt or not, the taxing unit shall notify the appraisal office of its action and of the terms of the exemption within 30 days after the date of its action. *Tax Code 6.08*

Disaster Area

The governing body of a taxing unit that is located partly or entirely inside an area declared to be a disaster area by the governor may authorize reappraisal of all property damaged in the disaster at its market value immediately after the disaster. *Tax Code 23.02(a)*

**Branch Campus
Maintenance Tax**

In accordance with Education Code 130.253, the governing body of a school district or a county may levy a junior college district branch campus maintenance tax at a rate not to exceed five cents on each \$100 valuation of all taxable property in its jurisdiction.

The proceeds of the junior college district branch campus maintenance tax may be used only as follows:

1. To operate and maintain a branch campus and support its programs and services in the area of the political subdivision that levied the tax; and

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2. Under an agreement by the applicable junior college district and the political subdivision levying the tax, to make lease payments to the political subdivision for facilities used exclusively by the branch campus that are owned by the political subdivision.

Education Code 130.253(a), (k)

Local Steering
Committee

A local group of citizens interested in establishing a branch campus maintenance tax jurisdiction shall appoint a steering committee of at least seven citizens to provide leadership on behalf of the tax effort. The steering committee shall be composed of a cross-section of the population of the area, with representation from major civic groups and business and industry. A chair, co-chair, and secretary shall be appointed, along with any other officers who may be of assistance to the committee. Where the proposed branch campus maintenance tax jurisdiction is to be located in an independent school district, the district board of trustees may serve as the steering committee.

The steering committee shall:

1. Serve as liaison between the local community, the college district which would operate the branch campus, and the Coordinating Board;
2. Be responsible for conducting a feasibility study and a survey of the needs and potential of the area for a branch campus;
3. Provide information to the community, which at a minimum, describes the nature and purpose of a branch campus;
4. Summarize and evaluate the results of the feasibility study and survey and formulate conclusions for submission to the commissioner;
5. Prepare and circulate a petition to obtain not fewer than five percent of the qualified voters of the proposed branch maintenance tax jurisdiction; and
6. Present the appropriately signed petition as set out in 19 Administrative Code 8.30(a) to appropriate authorities for certification in compliance with Education Code 130.087.

19 TAC 8.93

Application
Procedures

The steering committee and the community college district that is planning the branch campus shall jointly file a letter of intent with the commissioner as soon as practical. The staff of the Coordinating Board shall offer advice and technical assistance to the steer-

ing committee under the direction of the commissioner on procedures and requirements. *19 TAC 8.94*

Local Feasibility
Study and Survey

A local feasibility study consisting of a survey of need, potential student clientele, financial ability of the jurisdiction, and other pertinent data must be carried out under the auspices of the steering committee and the college which shall operate the branch campus. This feasibility study may be conducted either by the steering committee or by professionals.

The Coordinating Board staff shall offer advice and technical assistance to the steering committee under the direction of the commissioner. When the feasibility study is conducted by a professional individual or research organization, the steering committee shall fully advise the commissioner prior to initiating the study.

The feasibility study shall be made in consultation with the Coordinating Board staff and, upon completion, be submitted to the commissioner. The commissioner, in consultation with Coordinating Board staff, shall determine if further documentation or clarification is needed to supplement the information presented in the feasibility study.

The feasibility study shall be reviewed by the Coordinating Board, along with other information it deems appropriate, in determining whether the criteria as set out in 19 Administrative Code 8.89 (relating to Standards and Board Procedure for Approval) have been met.

19 TAC 8.95

Petition

In counties with a population of more than 150,000, the steering committee shall be responsible for the circulation of a petition for authorization of an election to levy a public community college branch campus maintenance tax. At a minimum, the petition shall include the maintenance tax limits that shall appear on the ballot in the event an election is authorized. For counties with a population of 150,000 or less or an independent school district within a county with a population of 150,000 or less, no petition to propose an election for a branch campus maintenance tax is required to be submitted to the Coordinating Board.

The petition must incorporate all requirements as set forth in Election Code Chapter 277. After the petition has been circulated among the electorate and has been signed by not less than five percent of the qualified electors of the proposed branch maintenance tax jurisdiction, the petition shall be presented to the appropriate authorities who have the duty of verifying the legality of the petition.

Upon submission of a petition for an election to authorize a branch campus maintenance tax to a governing body of an independent school district or county, the governing body may propose an election and submit to the commissioner a feasibility study and survey. Upon approval by the commissioner, the governing body may enter an order for an election.

The governing body of a county with a population of 150,000 or less or an independent school district within a county with a population of 150,000 or less, on completion and approval of the feasibility study and survey by the commissioner, on its own motion and without presentation and approval of a certified petition to the Coordinating Board may order an election to authorize a branch campus maintenance tax. The governing body of an independent school district or county, notwithstanding 19 Administrative Code 8.98(b), shall present a certified petition to the commissioner who shall then present it to the Coordinating Board for approval or disapproval.

After the petition and any additional documentation or information are presented to the commissioner, a minimum of 45 days must elapse between the date on which the petition and supporting documents are received by the commissioner and the quarterly meeting of the Coordinating Board when the Coordinating Board will consider the petition.

19 TAC 8.96-.98

Coordinating Board
Approval

Education Code 130.253 requires the Coordinating Board to determine that:

1. The branch campus maintenance tax rate does not exceed five cents on each \$100 valuation of all taxable property;
2. A certified petition has been submitted by the appropriate authorities to the Coordinating Board; and
3. The proposed tax is feasible and desirable.

Education Code 130.253(c); 19 TAC 8.99(a)

Criteria

The Coordinating Board shall apply the following criteria when considering the appropriateness for the levying of a branch campus maintenance tax:

1. Demographic and economic characteristics of the jurisdiction seeking to establish the maintenance tax, such as:
 - a. Population trends by age group;
 - b. Economic development trends and projection; and

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- c. Employment trends and projection (i.e., supply-demand data).
2. Potential student clientele, including:
 - a. Educational levels by age group; and
 - b. College-bound data (i.e., trends by age group).
3. The financial status of the proposed jurisdiction to be taxed and the state as a whole, including:
 - a. Any projected growth or decline in the tax base; and
 - b. Trends in state appropriations for community/junior colleges and other institutions of higher education.
4. Projected programs and services for the proposed jurisdiction based on economic and population trends.
5. Proximity and impediments to programs and services to existing institutions of higher education such as:
 - a. Identification of institutions that could be affected by a new branch campus;
 - b. Documentation of existing programs and services:
 - (1) On the campuses of nearby institutions of higher education;
 - (2) Available to citizens within a 50-mile radius of the proposed jurisdiction; and
 - (3) Offered in the proposed jurisdiction by existing institutions of higher education.
 - c. Financial limitations on existing institutions of higher education inhibiting the offering of programs and services in the proposed jurisdiction;
 - d. Availability of facilities, libraries, and equipment for institutions to offer classes in the proposed jurisdiction;
 - e. Distance and traffic patterns to existing institutions of higher education;
 - f. Effect on enrollments of existing institutions of higher education; and
 - g. Effect on financing of existing institutions of higher education.

Education Code 130.253(c); 19 TAC 8.99(b)

Public Hearings	<p>A Coordinating Board committee may conduct one or more public hearings in the proposed jurisdiction to:</p> <ol style="list-style-type: none">1. Assess public sentiment regarding the levying of a branch campus maintenance tax;2. Determine whether programs in the proposed jurisdiction would create unnecessary duplication or seriously harm programs in existing community/junior college districts or other institutions of higher education in the area; and3. Assess the potential impact of the proposed jurisdiction on existing community/junior colleges or other institutions of higher education in the area and on the state of Texas. <p><i>Education Code 130.253(c); 19 TAC 8.99(c)</i></p>
Recommendation	<p>After the self-study has been reviewed and, if applicable, a site visit conducted by a Coordinating Board committee and Coordinating Board staff, a report from the Coordinating Board staff shall be submitted to the commissioner indicating whether the criteria as set out above have been met. The report shall include a recommendation for approval or denial of the request for approval to hold an election to levy a branch campus maintenance tax, but shall not be binding on the commissioner or the Coordinating Board.</p> <p>Coordinating Board action on the request for approval to hold an election to levy a branch campus maintenance tax shall be taken at the next quarterly Coordinating Board meeting. In making its decision, the Coordinating Board shall consider the needs of the community/junior college, the needs of the community or communities served by the branch campus maintenance tax jurisdiction, and the welfare of the state as a whole. A resolution shall be entered in the minutes of the board and conveyed in writing by the commissioner to the governing board of the community/junior college district.</p> <p><i>Education Code 130.253(c); 19 TAC 8.99(d), . 100</i></p>
Election	<p>If the Coordinating Board approves the establishment of the branch campus maintenance tax, the governing body of the school district or county shall enter an order for an election to be held in the territory under its jurisdiction not less than 20 days nor more than 60 days after the date on which the order is entered to determine whether the branch campus maintenance tax may be levied. In the case of the joint school district or joint county elections, by mutual agreement of the governing bodies, the elections shall be held on the same date throughout the jurisdictions.</p> <p>The president of the governing board of the school district or the county judge, as applicable, shall give notice of the election in the</p>

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manner provided by law for notice by the county judge of general elections.

A majority of the electors in the proposed branch campus maintenance tax jurisdiction voting in the election shall determine the question of the creation of the branch campus maintenance tax jurisdiction submitted in the order.

19 TAC 8.101-.102

Resubmission of
Applications

Should an election to create a branch campus maintenance tax jurisdiction fail, a period of 12 months must elapse before resubmission of the proposition to the Coordinating Board. The Coordinating Board shall require a strong showing of need and unusual circumstances before approving resubmission before the 12 months have elapsed. *19 TAC 8.103*

**Reinvestment
Zones—Tax
Increment Financing**

The governing body of a county by order may designate a contiguous geographic area in the county and the governing body of a municipality by ordinance may designate a contiguous or noncontiguous geographic area that is in the corporate limits of the municipality, in the extraterritorial jurisdiction of the municipality, or in both to be a reinvestment zone to promote development or redevelopment of the area if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future, in accordance with the Tax Increment Financing Act, Tax Code Chapter 311. The designation of an area that is wholly or partly located in the extraterritorial jurisdiction of a municipality is not affected by a subsequent annexation of real property in the reinvestment zone by the municipality. *Tax Code 311.003(a)*

Board of Directors

Each taxing unit other than the municipality or county that designated the zone that levies taxes on real property in the zone may appoint one member of the reinvestment zone's board of directors if the taxing unit has approved the payment of all or part of the tax increment produced by the unit into the tax increment fund for the zone. A unit may waive its right to appoint a director. *Tax Code 311.009(a)*

In a reinvestment zone designated by a municipality which is wholly or partially located in a county with a population of less than 1.8 million in which the principal municipality has a population of 1.1 million or more, except as provided by Tax Code 311.0091(c), each taxing unit that approves the payment of all or part of its tax increment into the tax increment fund is entitled to appoint a number of members of the reinvestment zone's board of directors in proportion to the taxing unit's pro rata share of the total anticipated tax

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increment to be deposited into the tax increment fund during the term of the zone. *Tax Code 311.0091(a)–(b)*

If the zone was designated upon petition of property owners under Tax Code 311.005(a)(4), each taxing unit, other than the municipality or county that designated the zone, that levies taxes on real property in the zone may appoint one member or members, as provided by Tax Code 311.009(b), of the reinvestment zone's board of directors only if it has approved the payment of all or part of the tax increment produced by the taxing unit into the tax increment fund for the zone. *Tax Code 311.009(b), .0091(c)*

Collection and
Deposit of Tax
Increments

Each taxing unit that taxes real property located in a reinvestment zone shall provide for the collection of its taxes in the zone as for any other property taxed by the unit. Each taxing unit shall pay into the tax increment fund for the zone an amount specified by Tax Code 311.013(b). Notwithstanding any termination of the reinvestment zone under Tax Code 311.017(a) and unless otherwise specified by an agreement between the taxing unit and the municipality or county that created the zone, a taxing unit shall make the payment not later than the 90th day after the later of the delinquency date for the unit's property taxes or the date the municipality or county that created the zone submits to the taxing unit an invoice specifying the tax increment produced by the taxing unit and the amount the taxing unit is required to pay into the tax increment fund for the zone. A taxing unit is not required to pay into a tax increment fund the applicable portion of a tax increment attributable to delinquent taxes until those taxes are collected. *Tax Code 311.013*

A taxing unit is not required to pay into the tax increment fund any of its tax increment produced the property located in a reinvestment zone created designated by a petition of property owners under Tax Code 311.005(a) or in an area added to a reinvestment zone under Tax Code 311.007 unless the taxing unit enters into an agreement to do so with the governing body of the municipality or county that designated the zone. *Tax Code 311.013(f)*

Notwithstanding the designation of a later termination date under Tax Code 311.017(a), a taxing unit that taxes real property located in the reinvestment zone is not required to pay any of its tax increment into the tax increment fund for the zone after the termination date designated in the ordinance or order creating the zone unless the governing body of the taxing unit enters into an agreement to do so with the governing body of the municipality or county that created the zone. *Tax Code 311.017(a-1)*

The governing body of the municipality or county that designated a reinvestment zone by ordinance or resolution or by order or resolu-

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tion, respectively, may extend the term of all or a portion of the zone after notice and hearing in the manner provided for the designation of the zone. A taxing unit is not required to participate in the zone or portion of the zone for the extended term unless the taxing unit enters into a written agreement to do so. *Tax Code 311.007(c)*

Transfer of Funds
Between
Reinvestment
Zones

Money in the tax increment fund for a reinvestment zone may be transferred to the tax increment fund for an adjacent zone if:

1. The taxing units that participate in the zone from which the money is to be transferred participate in the adjacent zone and vice versa;
2. Each participating taxing unit has agreed to deposit the same portion of its tax increment in the fund for each zone;
3. Each participating taxing unit has agreed to the transfer; and
4. The holders of any tax increment bonds or notes issued for the zone from which the money is to be transferred have agreed to the transfer.

Tax Code 311.014(f)

Goods-in-Transit

A person is entitled to an exemption from taxation of the appraised value of that portion of the person's property that consists of goods-in-transit. *Tax Code 11.253(b)*

In accordance with Tax Code 11.253, the governing body of a taxing unit, in a manner required for official action by the governing body, may provide for the taxation of goods-in-transit exempt as set out above and not exempt under other law. The official action to tax the goods-in-transit must be taken before January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. Before acting to tax the exempt property, the governing body must conduct a public hearing as required by Texas Constitution Article VIII, Section 1-n(d). The goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing unit, in the manner required for official action, rescinds or repeals its previous action to tax goods-in-transit, or otherwise determines that the exemption prescribed above will apply to that taxing unit. *Tax Code 11.253(j)*

Notwithstanding the Section 11.253(j) or official action that was taken before October 1, 2011, to tax goods-in-transit under the above exemption, a taxing unit may not tax such goods-in-transit in a tax year that begins on or after January 1, 2012, unless the governing body of the taxing unit takes official action on or after October 1, 2011, in the manner required for official action by the board,

to provide for the taxation of the goods-in-transit. *Tax Code 11.253(j-1)*

Exception

If the governing body of the taxing unit, before October 1, 2011, took action to provide for the taxation of goods-in-transit and pledged the taxes imposed on the goods-in-transit for the payment of a debt of the taxing unit, the tax officials of a taxing unit may continue to impose the taxes against the goods-in-transit until the debt is discharged, if cessation of the imposition would impair the obligation of the contract by which the debt was created. *Tax Code 11.253(j-2)*

**Reinvestment
Zones—Tax
Abatement**

Eligibility to
Participate

A taxing unit may not enter into a tax abatement agreement under Tax Code Chapter 312 unless the governing body has established guidelines and criteria governing tax abatement agreements by the taxing unit and a resolution stating that the taxing unit elects to be eligible to participate in tax abatement. The governing body of a taxing unit may not enter into a tax abatement agreement unless it finds that the terms of the agreement meets and the property subject to the agreement meet the applicable guidelines and criteria adopted by the governing body.

The guidelines and criteria are effective for two years from the date adopted. During that period, the guidelines and criteria may be amended or repealed only by a vote of three-fourths of the members of the governing body.

The adoption of guidelines and criteria by the governing body of a taxing unit does not:

1. Limit the discretion of the governing body to decide whether to enter into a specific tax abatement agreement.
2. Limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement.
3. Create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement.

Tax Code 312.002

Notice of Public
Hearing on
Designation

The governing body of a municipality may not adopt an ordinance designating an area as a reinvestment zone until the governing body has held a public hearing on the designation and has found that the improvements sought are feasible and practical and would be a benefit to the land to be included in the zone and to the municipality after the expiration of an agreement entered into under

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Tax Code 312.204 and 312.211, as applicable. At the hearing, interested persons are entitled to speak and present evidence for or against the designation. Not later than the seventh day before the date of the hearing, notice of the hearing must be published in a newspaper having general circulation in the municipality and delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone. *Tax Code 312.201(d)*

Notice of Tax
Abatement
Agreements

Not later than the seventh day before the date on which a municipality enters into a tax abatement agreement under Tax Code 312.204 or 312.211, the governing body of the municipality or a designated officer or employee of the municipality shall deliver to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the agreement is located a written notice that the municipality intends to enter into the agreement. The notice must include a copy of the proposed agreement. Failure to deliver the notice does not affect the validity of the agreement. *Tax Code 312.2041(a), (c)*

Entering Tax
Abatement
Agreements

If property taxes on property located in the taxing jurisdiction of a municipality are abated under an agreement made under Tax Code 312.204 or 312.211, the governing body of each other taxing unit eligible to enter tax abatement agreements under Tax Code 312.002 in which the property is located may execute a written agreement with the owner of the property. The agreement is not required to contain terms identical to those contained in the agreement with the municipality. The execution, duration, and other terms of an agreement made under this section are governed by the provisions of Tax Code 312.204, 312.205, and 312.211. *Tax Code 312.206(a)*