



LINEBARGER
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TAAD Assessment and Collection Legislative Update

Laurie Mann, TNT Specialist
Linebarger Goggan Blair & Sampson, LLP

2023



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Gov. Greg Abbott @GovAbbott · 3h
 Hard-working Texans produced the largest state budget surplus in Texas history.

That money belongs to the taxpayers.

We should return it with the largest property tax cut in the history of the state of Texas.

#TXSOTS23 #txlege

EMERGENCY ITEM:

CUT PROPERTY TAXES

Emergency Item

GOVERNOR'S QUORUM REPORT
 GOVERNOR SINCE 1981
 8767
 QUORUMREPORT.COM

[Print this Page](#)

Emergency items in his State of the State Address

Gov. Greg Abbott's prepared remarks: Property taxes, ending covid education freedom," school safety, bail reform, border crisis"

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3

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NEWS > WATCHDOG

What you need to know about the big battle happening now over Texas property taxes

Watchdog Dave Lieber: The Texas House and Senate tax plans couldn't be more different



by: [Ryan Chandler](#)

Posted: Mar 2, 2023 / 07:13 PM CST

Undated: Mar 2, 2023 / 07:13 PM CST

4



Money On Hand

← Tweet

TEXAS LEGISLATURE

Texas Legi more than

The preliminary b years, even thoug constitutional spe

BY KAREN BROOKS HAI

LBB response to questions about Tax Spending Limit (constitutional cap) indicates that the plan is to make the Property Tax Relief Fund a constitutional fund. So it won't count against the cap.

#txlege #txbudget

ave rabs

g over two state or

REPUBLIC

- **\$188.2 billion:** revenue available for general-purpose spending for 2024-25, 26.3% increase
- **\$27.1 billion:** Rainy Day Fund balance at end of 2024-25, absent any legislative appropriation
- **\$116.7 billion:** One tax spending limit (appropriations funded by tax revenue unless constitutionally dedicated); 12.33% allowable increase

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Texas Budget

MOF Type (in millions)	2022–23	HB1 2024–25	Biennial Change	% Change
General Revenue (GR) Funds	\$130,403.6	\$144,130.4	\$13,726.8	10.53%
General Revenue–Dedicated Funds	\$8,024.2	\$6,833.7	(\$1,190.5)	(14.84%)
Federal Funds	\$117,301.4	\$102,286.3	(\$15,015.1)	(12.80%)
Other Funds	\$47,567.1	\$68,087.2	\$20,520.1	43.14%
ALL FUNDS	\$303,296.3	\$321,337.6	\$18,041.3	5.95%

Source: Legislative Budget Board

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Texas Budget Property Tax Relief

\$17.6 billion for property tax relief

- \$12.3 billion above amounts required by current law, contingent upon legislation which has not yet passed
- \$5.3 billion for property tax rate compression under current law

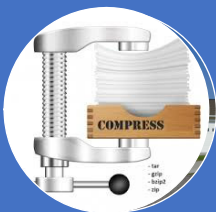
- (d) Out of amounts transferred in Subsection (c), in addition to amounts appropriated elsewhere in this Act, TEA is appropriated \$12,294,800,000 from the Property Tax Relief Fund for the 2024-25 biennium to provide property tax relief, contingent on the enactment of SB 3 and SJR 3, or similar legislation relating to providing property tax relief through the public school finance system and proposing a constitutional amendment to except certain appropriations to pay for ad valorem tax relief from the constitutional limitation on the rate of growth of appropriations by the Eighty-eighth Legislature, and subsequent voter approval of the associated constitutional amendment proposed by the legislation.
- (e) It is the intent of the Legislature that any property tax relief directed by Subsection (d) shall be structured so as to not exceed the limit provided under Texas Constitution, Article VIII, Section 22, Limitation on the Rate of Growth of Appropriations.

7

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Property Tax Relief: SB 2/HJR 2



School district tax rate compression



School district tax ceiling adjustments



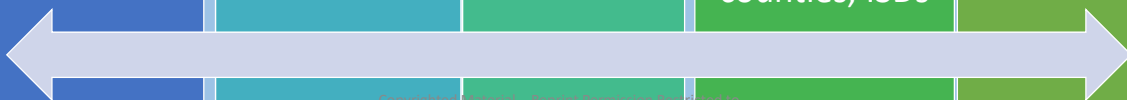
\$100k ISD homestead exemption



No LOHE repeal/reduction until 2028: cities, counties, ISDs



20% Real property appraisal cap



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8



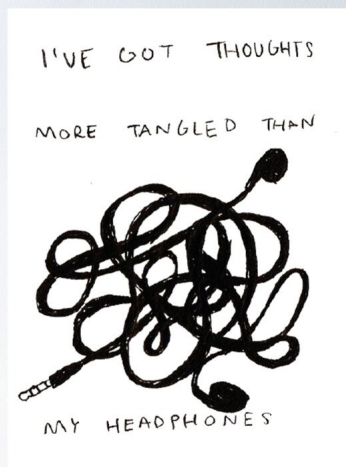
88th Regular Session



Property Tax Code Amendments Assessment/ Collection

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9



Chapter 26 Assessment



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School Districts No-New-Revenue M&O

HB 3-striking definition of effective M&O rate

in the appropriate places.)
 (i) For purposes of this section, "enrichment tax rate" has the meaning assigned by Section 45.0032, Education Code [the effective maintenance and operations tax rate of a school district is the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, would provide the same amount of state funds distributed under Chapter 42, Education Code, and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year].

- Rate to maintain
- NNR calculated without the debt rate
- VATR M&O Rate
- Other calculation?

Comptroller 313 Form: Line 34-NNR M&O

Line	No-New-Revenue Tax Rate Worksheet
28.	2022 total M&O taxable value. Subtract Line 27/C from Line 26.
29.	Total 2022 taxable value of properties in territory annexed after Jan. 1, 2021. Include both real and personal property. Enter the 2022 value of property in territory annexed by the school district.
30.	Total 2022 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2021. 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 school district after Jan. 1, 2021, and be located in a new improvement.
31.	Total adjustments to the 2022 taxable value. Add Line 29 and Line 30.
32.	Adjusted 2022 M&O taxable value. Subtract Line 31 from Line 28.
33.	Adjusted 2022 I&S taxable value. Subtract Line 31 from Line 26.
34.	2022 NNR M&O tax rate. Divide line 21 by line 32 and multiply by \$100. Please consult with counsel before using this rate for the purposes of Tax Code §26.05(b).
35.	2022 NNR I&S tax rate. Divide line 22 by line 33 and multiply by \$100.
36.	2022 NNR total tax rate. Add Line 34 and Line 35.

HB 4456 by Rep. Cody Harris

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 \$ _____ /\$100 (Proposed rate for maintenance and operations)

School Debt Service Tax Approved by Local Voters \$ _____ /\$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 26.01(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 Versus Proposed Rate per \$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 Voter-Approval Rate: The highest tax rate the district can adopt before requiring voter approval at an election is _____ (school voter-approval rate) _____. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of _____ (school voter-approval 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)	\$ _____


A school district may not increase the district's maintenance and operations tax rate to create a surplus in maintenance and operations tax revenue for the purpose of paying the district's debt service.

Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

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6



Omar's Spreadsheet

https://esc13.net/resources/state-aid-budget-template

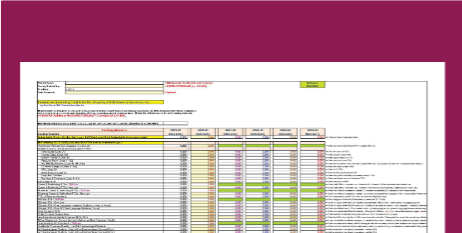
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Home School Operations Accounting / Budget and Payroll Template for Estimating State Aid

Template for Estimating State Aid



Download the template to begin estimating state aid

The Excel template is a free resource for Texas school districts.

Download the template

[Share](#)


Need to get in touch?
Contact a member of our team for more information.

? Help

https://esc13.net/resources/state-aid-budget-template

13

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Data Entry – SOF Tab

1 District Name: _____

2 County-District No.: _____ < (ENTER # WITH DASH, I.e., 001-902)

3 Run Date: 8/7/2023

4 Date Prepared: _____

7 **Template for Estimating Total State Aid - Property of BOK Financial Securities, Inc.**

8 by Omar Garcia, BOK Financial Securities, Inc.

10 This template is designed to calculate revenue based on the school finance provisions enacted by the 88th Session of the Texas Legislature and is based on my current understanding of those provisions and of previous laws. TEA is the official source for determining state aid.

12 **MY UNDERSTANDING IS ABSOLUTELY SUBJECT TO CHANGE AT ANY TIME.**

15 THE WHITE-SHADED DATA ENTRY CELLS CAN BE LEFT ALONE, BUT CAN BE CHANGED IF SO DESIRED.....

16 THE LIGHT GREEN-SHADED CELLS ARE AUTO-LOADED & SHOULD NOT BE CHANGED UNLESS YOU ARE ABSOLUTELY SURE THE DATA LOADED IS INCORRECT.

17 **Funding Elements**

	2022-23	2023
	Data Entry	Data Entry
18 Student Counts: 21-22 student counts are auto-loaded from a file obtained from TEA.	0.000	
19 Refined ADA		
20 # of Campuses in District		
21 Special Education Instructional Arrangement FTEs:		
22 Homebound (Code 01)	0.000	
23 Hospital Class (Code 02)	0.000	
24 Speech Therapy (Code 00)	0.000	
25 Resource Room (Code 41.42)	0.000	
26 S/C Mild/Mod/Severe (Code 43, 44, & 45)	0.000	
27 Off Home Campus (Codes 91-98)	0.000	
28 VAC (Code 08)	0.000	
29 State Schools (Code 30)	0.000	
30 Nonpublic Contracts	0.000	
31 Res Care & Treatment (Code 81-89)	0.000	
32 Mainstream ADA	0.000	
33 FTEs of Pregnant Students	0.000	
36 Career & Technology FTEs Grades 7-12 Not in Approved Program of Study	0.000	
37 Career & Technology FTEs Grades 7-12, Levels 1 & 2 in Approved Program of Study	0.000	
38 Career & Technology FTEs Grades 7-12, Levels 3 & 4 in Approved Program of Study	0.000	

39 Notes Assumptions \$100K Values Data Entry - SOF IFA Limits Report-SOF2223-SB1 Report-SOF2324-SB2 HB3-RollbackRates RateToMaintain2324 Notice2324

CDN number: first six digits-WITH dash

801 N. Perry St.
Palestine, TX 75801-25

Collecting Units

Anderson County

Active Taxing Units

- 001-001-02 Anderson County
- 001-902-02 Cayuga Independent School District
- 001-903-02 Elkhart Independent School District
- 001-904-02 Frankston Independent School District
- 001-906-02 Neches Independent School District
- 001-907-02 Palestine Independent School District
- 001-908-02 Westwood Independent School District
- 001-909-02 Slocum Independent School District
- 107-901-02 Athens Independent School District
- 107-910-02 LaPoyner Independent School District

HB 4456 by Rep. Cody Harris

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comptroller.texas.gov/taxes/property-tax/county-directory/



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	0.00000	0.00000	0.00000	#DIV/0!	#DIV/0!
Rate to Maintain Same	#DIV/0!	0.00000	#DIV/0!	#DIV/0!	#DIV/0!
Level of Maintenance & Operations Revenue & Pay Debt Service					
Proposed Rate	0.00000	0.00000	0.00000	#DIV/0!	#DIV/0!

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

My Commentary: The Rate to Maintain in my opinion can be very misleading, as the 18-19 funding elements are much different from the 19-20 funding elements. Prior calculations were more of an apples-to-apples comparison, as 18-19 state/local revenue was computed using the 19-20 funding elements. That is not the case this year. So what you have here is an apples-to-oranges comparison, which to me is misleading. The Rate to Maintain is maintaining a lower revenue level than what HB 3 revenue is providing (in most cases), and therefore, a lower rate is required to maintain that lower level of revenue. So have fun explaining that to your taxpayers if asked.

Omar's Spreadsheet: Notice2324 Tab

HB 4456 by Rep. Cody Harris

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TNT Calculations



Sec. 5.07 Property Tax Forms and Records Systems

- Strikes requirements that Comptroller TNT worksheets provide for submission of the **rate to maintain** for school districts (Effective January 1, 2024)

Sec. 26.012 Definitions

- School districts' no-new-revenue M&O is the M&O portion of the **rate to maintain** prescribed for the notice of public meeting to discuss the budget and the proposed tax rate (Effective January 1, 2024)

HB 4456 by Rep. Cody Harris

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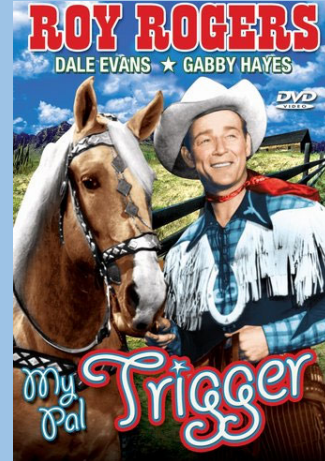
At the Hearing

Sec. 26.05 Tax Rate

- Proposing rate above **rate to maintain** (M&O plus debt) is trigger for school districts' requirement for adopting rate with:
 - Record Vote
 - 60% approval threshold
 - Effective January 1, 2024



Education Code Sec.
44.004(c)(5)(A)(ii)



HB 4456 by Rep. Cody Harris

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At the Hearing

Sec. 26.05 Tax Rate

- Trigger for school districts' requirement to use certain resolution language changed from NNR M&O to **rate to maintain** (M&O) (Effective January 1, 2024)

Similar change for
statements on taxing unit
homepage

"THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

HB 4456 by Rep. Cody Harris

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18

Sec. 26.16 County Website

Current law

- Adopted tax rate
 - M&O rate
 - Debt rate
- No-new-revenue tax rate
- No-new-revenue M&O rate
- Voter-approval tax rate

Sec. 26.17 Database of Property-Tax-Related Information (Effective January 1, 2024)

- Current law has no-new-revenue rate for most taxing units, but for school districts it has been rate to maintain
- Rate to maintain for school districts; struck that it was "weighted"

HB 4456 by P

Review website table for ISDs
Rate to Maintain



Unused Increment



Unused Increment

- Award taxing units that do not adopt all the way up to voter-approval tax rate



SB 1999 by Sen. Bettencourt

- Bank “unused” pennies – difference between adopted rate and VATR (“increment”)
- Only can accrue for years starting in 2020

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21



Unused Increment: Voter-Approval Tax Rate Taxing Units Other Than School Districts/Water Districts

Type of Taxing Unit	Growth	Debt
Cities 30,000 and over	NNR M&O * 1.035 plus unused increment³	
Cities under 30,000 ¹ Special Districts ² Counties	Greater of: De Minimis M&O Rate: NNR M&O + \$500k rate -OR- Voter-approval tax rate: NNR M&O * 1.035 plus unused increment³	PLUS debt rate

Potentially subject to petition for election if de minimis rate > voter-approval tax rate and if adopted rate is not > de minimis rate

SB 1999 by Sen. Bettencourt

1 Regardless whether special taxing unit (low proposed M&O tax rate) and then, the voter-approval tax rate M&O growth would be NNR M&O *1.08
 2 Taxing units other than cities, counties, school districts (ex: emergency service districts, library districts, etc). For the table, this does not include special taxing units and water districts.
 3 Unused increment is voter-approval rate MINUS actual rate summed for past three years (for past years starting with 2020)

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22



Unused Increment: Current Calculation

Tax Year	VATR		Unused increment		Rate used for tax bill	Accrued pennies
2022: preceding tax year	voter-approval tax rate	MINUS	Unused increment	MINUS	actual tax rate	XX.XXXXX
2021: second tax year preceding current tax year	voter-approval tax rate	MINUS	Unused increment	MINUS	actual tax rate	XX.XXXXX
2020: third tax year preceding current tax year	voter-approval tax rate	MINUS	Unused increment	MINUS	actual tax rate	XX.XXXXX
						= Sum 2022, 2021, and 2020

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TNT Calculation

Unused Increment Rate (not applicable to school districts)

Unused Increment Rate

The unused increment rate can be used to increase the voter-approval tax rate, depending upon the tax rates adopted by a city in the previous three years. The unused increment rate is the three year rolling sum of the difference between the actual tax rate and the voter-approval tax rate. A city has the ability to bank any unused amounts below the voter-approval tax rate to use up to three years. Conversely, if a city adopts the voter-approval tax rate all three years, the unused increment rate would be zero. School districts do not calculate an unused increment rate.

SB 1999 by Sen. Bettencourt

VOTER-A
(Tax rate us
- (MIN
ACTUAL
(Voter-app
unused inc
=
UNUSED

Sec. 26.013 Unused Increment Rate

- Unused increment rate calculation modified to take into account current year values
- Replaces current calculation with any forgone revenue in the last three years divided by current year value
- Effective January 1, 2024



SB 1999 by Sen. Bettencourt

Sec. 26.013 Unused Increment Rate

- Foregone revenue is determined by the rate difference in past year's adopted rate and voter-approval tax rate (without unused increment) applied to the current value of that particular year
- Foregone revenue has a floor of zero

	2021	2022	2023	2024
Unused increment	0.04	0.02	0.03	= 0.09
Taxable Value	1,000,000,000	1,150,000,000	1,322,500,000	1,520,875,000
Calculation	.04*1,000,000,000 /100	.02*1,150,000,000 /100	.03*1,322,500,000 /100	
Foregone Revenue	400,000	230,000	396,750	1,026,750
	2024 Adjustment		Difference	2024 Revenue
Unused Increment	0.09			1,368,787.50
Foregone Revenue	1,026,750/1,520,875,000 *100		.09 - .067510479	1,368,787.50 - 1,026,750
	0.067510479		0.022489521	1,026,750.00
				342,037.50



TNT Calculation

Sec. 26.013 Unused Increment Rate

For unused increment purposes, “voter-approval tax rate” means:

- Voter-approval tax rate in the applicable preceding tax year, *as adopted by the taxing unit during the applicable preceding tax year*

MINUS

- Unused increment rate for that preceding tax year (Effective June 18, 2023)

Taxing units calculate the unused increment rate by comparing the actual tax rates in the previous three-years to the voter-approval tax rate, the maximum tax rate a unit can adopt without triggering an election. This comparison is made before considering the unused increment allowance in the voter-approval tax rate.

The unused increment for any year prior to 2020 is considered zero.

If a municipality is considered a defunding municipality, the difference between the municipality’s actual tax rate and the voter-approval tax rate is considered zero.

Counties that reduce the funding or allocate funding away from a law enforcement agency without voter approval, the difference between the actual tax rate and the voter-approval tax rate is considered zero.

Look back three years



SB 2350 by Sen. Bettencourt

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Tax Code Chapter 32 Tax Liens and Personal Liability

Sec. 32.06 Property Tax Loans; Transfer of Tax Lien

- Updated references to federal law (Effective September 1, 2023)



SB 1371 by Sen. Johnson

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28



Finance Code Section 351.0022

- Owner may not waive or limit requirements imposed on a property tax lender in Tax Code Chapter 32, in addition to current prohibition on waiving requirements in Finance Code Chapter 351, regarding property tax lenders (Effective September 1, 2023)

BILL ANALYSIS

Senate Research Center

S.B. 1371
By: Johnson
Business & Commerce
6/6/2023
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Office of Consumer Credit Commissioner (OCCC) seeks to modernize and achieve consistency of obsolete provisions of the Texas Finance Code by implementing technical statutory changes:

SB 1371 by Sen. Johnson

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Tax Code Chapter 33: Delinquency

Sec. 33.03 Delinquent Tax Roll

- Indicate deferral/abatement status on delinquent tax roll (Effective January 1, 2024)



SB 539 by Sen. Campbell

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30



Tax Code Chapter 34

Sec. 34.01 Sale of Property

- Certain border counties, for tax foreclosure of real property that is presumed for residential use

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law prohibits subdividers of lots for residential use from selling them without meeting adequate water and sewer service requirements to ensure safe housing. To collect tax delinquencies without incurring the financial burden of installing water and sewer services, however, counties are allowed to sell lots without these services, as long as the buyer is properly notified of the need to meet water and sewage requirements to ensure the safety of the property for residential purposes. The sale is void without such notice.

The Local Government and the Tax Codes, however, are silent regarding sales by a taxing entity other than the county, such as an independent school or drainage district. Some of these entities have had their sales voided because they did not provide adequate notice to the buyer. Due to a lack of clarity on the relevant statutes, these entities were simply unaware of the notice requirement.



Sec. 34.01 Sale of Property

THIS SALE IS BEING CONDUCTED PURSUANT TO STATUTORY OR JUDICIAL REQUIREMENTS. BIDDERS WILL BID ON THE RIGHTS, TITLE, AND INTERESTS, IF ANY, OWNED BY THE DEFENDANT(S) IN SUCH SUIT(S) IN AND TO THE REAL PROPERTY OFFERED.

THE PROPERTY IS SOLD AS IS, WHERE IS, AND WITHOUT ANY WARRANTY, EITHER EXPRESS OR IMPLIED. NEITHER THE COUNTY NOR THE SHERIFF'S DEPARTMENT WARRANTS OR MAKES ANY REPRESENTATIONS ABOUT THE PROPERTY'S TITLE, CONDITION, HABITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. BUYERS ASSUME ALL RISKS.

IN SOME SITUATIONS, A LOT OF FIVE ACRES OR LESS IS PRESUMED TO BE INTENDED FOR RESIDENTIAL USE. HOWEVER, IF THE PROPERTY LACKS WATER OR WASTEWATER SERVICE, THE PROPERTY MAY NOT QUALIFY FOR RESIDENTIAL USE. A POTENTIAL BUYER WHO WOULD LIKE MORE INFORMATION SHOULD MAKE ADDITIONAL INQUIRIES OR CONSULT WITH PRIVATE COUNSEL.

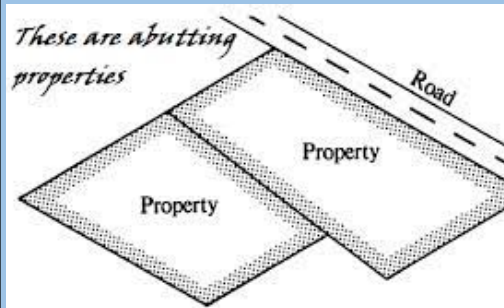
 ESTA VENTA SE REALIZA CONFORME A LOS REQUISITOS ESTATUTARIOS O JUDICIALES. LOS POSTORES LICITARÁN POR LOS DERECHOS, TÍTULOS E INTERESES, SI FUESE EL CASO, DE LA PROPIEDAD INMUEBLE QUE SE OFRECE.

- Statement includes:
 - ❖ sale being conducted according to statutory/judicial requirements
 - ❖ buyer beware language
 - ❖ lot of 5 acres or less is presumed for residential use in some cases
 - ❖ if there is a lack of water/wastewater service, property may not qualify for residential use (Effective September 1, 2023)



Sec. 34.0101 Sale of Certain Property To Owner of Abutting Property

- Allows private sale of real property to owner of abutting property
- Option for taxing unit that requested tax warrant or ordered foreclosure sale
- Without other taxing units' permission
- Applies when:
 1. Floodway; or federally designated area of having at least two-tenths of one percent of annually flooding,
 2. landlocked from public road, or
 3. its shape/size means it cannot be used due to zoning/ordinances



SB 2091 by Sen. West

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33



Abutting Property

Sec. 34.0101 Sale of Certain Property To Owner of Abutting Property

- Notice to each abutting property owner (if there is more than one)
- Offered first at public auction, but didn't garner lesser of:
 - Market value (specified in warrant/judgement); or
 - Current minimum amounts
- Private sale also must meet above minimum sale amount (Effective September 1, 2023)

WITNESS LIST

SB 2091
HOUSE COMMITTEE REPORT
Ways & Means Committee
April 24, 2023 - 10:00 AM

For :
Chenelle, Rebekah (Dallas County Commissioners Court)

Registering, but not testifying:

For :
Cuellar, Guadalupe (City of El Paso)
Haynes, Adam (Conference of Urban Counties)
Sparks, Clifford (City of Dallas)
Tamayo, Elisa M. (El Paso County)

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Sec. 33.43 Petition

- Currently petition initiating lawsuit to collect delinquent property includes that taxing unit is entitled to recover penalties and interest
- Adds tax sales under new Tax Code Section 34.0101, regarding sales to abutting property owners, to the list of tax sales:
 - ❖ for which the sale date is the end date in which penalties and interest can accrue starting with the judgment date
- Effective September 1, 2023

Abutting Property



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Abutting Property



SB 2091 by Sen. West

Sec. 34.02 Distribution of Proceeds

- Adds tax sales under new Tax Code Section 34.0101, regarding sales to abutting property owners, to the list of tax sales:
 - ❖ From which the proceeds shall be applied to amounts due in the order prescribed by law
 - ❖ that if there are any excess proceeds, the excess proceeds must be fully paid to the clerk of the court issuing the warrant/order of sale (Effective September 1, 2023)

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Tax Code Chapter 34

Sec. 34.03 Disposition of Excess Proceeds

- Excess proceeds can be used by clerk to pay for cost of postage (certified mail, return receipt requested) for when notice of those proceeds to former owner is required—\$25 or more in excess proceeds (Effective September 1, 2023)

WITNESS LIST

HB 4250
 HOUSE COMMITTEE REPORT
 Ways & Means Committee
May 1, 2023 - 10:00 AM

For :
 Walker, Beverley (Self; Fort Bend County)

HB 4250 by Rep. Lalani



Tax Code Chapter 34

Sec. 34.015. Persons Eligible to Purchase Real Property

- County tax assessor-collectors post on website to form (or link to Comptroller form) for requesting statement of no delinquent taxes (Effective September 1, 2023)

Texas Comptroller of Public Accounts Form 50-307

Request for Written Statement About Delinquent Taxes for Tax Foreclosure Sale

County Tax Office Phone (area code and number)

Address, City, State, ZIP Code

GENERAL INSTRUCTIONS: This form is for use by a purchaser of property at a tax foreclosure sale under Tax Code Section 34.01 to request a written statement regarding delinquent taxes from a county assessor-collector pursuant to Tax Code Section 34.015. Pursuant to Tax Code Section 34.015(n), a person who knowingly violates Tax Code Section 34.015 commits a Class B misdemeanor offense.

SB 62 by Sen. Zaffirini

Property Code Sec. 51.002 Sale of Real Property Under Contract Lien

- Adds date/time/location to the required information on notice of foreclosure sales for contract liens on county website page with posting of notice (Effective September 1, 2023)

Everything but the kitchen sink



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Non-Tax Code TNT Provisions



HB 2815 by Rep. Jetton

Water Code Sec. 49.106 Bond Elections

Water district board may submit new bond authorization and refunding bond authorization in a single proposition at an election (Effective June 18, 2023)

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Types of Water Districts



- **Low rate** - current year Operations and Maintenance (O&M) of 2.5¢ or less
- **Developed** - Financed, completed, and issued bonds to pay for at least 95 percent of projected build-out*
- **Developing** - not low rate nor developed

* This is to pay for all land, works, improvements, facilities, plants, equipment, and appliances necessary to serve at least 95 percent of projected build-out

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Non-Tax Code TNT Provisions

SECTION 1: Voter-Approval Tax Rate

VS

SECTION 2: Mandatory Tax Election Rate

HB 2815 by Rep. Jetton

Water Code Sec. 49.23602 Automatic Election to Approve Tax Rate For Certain **Developed Districts**

An election is not required if the adopted tax rate is less than or equal to the voter-approval tax rate (Effective June 18, 2023)

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Non-Tax Code TNT Provisions

Water Code Sec. 49.4521. Prescribed Notice to Purchasers

- Standardizes notice to purchasers of real property in water districts
- Title in 24 point, bold “NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT”



HB 2815 and HB 2816 by Rep. Jetton

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Non-Tax Code TNT Provisions

Water Code Sec. 49.4521. Prescribed Notice to Purchasers

- Additional information:
 - Assessments, rate/amount or if none currently, projected rate/amount
 - Notice of any strategic partnership agreement with a city regarding annexation



HB 2815 and HB 2816 by Rep. Jetton

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Non-Tax Code TNT Provisions

Water Code Sec. 49.4521. Prescribed Notice to Purchasers

- Existing notice included total of bonds and total of principal
- Now information on total approved and total principal broken down by:
 - Water, sewer and drainage facilities
 - Road facilities
 - Parks and recreational facilities
 - Additional facilities
- Effective June 18, 2023 (HB 2815) and September 1, 2023 (HB 2816)



HB 2815 and HB 2816 by Rep. Jetton

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Non-Tax Code TNT Provisions

Water Code Sec. 49.453 Notice Form From District



HB 2815 and HB 2816 by Rep. Jetton

- Post or create process to post this notice to purchasers on website
- Website posting applies if district required to maintain website or have access to a generally accessible Internet website under Tax Code Section 26.18
- Effective June 18, 2023

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Non-Tax Code TNT Provisions



HB 2815 by Rep. Jetton

Water Code Sec. 49.316 Division of District

- Water district board may divide district to create one/or more districts and may continue the district
- By governing body or petition (signed by owners of majority of assessed value of real property in the district)

Non-Tax Code TNT Provisions



HB 2815 by Rep. Jetton

Water Code Sec. 49.316 Division of District

- May divide if not imposing property tax and never issued bonds
- New districts must hold election to obtain voter approval before imposing maintenance tax or issue bonds payable wholly or partly from property taxes
- District may continue to rely on confirmation, directors, bond, and tax elections held before division (Effective June 18, 2023)

Water Code Provisions



HB 2815 by Rep. Jetton

Water Code Sec. 57.059 Qualifications for Directors

Modifications to qualifications for directors of levee improvement districts to:

- be at least 18 years old;
- own land subject to taxation in the district or be a qualified voter in the district; and
- if the director is elected, be a qualified voter of the precinct in the district from which the director is elected

That's All Folks!
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