

S.B. 2 (Bettencourt) – Revenue Cap: of primary importance to cities, the bill would:

1. lower the property tax rollback rate from eight percent to four percent, with an exception for a taxing unit located in an area declared a disaster area by the governor or president of the United States during the current tax year;
2. require a taxing unit to hold a ratification election on the November uniform election date of the applicable year in order to adopt a tax rate that exceeds the four-percent rollback rate (as opposed to current law, which only requires an election if a petition is received from the citizens); and
3. make numerous calendar changes to the property tax appraisal, collection, and rate-setting process in order to have property tax ratification elections on the November uniform election date.

Additionally – and more specifically – the bill would:

1. require the comptroller to appoint a property tax administration advisory board to make recommendations to the comptroller regarding state administration of property taxation and state oversight of appraisal districts and local tax offices;
2. require an appraisal district to appraise property in accordance with standards, procedures, and methodology prescribed by appraisal manuals prepared and issued by the comptroller;
3. provide that, in order to be eligible to serve on the board of directors of an appraisal district, an individual must be an elected county officer or an elected official of a political subdivision all or part of the territory of which is located in the county;
4. authorize an appraisal district board of directors for a district established in a county with a population of 120,000 or more to increase the size of the district's appraisal review board by resolution to a number of members the board considers appropriate;
5. require the appraisal review boards located in counties with populations of 120,000 or more to establish special appraisal review board panels for each of the following classifications of property: (a) commercial real and personal property; (b) real and personal property of utilities; (c) industrial and manufacturing real and personal property; and (d) multifamily residential real property;
6. provide that a person is entitled to a property tax exemption for the tangible personal property the person owns that is held or used for the production of income if the property has a taxable value of less than \$2,500;
7. make numerous calendar changes to the property tax appraisal, collection, and rate-setting process in order to have property tax ratification elections on the November uniform election date, including among others:
 - a. requiring the appraisal district to certify the appraisal roll to taxing units by July 10th (instead of July 25th under current law);
 - b. requiring the tax assessor/collector to submit the appraisal roll showing the total appraised, assessed, and taxable values of all property and the total taxable value of new property to the governing body of the taxing unit by July 15th, or as soon thereafter as practicable (instead of August 1st under current law); and
 - c. requiring taxing units adopting a tax rate exceeding the lowered rollback tax rate to do so before August 15th (instead of September 30th, under current law)

(NOTE: this would also require a city that adopts a tax rate exceeding the rollback rate to adopt its budget before August 15th, as state law provides that property taxes may only be levied in accordance with the city budget);

8. lower the property tax rollback rate from eight percent to four percent, with an exception for a taxing unit located in an area declared a disaster area by the governor or president of the United States during the current tax year;
9. require a taxing unit to hold a ratification election on the November uniform election date of the applicable year in order to adopt a tax rate that exceeds the four-percent rollback rate (as opposed to current law, which only requires an election if a petition is received from the citizens).
10. provide that the meeting to adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate may not be earlier than the third day or later than the seventh day after the date of the second public hearing on the tax rate;
11. eliminate the ability of a taxing unit to challenge before the appraisal review board the level of appraisals of any category of property in the appraisal district or in any territory in the appraisal district;
12. require an appraisal review board to provide for hearings on protests on a Saturday or after 5 p.m. on a weekday;
13. provide that an appraisal review board may not schedule: (a) the first hearing on a protest held on a weekday to begin after 7 p.m.; or (b) a hearing on a protest on a Sunday;
14. provide that a property owner is entitled to appeal through binding arbitration an appraisal review board order related to certain protests if the appraised market value of the property as determined by the order is \$5 million or less; and
15. amend current law related to the property tax rate notices provided by cities and counties to require cities and counties to use one notice if the proposed tax rate will not exceed the rollback tax rate, and another notice if the proposed tax rate will exceed the rollback tax rate. (Note: under current law, the city or county uses one of the two notices based on whether the proposed rate will exceed the lower of the effective tax rate or the rollback tax rate.)