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Texas Comptroller of Public Accounts

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Truth-in-Taxation: Tax Rate Adoption

Property owners have the right to know about increases in their properties' appraised value and to be notified of the estimated taxes that could result from the new value. ¹ Creating a budget and adopting a property tax rate to support that budget are major functions of a taxing unit's governing body. This is accomplished by following truth-in-taxation requirements to ensure the public is informed of any increases. Truth-in-taxation is a concept embodied in the Texas Constitution and the Tax Code that requires local taxing units to make taxpayers aware of tax rate proposals and to afford taxpayers the opportunity to roll back or limit tax increases. ²

Taxing units must comply with truth-in-taxation requirements when holding public hearings, considering budgets and setting rates to impose property taxes, but not all aspects of truth-in-taxation laws apply to every type of taxing unit.

If certain taxing units fail to comply with the hearing, notice or tax rate adopting process in good faith, a property owner in the taxing unit may seek an injunction to stop the taxing unit from sending tax bills until it convinces the district court that it has complied with the law. A property owner must act to enjoin collections before the taxing unit delivers substantially all of its tax bills. ³ This injunction process does not apply to water districts or small taxing units. ⁴

A taxing unit that did not levy property taxes last year is not required to comply with truth-in-taxation laws in the current year, but the Comptroller's office recommends that it consider publishing similar notices and holding a public hearing to inform taxpayers of its intention to levy a property tax.

Generally, the governing body must take the following actions:

- [Draft a Budget](#)
- [Effective for the 2015 Tax Year "NEW"](#)
- [Calculate the Tax Rate](#)
- [Publish Notices](#)
- [Hold Public Hearings](#)
- [Adopt a Tax Rate](#)
- [Hold Rollback Elections, if Necessary](#)

The Texas Comptroller of Public Accounts provides technical assistance - not legal advice. Interpretations of law must be made by legal counsel representing governmental entities. Questions about the meaning of the statutes, notice requirements and other matters that are unclear in the law should be posed to legal counsel and not to the Comptroller's staff.

[FAQ - Taxing Units](#)

[FAQ - Taxpayers](#)

[Forms for Tax Rate Adoption](#)

[Important Dates](#)

[Texas Constitution Provisions](#)

[Truth-in-Taxation Videos](#)

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[Water Districts](#)

[All Other Taxing Units](#)

¹ [Tex. Tax Code § 25.19](#)

² [Tex. Const. art VIII § 21\(a\) and Tax Code Chapter 26](#)

³ [Tex. Tax Code § 26.05\(e\)](#)

⁴ [Tex. Loc. Gov't Code § 140.010\(c\), Tex. Water Code § 49.107\(g\) and Tex. Tax Code § 26.051\(b\)](#)

⁵ [Tex. Educ. Code § 44.002, Tex. Loc. Gov't Code §§ 102.002 and 103.003 and Tex. Water Code § 49.057](#)

⁶ [Tex. Tax Code §§ 1.06 and 26.01\(e\)](#)

⁷ [Tex. Tax Code § 26.08\(g\)](#)

⁸ [Tex. Tax Code § 11.26](#)

⁹ [Tex. Tax Code §§ 25.23 and 26.04](#)

¹⁰ [Tex. Tax Code § 26.04\(c\)](#)

¹¹ [Tex. Tax Code § 26.04\(c\)](#)

¹² [Tex. Tax Code §§ 26.04\(c\) and 26.08\(n\)](#)

¹³ [Tex. Tax Code § 26.07\(2\)](#)

¹⁴ [Tex. Tax Code § 26.08\(n\)](#)

¹⁵ [Tex. Tax Code § 26.012\(4\)](#)

¹⁶ [Tex. Tax Code § 26.04\(e\)](#)

¹⁷ [Tex. Tax Code § 26.04\(e\)](#)

¹⁸ [Tex. Educ. Code § 44.004](#)

¹⁹ [Tex. Loc. Gov't Code § 140.010\(d\) and \(e\)](#)

²⁰ [Tex. Water Code §§ 49.236\(b\) and 49.2361](#)

²¹ [Tex. Tax Code § 26.06](#)

²² [Tex. Tax Code §§ 26.06\(c\) and 26.065\(b\)](#)

²³ [Tex. Tax Code § 26.065\(c\)](#)

²⁴ [Tex. Tax Code § 26.05\(d\)](#)

²⁵ [Tex. Gov't Code § 551.002\(4\)](#)

²⁶ [Tex. Tax Code § 26.06\(a\)](#)

²⁷ [Tex. Tax Code § 26.06\(d\)](#)

²⁸ [Tex. Tax Code § 26.06\(a\)](#)

²⁹ [Tex. Tax Code § 26.06\(e\)](#)

³⁰ [Tex. Tax Code § 26.052](#)

³¹ [Tex. Educ. Code § 44.004 and Tex. Water Code § 49.236](#)

³² [Tex. Tax Code § 26.06\(e\)](#)

³³ [Tex. Gov't Code § 551.002](#)

³⁴ [Tex. Tax Code § 26.05\(d\) and Tex. Loc. Gov't Code §§ 102.007\(c\), 111.008\(c\) and 111.039\(c\)](#)

³⁵ [Tex. Tax Code § 26.05\(b\)](#)

³⁶ [Tex. Tax Code § 26.05\(a\)](#)

³⁷ [Tex. Tax Code § 26.04\(d\)](#)

³⁸ [Tex. Tax Code § 26.05\(a\)](#)

³⁹ [Tex. Tax Code § 26.05\(c\)](#)

⁴⁰ [Tex. Tax Code § 26.07\(a\)](#)

⁴¹ [Tex. Tax Code § 26.08\(a\)](#)

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