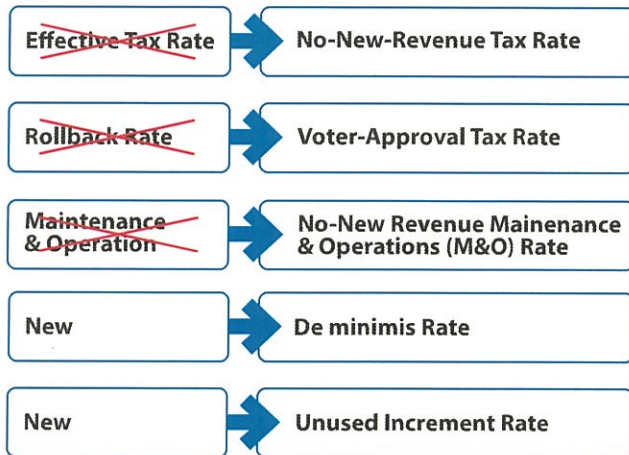


# Introducing a New TNT (Truth-In Taxation)

## New Terminology and Calculations

Senate Bill 2, 86th Legislative Session made several significant changes to the truth-in-taxation process. Below is new terminology and calculations from this legislation.



Under S.B.2, the calculation now looks like this:

**(1) "NO-NEW-REVENUE TAX RATE"**

means a rate expressed in dollars per \$100 of taxable value calculated to the following formula:

$$\text{NO-NEW-REVENUE} = \frac{(\text{LAST YEAR'S LEVY} - \text{LOST PROPERTY LEVY})}{(\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY VALUE})}$$

**(2) "VOTER-APPROVAL TAX RATE"**

means a rate expressed in dollars per \$100 of taxable value calculated to one of the following applicable formulas:

(A) For a special taxing unit:

$$\text{VOTER-APPROVAL TAX RATE} = (\text{NO-NEW REVENUE M\&O RATE} \times 1.08) + \text{CURRENT DEBT}$$

(B) For a taxing unit other than a special taxing unit:

$$\text{VOTER-APPROVAL TAX RATE} = (\text{NO-NEW-REVENUE M\&O RATE} \times 1.035) + \text{CURRENT DEBT RATE} + \text{UNUSED INCREMENT RATE}$$

### What adopted tax rates trigger an election or petition?

**ADOPTED TAX RATE IS:**

BELOW voter-approval tax rate	No election required
ABOVE voter-approval tax rate but BELOW de minimis rate	Voters may petition for an election
ABOVE voter-approval tax rate; Taxing unit does not calculate a de minimis rate	Election required
ABOVE voter-approval tax rate and ABOVE the de minimis rate	Election required

### Revenue Threshold in Voter-approval Tax Rate

(or threshold over which voters must approve tax increases)

Taxing Unit	Voter-Approval Tax-Rate	Effective Date
Cities / Counties	3.5%	Jan. 1, 2020
Special Taxing Units*	8%	No Change
School Districts	2.5%	Sept. 1, 2020

\*Hospitals, Junior Colleges and Special Districts with M&O tax rate of 2.5 cents or less