

## **BILL ANALYSIS**

Senate Research Center

S.B. 392  
By: Williams  
Natural Resources  
7/14/2003  
Enrolled

### **DIGEST AND PURPOSE**

Currently, counties, schools, and other special districts must meet specific deadlines and adopt tax rates with public notices, but certain water districts are not required to meet said deadlines and adoptions. S.B. 1444, enacted by the 77th Legislature, included provisions that exempted water districts from truth-in-taxation sections of the Texas Tax Code. S.B. 392 sets forth certain procedures for the adoption of an ad valorem tax rate by certain conservation and reclamation districts.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter H, Chapter 49, Water Code, by adding Section 49.236, as follows:

Sec. 49.236. NOTICE OF TAX HEARING. (a) Requires the governing body of a district (board), before it adopts an ad valorem tax rate for the district for debt service, operation and maintenance purposes, or contract purposes, to give notice of each meeting of the board at which the adoption of a tax rate will be considered. Sets forth the required content and wording of the notice.

(b) Sets forth the required process for publicizing the notice.

(c) Prohibits the notice provided under this section from being smaller than one-quarter page of a standard-size or tabloid-size newspaper of general circulation, and requires the headline on the notice to be in 18-point or larger type.

(d) Authorizes the qualified voters of the district by petition, if the governing body of a district adopts a combined debt service, operation and maintenance, and contract tax rate that would impose more than 1.08 times the amount of tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, to 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 in accordance with the procedures provided by Sections 26.07(b)-(g) (Election to Repeal Increase) and 26.081 (Petition Signatures), Tax Code. Provides that for purposes of Sections 26.07(b)-(g) (Election to Repeal Increase), Tax Code, and this subsection, the rollback tax rate is the current year's debt service and contract tax rates plus the operation and maintenance tax rate that would impose 1.08 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older.

SECTION 2. (a) Effective date: September 1, 2003.

(b) Provides that for the 2003 tax year, the change in law made by this Act applies only to a conservation and reclamation district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, and governed by Chapter 49, Water Code, that adopts its tax rate on or after the effective date of this Act. Provides that for the 2003 tax year, a district that adopts its tax rate before the effective date of this Act is governed by the law as it existed when the tax rate was adopted, and that law is continued in effect for that purpose.