

AN ACT

relating to certain procedures for the adoption of an ad valorem tax rate by certain conservation and reclamation districts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter H, Chapter 49, Water Code, is amended by adding Section 49.236 to read as follows:

Sec. 49.236. NOTICE OF TAX HEARING. (a) Before the board adopts an ad valorem tax rate for the district for debt service, operation and maintenance purposes, or contract purposes, the board shall give notice of each meeting of the board at which the adoption of a tax rate will be considered. The notice must:

(1) contain a statement in substantially the following form:

"NOTICE OF PUBLIC HEARING ON TAX RATE

"The (name of the district) will hold a public hearing on a proposed tax rate for the tax year (year of tax levy) on (date and time) at (meeting place). Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

"(Names of all board members and, if a vote was taken, an indication of how each voted on the proposed tax rate and an indication of any absences.)";

(2) contain the following information:

1 (A) the district's total adopted tax rate for the
2 preceding year and the proposed tax rate, expressed as an amount per
3 \$100;

4 (B) the difference, expressed as an amount per
5 \$100 and as a percent increase or decrease, as applicable, in the
6 proposed tax rate compared to the adopted tax rate for the preceding
7 year;

8 (C) the average appraised value of a residence
9 homestead in the district in the preceding year and in the current
10 year; the district's total homestead exemption, other than an
11 exemption available only to disabled persons or persons 65 years of
12 age or older, applicable to that appraised value in each of those
13 years; and the average taxable value of a residence homestead in the
14 district in each of those years, disregarding any homestead
15 exemption available only to disabled persons or persons 65 years of
16 age or older;

17 (D) the amount of tax that would have been
18 imposed by the district in the preceding year on a residence
19 homestead appraised at the average appraised value of a residence
20 homestead in that year, disregarding any homestead exemption
21 available only to disabled persons or persons 65 years of age or
22 older;

23 (E) the amount of tax that would be imposed by the
24 district in the current year on a residence homestead appraised at
25 the average appraised value of a residence homestead in that year,
26 disregarding any homestead exemption available only to disabled
27 persons or persons 65 years of age or older, if the proposed tax

1 rate is adopted; and

2 (F) the difference between the amounts of tax
3 calculated under Paragraphs (D) and (E), expressed in dollars and
4 cents and described as the annual percentage increase or decrease,
5 as applicable, in the tax to be imposed by the district on the
6 average residence homestead in the district in the current year if
7 the proposed tax rate is adopted; and

8 (3) contain a statement in substantially the following
9 form:

10 "NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

11 "If taxes on the average residence homestead increase by more
12 than eight percent, the qualified voters of the district by
13 petition may require that an election be held to determine whether
14 to reduce the operation and maintenance tax rate to the rollback tax
15 rate under Section 49.236(d), Water Code."

16 (b) Notice of the hearing shall be:

17 (1) published at least once in a newspaper having
18 general circulation in the district at least seven days before the
19 date of the hearing; or

20 (2) mailed to each owner of taxable property in the
21 district, at the address for notice shown on the most recently
22 certified tax roll of the district, at least 10 days before the date
23 of the hearing.

24 (c) The notice provided under this section may not be
25 smaller than one-quarter page of a standard-size or tabloid-size
26 newspaper of general circulation, and the headline on the notice
27 must be in 18-point or larger type.

1 (d) If the governing body of a district adopts a combined
2 debt service, operation and maintenance, and contract tax rate that
3 would impose more than 1.08 times the amount of tax imposed by the
4 district in the preceding year on a residence homestead appraised
5 at the average appraised value of a residence homestead in the
6 district in that year, disregarding any homestead exemption
7 available only to disabled persons or persons 65 years of age or
8 older, the qualified voters of the district by petition may require
9 that an election be held to determine whether or not to reduce the
10 tax rate adopted for the current year to the rollback tax rate in
11 accordance with the procedures provided by Sections 26.07(b)-(g)
12 and 26.081, Tax Code. For purposes of Sections 26.07(b)-(g) and
13 this subsection, the rollback tax rate is the current year's debt
14 service and contract tax rates plus the operation and maintenance
15 tax rate that would impose 1.08 times the amount of the operation
16 and maintenance tax imposed by the district in the preceding year on
17 a residence homestead appraised at the average appraised value of a
18 residence homestead in the district in that year, disregarding any
19 homestead exemption available only to disabled persons or persons
20 65 years of age or older.

21 SECTION 2. (a) This Act takes effect September 1, 2003.

22 (b) For the 2003 tax year, the change in law made by this Act
23 applies only to a conservation and reclamation district created
24 under Section 52, Article III, or Section 59, Article XVI, Texas
25 Constitution, and governed by Chapter 49, Water Code, that adopts
26 its tax rate on or after the effective date of this Act. For the
27 2003 tax year, a district that adopts its tax rate before the

1 effective date of this Act is governed by the law as it existed when
2 the tax rate was adopted, and that law is continued in effect for
3 that purpose.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 392 passed the Senate on April 9, 2003, by a viva-voce vote; and that the Senate concurred in House amendments on May 30, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 392 passed the House, with amendments, on May 28, 2003, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor