

BILL ANALYSIS

H.B. 2432
By: Faircloth
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that the governing bodies of taxing units must provide for truth in taxation when adopting tax rates. However, there are concerns that truth-in-taxation requirements may not apply to water districts. Furthermore, the parties contend that the language required to be published in water district notices of public hearings can make it appear that water districts are exceeding the rollback rate when in fact they are not. H.B. 2432 seeks to address these issues.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2432 amends the Water Code to subject a tax levied and collected for payments made by a water district under an operation and maintenance tax or a property tax levied and collected for the payment of the interest on and principal of bonds issued by such a district or under a contract approved in a contract election to certain Tax Code provisions governing the procedures for an assessor's determination of the appraised, assessed, and taxable value of certain property; requiring the adoption of certain tax rates by the governing body of each taxing unit; establishing the composition of those rates; and regulating the use of revenue derived from those taxes.

H.B. 2432 amends the Special District Local Laws Code to clarify that specified provisions of Section 49.236, Water Code, as added by Chapter 335, Acts of the 78th Legislature, Regular Session, 2003, apply to the Reeves County Groundwater Conservation District in the place of Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003, relating to the notice of a tax hearing, which is repealed by the bill.

H.B. 2432 amends the Tax Code to make a technical correction.

H.B. 2432 applies to the property tax rate of a water district beginning with the 2015 tax year, except that the bill applies beginning with the 2016 tax year if the governing body of a water district adopted a property tax rate for the district for the 2015 tax year before the bill's effective date.

H.B. 2432 repeals Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.