

By: Paul

H.B. No. 1965

Substitute the following for H.B. No. 1965:

By: Murphy

C.S.H.B. No. 1965

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the calculation of the ad valorem rollback tax rate of a  
3 taxing unit and voter approval of a proposed tax rate that exceeds  
4 the rollback tax rate.

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

6 SECTION 1. Section 26.04, Tax Code, is amended by amending  
7 Subsection (c) and adding Subsection (c-1) to read as follows:

8 (c) An officer or employee designated by the governing body  
9 shall calculate the effective tax rate and the rollback tax rate for  
10 the unit, where:

11 (1) "Effective tax rate" means a rate expressed in  
12 dollars per \$100 of taxable value calculated according to the  
13 following formula:

14 EFFECTIVE TAX RATE = (LAST YEAR'S LEVY - LOST  
15 PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY  
16 VALUE)

17 ; and

18 (2) "Rollback tax rate" means a rate expressed in  
19 dollars per \$100 of taxable value calculated according to the  
20 following formula:

21 ROLLBACK TAX RATE = (EFFECTIVE MAINTENANCE AND  
22 OPERATIONS RATE x 1.06 [~~1.08~~]) + CURRENT DEBT RATE

23 (c-1) Notwithstanding any other provision of this section,  
24 the governing body may direct the designated officer or employee to

1 substitute "1.08" for "1.06" in the calculation of the rollback tax  
2 rate if any part of the taxing unit is located in an area declared a  
3 disaster area during the current tax year by the governor or by the  
4 president of the United States.

5 SECTION 2. Section 26.041, Tax Code, is amended by amending  
6 Subsections (a), (b), and (c) and adding Subsection (c-1) to read as  
7 follows:

8 (a) In the first year in which an additional sales and use  
9 tax is required to be collected, the effective tax rate and rollback  
10 tax rate for the unit are calculated according to the following  
11 formulas:

12 EFFECTIVE TAX RATE =  $\frac{[(\text{LAST YEAR'S LEVY} - \text{LOST}$   
13  $\text{PROPERTY LEVY}) / (\text{CURRENT TOTAL VALUE} - \text{NEW PROPERTY}$   
14  $\text{VALUE})]}{1}$  - SALES TAX GAIN RATE

15 and

16 ROLLBACK TAX RATE = (EFFECTIVE MAINTENANCE AND  
17 OPERATIONS RATE x 1.06 [~~1.08~~]) + CURRENT DEBT RATE -  
18 SALES TAX GAIN RATE

19 where "sales tax gain rate" means a number expressed in dollars per  
20 \$100 of taxable value, calculated by dividing the revenue that will  
21 be generated by the additional sales and use tax in the following  
22 year as calculated under Subsection (d) [~~of this section~~] by the  
23 current total value.

24 (b) Except as provided by Subsections (a) and (c) [~~of this~~  
25 ~~section~~], in a year in which a taxing unit imposes an additional  
26 sales and use tax the rollback tax rate for the unit is calculated  
27 according to the following formula, regardless of whether the unit

1 levied a property tax in the preceding year:

2                   ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND  
3           OPERATIONS EXPENSE x 1.06 [~~1.08~~]) / (~~[TOTAL]~~ CURRENT  
4           TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT RATE  
5           - SALES TAX REVENUE RATE)

6 where "last year's maintenance and operations expense" means the  
7 amount spent for maintenance and operations from property tax and  
8 additional sales and use tax revenues in the preceding year, and  
9 "sales tax revenue rate" means a number expressed in dollars per  
10 \$100 of taxable value, calculated by dividing the revenue that will  
11 be generated by the additional sales and use tax in the current year  
12 as calculated under Subsection (d) [~~of this section~~] by the current  
13 total value.

14           (c) In a year in which a taxing unit that has been imposing  
15 an additional sales and use tax ceases to impose an additional sales  
16 and use tax the effective tax rate and rollback tax rate for the  
17 unit are calculated according to the following formulas:

18                   EFFECTIVE TAX RATE = [(LAST YEAR'S LEVY - LOST  
19           PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY  
20           VALUE)] + SALES TAX LOSS RATE

21 and

22                   ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND  
23           OPERATIONS EXPENSE x 1.06 [~~1.08~~]) / (~~[TOTAL]~~ CURRENT  
24           TOTAL VALUE - NEW PROPERTY VALUE)] + CURRENT DEBT RATE

25 where "sales tax loss rate" means a number expressed in dollars per  
26 \$100 of taxable value, calculated by dividing the amount of sales  
27 and use tax revenue generated in the last four quarters for which

1 the information is available by the current total value and "last  
2 year's maintenance and operations expense" means the amount spent  
3 for maintenance and operations from property tax and additional  
4 sales and use tax revenues in the preceding year.

5 (c-1) Notwithstanding any other provision of this section,  
6 the governing body may direct the designated officer or employee to  
7 substitute "1.08" for "1.06" in the calculation of the rollback tax  
8 rate if any part of the taxing unit is located in an area declared a  
9 disaster area during the current tax year by the governor or by the  
10 president of the United States.

11 SECTION 3. The heading to Section 26.08, Tax Code, is  
12 amended to read as follows:

13 Sec. 26.08. ELECTION TO RATIFY TAX RATE [~~SCHOOL TAXES~~].

14 SECTION 4. Sections 26.08(a), (b), (d), (d-1), (d-2), (e),  
15 and (h), Tax Code, are amended to read as follows:

16 (a) If the governing body of a taxing unit [~~school district~~]  
17 adopts a tax rate that exceeds the taxing unit's [~~district's~~]  
18 rollback tax rate, the registered voters of the taxing unit  
19 [~~district~~] at an election held for that purpose must determine  
20 whether to approve the adopted tax rate. When increased  
21 expenditure of money by a taxing unit [~~school district~~] is  
22 necessary to respond to a disaster, including a tornado, hurricane,  
23 flood, or other calamity, but not including a drought, that has  
24 impacted the taxing unit [~~a school district~~] and the governor has  
25 requested federal disaster assistance for the area in which the  
26 taxing unit [~~school district~~] is located, an election is not  
27 required under this section to approve the tax rate adopted by the

1 governing body for the year following the year in which the disaster  
2 occurs.

3 (b) The governing body shall order that the election be held  
4 in the taxing unit [~~school district~~] on a date not less than 30 or  
5 more than 90 days after the day on which it adopted the tax rate.  
6 Section 41.001, Election Code, does not apply to the election  
7 unless a date specified by that section falls within the time  
8 permitted by this section. At the election, the ballots shall be  
9 prepared to permit voting for or against the proposition:  
10 "Approving the ad valorem tax rate of \$\_\_\_\_\_ per \$100 valuation in  
11 (name of taxing unit [~~school district~~]) for the current year, a rate  
12 that is \$\_\_\_\_\_ higher per \$100 valuation than the [~~school district~~]  
13 rollback tax rate of (name of taxing unit)." The ballot proposition  
14 must include the adopted tax rate and the difference between that  
15 rate and the rollback tax rate in the appropriate places.

16 (d) If the proposition is not approved as provided by  
17 Subsection (c), the governing body may not adopt a tax rate for the  
18 taxing unit [~~school district~~] for the current year that exceeds the  
19 taxing unit's [~~school district's~~] rollback tax rate.

20 (d-1) If, after tax bills for the taxing unit [~~school~~  
21 ~~district~~] have been mailed, a proposition to approve the taxing  
22 unit's [~~school district's~~] adopted tax rate is not approved by the  
23 voters of the taxing unit [~~district~~] at an election held under this  
24 section, on subsequent adoption of a new tax rate by the governing  
25 body of the taxing unit [~~district~~], the assessor for the taxing unit  
26 [~~school~~] shall prepare and mail corrected tax bills. The assessor  
27 shall include with each bill a brief explanation of the reason for

1 and effect of the corrected bill. The date on which the taxes  
2 become delinquent for the year is extended by a number of days equal  
3 to the number of days between the date the first tax bills were sent  
4 and the date the corrected tax bills were sent.

5 (d-2) If a property owner pays taxes calculated using the  
6 originally adopted tax rate of the taxing unit [~~school district~~]  
7 and the proposition to approve the adopted tax rate is not approved  
8 by the voters, the taxing unit [~~school district~~] shall refund the  
9 difference between the amount of taxes paid and the amount due under  
10 the subsequently adopted rate if the difference between the amount  
11 of taxes paid and the amount due under the subsequent rate is \$1 or  
12 more. If the difference between the amount of taxes paid and the  
13 amount due under the subsequent rate is less than \$1, the taxing  
14 unit [~~school district~~] shall refund the difference on request of  
15 the taxpayer. An application for a refund of less than \$1 must be  
16 made within 90 days after the date the refund becomes due or the  
17 taxpayer forfeits the right to the refund.

18 (e) For purposes of this section, local tax funds dedicated  
19 to a junior college district under Section 45.105(e), Education  
20 Code, shall be eliminated from the calculation of the tax rate  
21 adopted by the governing body of a a [~~the~~] school district. However,  
22 the funds dedicated to the junior college district are subject to  
23 Section 26.085.

24 (h) For purposes of this section, increases in taxable  
25 values and tax levies occurring within a reinvestment zone under  
26 Chapter 311 (Tax Increment Financing Act), in which a school [~~the~~]  
27 district is a participant, shall be eliminated from the calculation

1 of the tax rate adopted by the governing body of the school  
2 district.

3 SECTION 5. Section 26.16(d), Tax Code, is amended to read as  
4 follows:

5 (d) The county assessor-collector shall post immediately  
6 below the table prescribed by Subsection (c) the following  
7 statement:

8 "The county is providing this table of property tax rate  
9 information as a service to the residents of the county. Each  
10 individual taxing unit is responsible for calculating the property  
11 tax rates listed in this table pertaining to that taxing unit and  
12 providing that information to the county.

13 "The adopted tax rate is the tax rate adopted by the governing  
14 body of a taxing unit.

15 "The maintenance and operations rate is the component of the  
16 adopted tax rate of a taxing unit that will impose the amount of  
17 taxes needed to fund maintenance and operation expenditures of the  
18 unit for the following year.

19 "The debt rate is the component of the adopted tax rate of a  
20 taxing unit that will impose the amount of taxes needed to fund the  
21 unit's debt service for the following year.

22 "The effective tax rate is the tax rate that would generate  
23 the same amount of revenue in the current tax year as was generated  
24 by a taxing unit's adopted tax rate in the preceding tax year from  
25 property that is taxable in both the current tax year and the  
26 preceding tax year.

27 "The effective maintenance and operations rate is the tax

1 rate that would generate the same amount of revenue for maintenance  
2 and operations in the current tax year as was generated by a taxing  
3 unit's maintenance and operations rate in the preceding tax year  
4 from property that is taxable in both the current tax year and the  
5 preceding tax year.

6 "The rollback tax rate is the highest tax rate a taxing unit  
7 may adopt before requiring voter approval at an election. An [~~In~~  
8 ~~the case of a taxing unit other than a school district, the voters~~  
9 ~~by petition may require that a rollback election be held if the unit~~  
10 ~~adopts a tax rate in excess of the unit's rollback tax rate. In the~~  
11 ~~case of a school district, an~~] election will automatically be held  
12 if a taxing unit [~~the district~~] wishes to adopt a tax rate in excess  
13 of the unit's [~~district's~~] rollback tax rate."

14 SECTION 6. Sections 31.12(a) and (b), Tax Code, are amended  
15 to read as follows:

16 (a) If a refund of a tax provided by Section 11.431(b),  
17 26.08(d-2) [~~26.07(g)~~], 26.15(f), 31.11, or 31.111 is paid on or  
18 before the 60th day after the date the liability for the refund  
19 arises, no interest is due on the amount refunded. If not paid on or  
20 before that 60th day, the amount of the tax to be refunded accrues  
21 interest at a rate of one percent for each month or part of a month  
22 that the refund is unpaid, beginning with the date on which the  
23 liability for the refund arises.

24 (b) For purposes of this section, liability for a refund  
25 arises:

26 (1) if the refund is required by Section 11.431(b), on  
27 the date the chief appraiser notifies the collector for the unit of



1 the approval of the late homestead exemption;

2 (2) if the refund is required by Section 26.08(d-2)  
3 [~~26.07(g)~~], on the date the results of the election to reduce the  
4 tax rate are certified;

5 (3) if the refund is required by Section 26.15(f):

6 (A) for a correction to the tax roll made under  
7 Section 26.15(b), on the date the change in the tax roll is  
8 certified to the assessor for the taxing unit under Section 25.25;  
9 or

10 (B) for a correction to the tax roll made under  
11 Section 26.15(c), on the date the change in the tax roll is ordered  
12 by the governing body of the taxing unit;

13 (4) if the refund is required by Section 31.11, on the  
14 date the auditor for the taxing unit determines that the payment was  
15 erroneous or excessive or, if the amount of the refund exceeds the  
16 applicable amount specified by Section 31.11(a), on the date the  
17 governing body of the unit approves the refund; or

18 (5) if the refund is required by Section 31.111, on the  
19 date the collector for the taxing unit determines that the payment  
20 was erroneous.

21 SECTION 7. Section 33.08(b), Tax Code, is amended to read as  
22 follows:

23 (b) The governing body of the taxing unit or appraisal  
24 district, in the manner required by law for official action, may  
25 provide that taxes that become delinquent on or after June 1 under  
26 Section 26.08(d-1) [~~26.07(f)~~], 26.15(e), 31.03, 31.031, 31.032,  
27 31.04, or 42.42 incur an additional penalty to defray costs of

1 collection. The amount of the penalty may not exceed the amount of  
2 the compensation specified in the applicable contract with an  
3 attorney under Section 6.30 to be paid in connection with the  
4 collection of the delinquent taxes.

5 SECTION 8. Section 130.016(b), Education Code, is amended  
6 to read as follows:

7 (b) If the board of trustees of an independent school  
8 district that divests itself of the management, control, and  
9 operation of a junior college district under this section or under  
10 Section 130.017 [~~of this code~~] was authorized by [~~Subsection (e)~~  
11 ~~of~~] Section 45.105(e) or under former Section 20.48(e) [~~20.48 of~~  
12 ~~this code~~] to dedicate a portion of its tax levy to the junior  
13 college district before the divestment, the junior college district  
14 may levy an ad valorem tax from and after the divestment. In the  
15 first two years in which the junior college district levies an ad  
16 valorem tax, the tax rate adopted by the governing body may not  
17 exceed the rate that, if applied to the total taxable value  
18 submitted to the governing body under Section 26.04, Tax Code,  
19 would impose an amount equal to the amount of taxes of the school  
20 district dedicated to the junior college under [~~Subsection (e) of~~  
21 Section 45.105(e) or former Section 20.48(e) [~~20.48 of this code~~]  
22 in the last dedication before the divestment. In subsequent years,  
23 the tax rate of the junior college district is subject to Section  
24 26.08 [~~26.07~~], Tax Code.

25 SECTION 9. Sections 281.124(d) and (e), Health and Safety  
26 Code, are amended to read as follows:

27 (d) If a majority of the votes cast in the election favor the

1 proposition, the tax rate for the specified tax year is the rate  
2 approved by the voters, and that rate is not subject to [~~a rollback~~  
3 ~~election under~~] Section 26.08 [~~26.07~~], Tax Code. The board shall  
4 adopt the tax rate as provided by Chapter 26, Tax Code.

5 (e) If the proposition is not approved as provided by  
6 Subsection (c), the board may not adopt a tax rate for the district  
7 for the specified tax year that exceeds the rate that was not  
8 approved, and Section 26.08 [~~26.07~~], Tax Code, applies to the  
9 adopted rate if that rate exceeds the district's rollback tax rate.

10 SECTION 10. Section 140.010(e), Local Government Code, is  
11 amended to read as follows:

12 (e) A county or municipality that proposes a property tax  
13 rate that exceeds the lower of the effective tax rate or the  
14 rollback tax rate shall provide the following notice:

15 "NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX  
16 RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)

17 "A tax rate of \$\_\_\_\_\_ per \$100 valuation has been proposed for  
18 adoption by the governing body of (insert name of county or  
19 municipality). This rate exceeds the lower of the effective or  
20 rollback tax rate, and state law requires that two public hearings  
21 be held by the governing body before adopting the proposed tax rate.

22	PROPOSED TAX RATE	\$_____ per \$100
23	PRECEDING YEAR'S TAX RATE	\$_____ per \$100
24	EFFECTIVE TAX RATE	\$_____ per \$100
25	ROLLBACK TAX RATE	\$_____ per \$100

26 "The effective tax rate is the total tax rate needed to raise the  
27 same amount of property tax revenue for (insert name of county or

1 municipality) from the same properties in both the (insert  
2 preceding tax year) tax year and the (insert current tax year) tax  
3 year.

4 "The rollback tax rate is the highest tax rate that (insert name of  
5 county or municipality) may adopt without holding [~~before voters~~  
6 ~~are entitled to petition for~~] an election to ratify [~~limit~~]  
7 [~~that may be approved to the rollback rate~~].

8 "YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS

9 FOLLOWS:

10 
$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) /$$
  
11 
$$100$$

12 "For assistance or detailed information about tax calculations,  
13 please contact:

14 (insert name of county or municipal tax assessor-collector)  
15 (insert name of county or municipality) tax  
16 assessor-collector  
17 (insert address)  
18 (insert telephone number)  
19 (insert e-mail address)  
20 (insert Internet website address, if applicable)

21 "You are urged to attend and express your views at the following  
22 public hearings on the proposed tax rate:

23 First Hearing: (insert date and time) at (insert location of  
24 meeting).

25 Second Hearing: (insert date and time) at (insert location  
26 of meeting)."

27 SECTION 11. Section [1101.254\(f\)](#), Special District Local

1 Laws Code, is amended to read as follows:

2 (f) This section does not affect the applicability of [~~any~~  
3 ~~rights district voters may have to petition for an election under~~]  
4 Section 26.08 [~~26.07~~], Tax Code, to the district's tax rate, except  
5 that if district voters approve a tax rate increase under this  
6 section, [~~the voters may not petition for an election under~~]  
7 Section 26.08 [~~26.07~~], Tax Code, does not apply [~~as~~] to the tax rate  
8 for that year.

9 SECTION 12. Sections 3828.157 and 8876.152, Special  
10 District Local Laws Code, are amended to read as follows:

11 Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE  
12 PROVISIONS. Sections 26.04, 26.05, and 26.08 [~~26.07~~], Tax Code, do  
13 not apply to a tax imposed under Section 3828.153 or 3828.156.

14 Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS.  
15 (a) Sections 26.04, 26.05, 26.06, and 26.08 [~~26.07~~], Tax Code, do  
16 not apply to a tax imposed by the district.

17 (b) Sections 49.236(a)(1) and (2) and (b) [~~Section 49.236~~],  
18 Water Code, apply [~~as added by Chapter 248 (H.B. 1541), Acts of the~~  
19 ~~78th Legislature, Regular Session, 2003, applies~~] to the district.

20 SECTION 13. Section 49.107(g), Water Code, is amended to  
21 read as follows:

22 (g) Sections 26.04, 26.05, and 26.08 [~~26.07~~], Tax Code, do  
23 not apply to a tax levied and collected under this section or an ad  
24 valorem tax levied and collected for the payment of the interest on  
25 and principal of bonds issued by a district.

26 SECTION 14. Section 49.108(f), Water Code, is amended to  
27 read as follows:

1 (f) Sections [26.04](#), [26.05](#), and [26.08](#) [~~26.07~~], Tax Code, do  
2 not apply to a tax levied and collected for payments made under a  
3 contract approved in accordance with this section.

4 SECTION 15. Section [49.236](#), Water Code, as added by Chapter  
5 335 (S.B. 392), Acts of the 78th Legislature, Regular Session,  
6 2003, is amended by amending Subsections (a) and (d) and adding  
7 Subsection (e) to read as follows:

8 (a) Before the board adopts an ad valorem tax rate for the  
9 district for debt service, operation and maintenance purposes, or  
10 contract purposes, the board shall give notice of each meeting of  
11 the board at which the adoption of a tax rate will be considered.  
12 The notice must:

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

15 "NOTICE OF PUBLIC HEARING ON TAX RATE

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

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

25 (2) contain the following information:

26 (A) the district's total adopted tax rate for the  
27 preceding year and the proposed tax rate, expressed as an amount per

1 \$100;

2 (B) the difference, expressed as an amount per  
3 \$100 and as a percent increase or decrease, as applicable, in the  
4 proposed tax rate compared to the adopted tax rate for the preceding  
5 year;

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

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

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

27 (F) the difference between the amounts of tax

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

6 (3) contain a statement in substantially the following  
7 form:

8 "NOTICE OF VOTE ON TAX RATE [~~TAXPAYERS' RIGHT TO ROLLBACK ELECTION~~]

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

15 (d) If the governing body of a district adopts a combined  
16 debt service, operation and maintenance, and contract tax rate that  
17 exceeds the rollback tax rate, [~~would impose more than 1.08 times~~  
18 ~~the amount of tax imposed by the district in the preceding year on a~~  
19 ~~residence homestead appraised at the average appraised value of a~~  
20 ~~residence homestead in the district in that year, disregarding any~~  
21 ~~homestead exemption available only to disabled persons or persons~~  
22 ~~65 years of age or older, the qualified voters of the district by~~  
23 ~~petition may require that~~] an election must be held to determine  
24 whether [~~or not~~] to ratify [~~reduce~~] the tax rate adopted for the  
25 current year [~~to the rollback tax rate~~] in accordance with the  
26 procedures provided by Sections 26.08(b)-(d) [~~26.07(b)-(g) and~~  
27 ~~26.081~~], Tax Code. For purposes of Sections 26.08(b)-(d)



1 ~~[26.07(b)-(g)]~~ and this subsection, the rollback tax rate is the  
2 sum of the following tax rates:

- 3 (1) the current year's debt service tax rate;
- 4 (2) the current year's ~~and~~ contract tax rate; and
- 5 (3) ~~rates plus~~ the operation and maintenance tax  
6 rate that would impose 1.06 ~~1.08~~ times the amount of the operation  
7 and maintenance tax imposed by the district in the preceding year on  
8 a residence homestead appraised at the average appraised value of a  
9 residence homestead in the district in that year, disregarding any  
10 homestead exemption available only to disabled persons or persons  
11 65 years of age or older.

12 (e) Notwithstanding any other provision of this section,  
13 the board may substitute "eight percent" for "six percent" in  
14 Subsection (a) and "1.08" for "1.06" in Subsection (d) if any part  
15 of the district is located in an area declared a disaster area  
16 during the current tax year by the governor or by the president of  
17 the United States.

18 SECTION 16. The following provisions are repealed:

- 19 (1) Section 1063.255, Special District Local Laws  
20 Code;
- 21 (2) Section 26.07, Tax Code; and
- 22 (3) Section 49.236, Water Code, as added by Chapter  
23 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,  
24 2003.

25 SECTION 17. (a) The change in law made by this Act applies  
26 to the ad valorem tax rate of a taxing unit beginning with the 2015  
27 tax year, except as provided by Subsection (b) of this section.

1           (b) If the governing body of a taxing unit adopted an ad  
2 valorem tax rate for the taxing unit for the 2015 tax year before  
3 the effective date of this Act, the change in law made by this Act  
4 applies to the ad valorem tax rate of that taxing unit beginning  
5 with the 2016 tax year, and the law in effect when the tax rate was  
6 adopted applies to the 2015 tax year with respect to that taxing  
7 unit.

8           SECTION 18. This Act takes effect immediately if it  
9 receives a vote of two-thirds of all the members elected to each  
10 house, as provided by Section 39, Article III, Texas Constitution.  
11 If this Act does not receive the vote necessary for immediate  
12 effect, this Act takes effect on the 91st day after the last day of  
13 the legislative session.