By: Davis of Harris   H.B. No. 1146

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 26.012, Tax Code, is amended by adding

7 Subdivisions (2-a) and (10-a) to read as follows:

8   (2-a) "Consumer price index" means the average over a

9 calendar year of the index that the comptroller considers to most

10 accurately report changes in the purchasing power of the dollar for

11 consumers in this state.

12   (10-a) "Inflation rate" means the amount, expressed in

13 decimal form rounded to the nearest thousandth, computed by

14 determining the percentage change in the consumer price index for

15 the preceding calendar year as compared to the consumer price index

16 for the calendar year preceding that calendar year.

17   SECTION 2. Section 26.04, Tax Code, is amended by adding

18 Subsection (b-1) and amending Subsection (c) to read as follows:

19   (b-1) By August 1 or as soon thereafter as practicable, the

20 comptroller shall determine the inflation rate for the current year

21 and publish the rate in the Texas Register.

22   (c) An officer or employee designated by the governing body

23 shall calculate the effective tax rate and the rollback tax rate for

24 the unit, where:

1   (1) "Effective tax rate" means a rate expressed in
2 dollars per $100 of taxable value calculated according to the
3 following formula:
4   EFFECTIVE TAX RATE = (LAST YEAR'S LEVY - LOST PROPERTY
5   LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)
6   ; and
7   (2) "Rollback tax rate" means a rate expressed in
8 dollars per $100 of taxable value calculated according to the
9 following formula:
10   ROLLBACK TAX RATE = (EFFECTIVE MAINTENANCE AND
11   OPERATIONS RATE x (1 + INFLATION RATE) [1.08]) +
12   CURRENT DEBT RATE
13   SECTION 3.   Sections 26.041(a), (b), and (c), Tax Code, are
14 amended to read as follows:
15   (a) In the first year in which an additional sales and use
16 tax is required to be collected, the effective tax rate and rollback
17 tax rate for the unit are calculated according to the following
18 formulas:
19   EFFECTIVE TAX RATE = [(LAST YEAR'S LEVY - LOST PROPERTY
20   LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] -
21   SALES TAX GAIN RATE
22 and
23   ROLLBACK TAX RATE = (EFFECTIVE MAINTENANCE AND
24   OPERATIONS RATE x (1 + INFLATION RATE) [1.08]) +
25   CURRENT DEBT RATE - SALES TAX GAIN RATE
26 where "sales tax gain rate" means a number expressed in dollars per
27 $100 of taxable value, calculated by dividing the revenue that will

1 be generated by the additional sales and use tax in the following

2 year as calculated under Subsection (d) [of this section] by the

3 current total value.

4   (b) Except as provided by Subsections (a) and (c) [of this

5 section], in a year in which a taxing unit imposes an additional

6 sales and use tax the rollback tax rate for the unit is calculated

7 according to the following formula, regardless of whether the unit

8 levied a property tax in the preceding year:

9   ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND

10   OPERATIONS EXPENSE x (1 + INFLATION RATE) [1.08]) /

11   ([TOTAL] CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] +

12   (CURRENT DEBT RATE - SALES TAX REVENUE RATE)

13 where "last year's maintenance and operations expense" means the

14 amount spent for maintenance and operations from property tax and

15 additional sales and use tax revenues in the preceding year, and

16 "sales tax revenue rate" means a number expressed in dollars per

17 $100 of taxable value, calculated by dividing the revenue that will

18 be generated by the additional sales and use tax in the current year

19 as calculated under Subsection (d) [of this section] by the current

20 total value.

21   (c) In a year in which a taxing unit that has been imposing

22 an additional sales and use tax ceases to impose an additional sales

23 and use tax the effective tax rate and rollback tax rate for the

24 unit are calculated according to the following formulas:

25   EFFECTIVE TAX RATE = [(LAST YEAR'S LEVY - LOST PROPERTY

26   LEVY) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] +

27   SALES TAX LOSS RATE

1 and

2   ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND

3   OPERATIONS EXPENSE x (1 + INFLATION RATE) [1.08]) /

4   ([TOTAL] CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] +

5   CURRENT DEBT RATE

6 where "sales tax loss rate" means a number expressed in dollars per

7 $100 of taxable value, calculated by dividing the amount of sales

8 and use tax revenue generated in the last four quarters for which

9 the information is available by the current total value and "last

10 year's maintenance and operations expense" means the amount spent

11 for maintenance and operations from property tax and additional

12 sales and use tax revenues in the preceding year.

13   SECTION 4. The heading to Section 26.08, Tax Code, is

14 amended to read as follows:

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

16   SECTION 5. Sections 26.08(a), (b), (d), (d-1), (d-2), (e),

17 and (h), Tax Code, are amended to read as follows:

18   (a) If the governing body of a taxing unit [school district]

19 adopts a tax rate that exceeds the taxing unit's [district's]

20 rollback tax rate, the registered voters of the taxing unit

21 [district] at an election held for that purpose must determine

22 whether to approve the adopted tax rate. When increased

23 expenditure of money by a taxing unit [school district] is

24 necessary to respond to a disaster, including a tornado, hurricane,

25 flood, or other calamity, but not including a drought, that has

26 impacted the taxing unit [a school district] and the governor has

27 requested federal disaster assistance for the area in which the

1 taxing unit [school district] is located, an election is not

2 required under this section to approve the tax rate adopted by the

3 governing body for the year following the year in which the disaster

4 occurs.

5   (b) The governing body shall order that the election be held

6 in the taxing unit [school district] on a date not less than 30 or

7 more than 90 days after the day on which it adopted the tax rate.

8 Section 41.001, Election Code, does not apply to the election

9 unless a date specified by that section falls within the time

10 permitted by this section. At the election, the ballots shall be

11 prepared to permit voting for or against the

12 proposition: "Approving the ad valorem tax rate of $_____ per $100

13 valuation in (name of taxing unit [school district]) for the

14 current year, a rate that is $_____ higher per $100 valuation than

15 the [school district] rollback tax rate of (name of taxing unit),

16 for the purpose of (description of purpose of increase)." The

17 ballot proposition must include the adopted tax rate and the

18 difference between that rate and the rollback tax rate in the

19 appropriate places.

20   (d) If the proposition is not approved as provided by

21 Subsection (c), the governing body may not adopt a tax rate for the

22 taxing unit [school district] for the current year that exceeds the

23 taxing unit's [school district's] rollback tax rate.

24   (d-1) If, after tax bills for the taxing unit [school

25 district] have been mailed, a proposition to approve the taxing

26 unit's [school district's] adopted tax rate is not approved by the

27 voters of the taxing unit [district] at an election held under this

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1 section, on subsequent adoption of a new tax rate by the governing
2 body of the taxing unit [district], the assessor for the taxing unit
3 [school] shall prepare and mail corrected tax bills. The assessor
4 shall include with each bill a brief explanation of the reason for
5 and effect of the corrected bill. The date on which the taxes
6 become delinquent for the year is extended by a number of days equal
7 to the number of days between the date the first tax bills were sent
8 and the date the corrected tax bills were sent.

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

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

1   (h) For purposes of this section, increases in taxable
2 values and tax levies occurring within a reinvestment zone under
3 Chapter 311 (Tax Increment Financing Act), in which a school [the]
4 district is a participant, shall be eliminated from the calculation
5 of the tax rate adopted by the governing body of the school
6 district.

7   SECTION 6. Section 26.16(d), Tax Code, is amended to read as
8 follows:

9   (d) The county assessor-collector shall post immediately
10 below the table prescribed by Subsection (c) the following
11 statement:

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

17   "The adopted tax rate is the tax rate adopted by the governing
18 body of a taxing unit.

19   "The maintenance and operations rate is the component of the
20 adopted tax rate of a taxing unit that will impose the amount of
21 taxes needed to fund maintenance and operation expenditures of the
22 unit for the following year.

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

26   "The effective tax rate is the tax rate that would generate
27 the same amount of revenue in the current tax year as was generated

1   by a taxing unit's adopted tax rate in the preceding tax year from
2   property that is taxable in both the current tax year and the
3   preceding tax year.

4   "The effective maintenance and operations rate is the tax
5   rate that would generate the same amount of revenue for maintenance
6   and operations in the current tax year as was generated by a taxing
7   unit's maintenance and operations rate in the preceding tax year
8   from property that is taxable in both the current tax year and the
9   preceding tax year.

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

18   SECTION 7. Sections 31.12(a) and (b), Tax Code, are amended
19 to read as follows:

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

1   (b) For purposes of this section, liability for a refund
2 arises:
3   (1) if the refund is required by Section 11.431(b), on
4 the date the chief appraiser notifies the collector for the unit of
5 the approval of the late homestead exemption;
6   (2) if the refund is required by Section 26.08(d-2)
7 [26.07(g)], on the date the results of the election to reduce the
8 tax rate are certified;
9   (3) if the refund is required by Section 26.15(f):
10   (A) for a correction to the tax roll made under
11 Section 26.15(b), on the date the change in the tax roll is
12 certified to the assessor for the taxing unit under Section 25.25;
13 or
14   (B) for a correction to the tax roll made under
15 Section 26.15(c), on the date the change in the tax roll is ordered
16 by the governing body of the taxing unit;
17   (4) if the refund is required by Section 31.11, on the
18 date the auditor for the taxing unit determines that the payment was
19 erroneous or excessive or, if the amount of the refund exceeds the
20 applicable amount specified by Section 31.11(a), on the date the
21 governing body of the unit approves the refund; or
22   (5) if the refund is required by Section 31.111, on the
23 date the collector for the taxing unit determines that the payment
24 was erroneous.
25   SECTION 8. Section 33.08(b), Tax Code, is amended to read as
26 follows:
27   (b) The governing body of the taxing unit or appraisal

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1 district, in the manner required by law for official action, may
2 provide that taxes that become delinquent on or after June 1 under
3 Section 26.08(d-1) [26.07(f)], 26.15(e), 31.03, 31.031, 31.032,
4 31.04, or 42.42 incur an additional penalty to defray costs of
5 collection. The amount of the penalty may not exceed the amount of
6 the compensation specified in the applicable contract with an
7 attorney under Section 6.30 to be paid in connection with the
8 collection of the delinquent taxes.
9   SECTION 9. Section 130.016(b), Education Code, is amended
10 to read as follows:
11   (b) If the board of trustees of an independent school
12 district that divests itself of the management, control, and
13 operation of a junior college district under this section or under
14 Section 130.017 [of this code] was authorized by [Subsection (e)
15 of] Section 45.105(e) or under former Section 20.48(e) [20.48 of
16 this code] to dedicate a portion of its tax levy to the junior
17 college district before the divestment, the junior college district
18 may levy an ad valorem tax from and after the divestment. In the
19 first two years in which the junior college district levies an ad
20 valorem tax, the tax rate adopted by the governing body may not
21 exceed the rate that, if applied to the total taxable value
22 submitted to the governing body under Section 26.04, Tax Code,
23 would impose an amount equal to the amount of taxes of the school
24 district dedicated to the junior college under [Subsection (e) of]
25 Section 45.105(e) or former Section 20.48(e) [20.48 of this code]
26 in the last dedication before the divestment. In subsequent years,
27 the tax rate of the junior college district is subject to Section

1 26.08 [26.07], Tax Code.

2   SECTION 10. Sections 281.124(d) and (e), Health and Safety

3 Code, are amended to read as follows:

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

5 proposition, the tax rate for the specified tax year is the rate

6 approved by the voters, and that rate is not subject to [a rollback

7 election under] Section 26.08 [26.07], Tax Code. The board shall

8 adopt the tax rate as provided by Chapter 26, Tax Code.

9   (e) If the proposition is not approved as provided by

10 Subsection (c), the board may not adopt a tax rate for the district

11 for the specified tax year that exceeds the rate that was not

12 approved, and Section 26.08 [26.07], Tax Code, applies to the

13 adopted rate if that rate exceeds the district's rollback tax rate.

14   SECTION 11. Section 140.010(e), Local Government Code, is

15 amended to read as follows:

16   (e) A county or municipality that proposes a property tax

17 rate that exceeds the lower of the effective tax rate or the

18 rollback tax rate shall provide the following notice:

19 "NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX

20   RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)

21 "A tax rate of $_____ per $100 valuation has been proposed for

22 adoption by the governing body of (insert name of county or

23 municipality). This rate exceeds the lower of the effective or

24 rollback tax rate, and state law requires that two public hearings

25 be held by the governing body before adopting the proposed tax

26 rate. The governing body of (insert name of county or

27 municipality) proposes to use revenue attributable to the tax rate

1 increase for the purpose of (description of purpose of increase).

2   PROPOSED TAX RATE $_____ per $100

3   PRECEDING YEAR'S TAX RATE $_____ per $100

4   EFFECTIVE TAX RATE $_____ per $100

5   ROLLBACK TAX RATE $_____ per $100

6 "The effective tax rate is the total tax rate needed to raise the

7 same amount of property tax revenue for (insert name of county or

8 municipality) from the same properties in both the (insert

9 preceding tax year) tax year and the (insert current tax year) tax

10 year.

11 "The rollback tax rate is the highest tax rate that (insert name of

12 county or municipality) may adopt <u>without holding</u> [~~before voters~~

13 ~~are entitled to petition for~~] an election to <u>ratify</u> [~~limit~~] the rate

14 [~~that may be approved to the rollback rate~~].

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

16   FOLLOWS:

17 property tax amount = (rate) x (taxable value of your property) /

18   100

19 "For assistance or detailed information about tax calculations,

20 please contact:

21   (insert name of county or municipal tax assessor-collector)

22   (insert   name   of   county   or   municipality)   tax

23 assessor-collector

24   (insert address)

25   (insert telephone number)

26   (insert e-mail address)

27   (insert Internet website address, if applicable)

1 "You are urged to attend and express your views at the following

2 public hearings on the proposed tax rate:

3   First Hearing: (insert date and time) at (insert location of

4 meeting).

5   Second Hearing: (insert date and time) at (insert location

6 of meeting)."

7   SECTION 12. Section 1101.254(f), Special District Local

8 Laws Code, is amended to read as follows:

9   (f) This section does not affect the applicability of [any

10 rights district voters may have to petition for an election under]

11 Section 26.08 [26.07], Tax Code, to the district's tax rate, except

12 that if district voters approve a tax rate increase under this

13 section, [the voters may not petition for an election under]

14 Section 26.08 [26.07], Tax Code, does not apply [as] to the tax rate

15 for that year.

16   SECTION 13. Sections 1122.2522, 3828.157, and 8876.152,

17 Special District Local Laws Code, are amended to read as follows:

18   Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE.

19 [(a)] If in any year the board adopts a tax rate that exceeds the

20 rollback tax rate calculated as provided by Chapter 26, Tax Code,

21 [the qualified voters of the district by petition may require that]

22 an election under Section 26.08 of that code must be held to

23 determine whether or not to approve [reduce] the tax rate adopted by

24 the board for that year [to the rollback tax rate].

25   [(b) To the extent a conflict exists between this section

26 and a provision of the Tax Code, the provision of the Tax Code

27 prevails.]

1   Sec. 3828.157.   INAPPLICABILITY   OF   CERTAIN   TAX   CODE

2 PROVISIONS.   Sections 26.04, 26.05, and 26.08 [26.07], Tax Code, do

3 not apply to a tax imposed under Section 3828.153 or 3828.156.

4   Sec. 8876.152.   APPLICABILITY   OF   CERTAIN   TAX   PROVISIONS.

5 (a)   Sections 26.04, 26.05, 26.06, and 26.08 [26.07], Tax Code, do

6 not apply to a tax imposed by the district.

7   (b)   Sections 49.236(a)(1) and (2) and (b) [Section 49.236],

8 Water Code, apply [as added by Chapter 248 (H.B. 1541), Acts of the

9 78th Legislature, Regular Session, 2003, applies] to the district.

10   SECTION 14.   Section 49.107(g), Water Code, is amended to

11 read as follows:

12   (g)   Sections 26.04, 26.05, and 26.08 [26.07], Tax Code, do

13 not apply to a tax levied and collected under this section or an ad

14 valorem tax levied and collected for the payment of the interest on

15 and principal of bonds issued by a district.

16   SECTION 15.   Section 49.108(f), Water Code, is amended to

17 read as follows:

18   (f)   Sections 26.04, 26.05, and 26.08 [26.07], Tax Code, do

19 not apply to a tax levied and collected for payments made under a

20 contract approved in accordance with this section.

21   SECTION 16.   Section 49.236, Water Code, as added by Chapter

22 335 (S.B. 392), Acts of the 78th Legislature, Regular Session,

23 2003, is amended by amending Subsections (a) and (d) and adding

24 Subsection (e) to read as follows:

25   (a)   Before the board adopts an ad valorem tax rate for the

26 district for debt service, operation and maintenance purposes, or

27 contract purposes, the board shall give notice of each meeting of

1 the board at which the adoption of a tax rate will be considered.

2 The notice must:

3   (1)   contain a statement in substantially the following

4 form:

5   "NOTICE OF PUBLIC HEARING ON TAX RATE

6   "The (name of the district) will hold a public hearing on a

7 proposed tax rate for the tax year (year of tax levy) on (date and

8 time) at (meeting place). Your individual taxes may increase or

9 decrease, depending on the change in the taxable value of your

10 property in relation to the change in taxable value of all other

11 property and the tax rate that is adopted.

12   "(Names of all board members and, if a vote was taken, an

13 indication of how each voted on the proposed tax rate and an

14 indication of any absences.)";

15   (2)   contain the following information:

16   (A)   the district's total adopted tax rate for the

17 preceding year and the proposed tax rate, expressed as an amount per

18 $100;

19   (B)   the difference, expressed as an amount per

20 $100 and as a percent increase or decrease, as applicable, in the

21 proposed tax rate compared to the adopted tax rate for the preceding

22 year;

23   (C)   the average appraised value of a residence

24 homestead in the district in the preceding year and in the current

25 year; the district's total homestead exemption, other than an

26 exemption available only to disabled persons or persons 65 years of

27 age or older, applicable to that appraised value in each of those

1 years; and the average taxable value of a residence homestead in the

2 district in each of those years, disregarding any homestead

3 exemption available only to disabled persons or persons 65 years of

4 age or older;

5 (D) the amount of tax that would have been

6 imposed by the district in the preceding year on a residence

7 homestead appraised at the average appraised value of a residence

8 homestead in that year, disregarding any homestead exemption

9 available only to disabled persons or persons 65 years of age or

10 older;

11 (E) the amount of tax that would be imposed by the

12 district in the current year on a residence homestead appraised at

13 the average appraised value of a residence homestead in that year,

14 disregarding any homestead exemption available only to disabled

15 persons or persons 65 years of age or older, if the proposed tax

16 rate is adopted; [and]

17 (F) the difference between the amounts of tax

18 calculated under Paragraphs (D) and (E), expressed in dollars and

19 cents and described as the annual percentage increase or decrease,

20 as applicable, in the tax to be imposed by the district on the

21 average residence homestead in the district in the current year if

22 the proposed tax rate is adopted; and

23 (G) if the proposed combined debt service,

24 operation and maintenance, and contract tax rate exceeds the

25 rollback tax rate, a description of the purpose of the proposed tax

26 increase; and

27 (3) contain a statement in substantially the following

16

1 form:

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

3   "If operation and maintenance taxes on the average residence

4 homestead increase by more than the inflation rate, [eight percent,

5 the qualified voters of the district by petition may require that]

6 an election must be held to determine whether to ratify [reduce] the

7 operation and maintenance tax rate [to the rollback tax rate] under

8 Section 49.236(d), Water Code."

9   (d) If the governing body of a district adopts a combined

10 debt service, operation and maintenance, and contract tax rate that

11 exceeds the rollback tax rate, [would impose more than 1.08 times

12 the amount of tax imposed by the district in the preceding year on a

13 residence homestead appraised at the average appraised value of a

14 residence homestead in the district in that year, disregarding any

15 homestead exemption available only to disabled persons or persons

16 65 years of age or older, the qualified voters of the district by

17 petition may require that] an election must be held to determine

18 whether [or not] to ratify [reduce] the tax rate adopted for the

19 current year [to the rollback tax rate] in accordance with the

20 procedures provided by Sections 26.08(b)-(d) [26.07(b)-(g) and

21 26.081], Tax Code. For purposes of Sections 26.08(b)-(d)

22 [26.07(b)-(g)] and this section [subsection], the rollback tax rate

23 is the sum of the following tax rates:

24   (1) the current year's debt service tax rate;

25   (2) the current year's [and] contract tax rate; and

26   (3) [rates plus] the operation and maintenance tax

27 rate that would impose [1.08 times] the amount of the operation and

17

1 maintenance tax imposed by the district in the preceding year on a

2 residence homestead appraised at the average appraised value of a

3 residence homestead in the district in that year, disregarding any

4 homestead exemption available only to disabled persons or persons

5 65 years of age or older, multiplied by the sum of one and the

6 inflation rate.

7   (e)   In this section, "inflation rate" means the rate

8 determined by the comptroller and published in the Texas Register

9 as provided by Section 26.04(b-1), Tax Code.

10   SECTION 17.   The following provisions are repealed:

11   (1)   Section 1063.255, Special District Local Laws

12 Code;

13   (2)   Section 26.07, Tax Code;

14   (3)   Section 49.236, Water Code, as added by Chapter

15 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,

16 2003; and

17   (4)   Section 49.2361, Water Code.

18   SECTION 18.   The change in law made by this Act applies to

19 the ad valorem tax rate of a taxing unit beginning with the 2018 tax

20 year.

21   SECTION 19.   This Act takes effect January 1, 2018.