

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.

David Newkum  
President of the Senate

Jim Cusick  
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. \_\_\_\_\_

Daisy Gaud  
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. \_\_\_\_\_

Robert Hamey  
Chief Clerk of the House

Approved:

18 JUN '03  
Date

Rick Perry  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
8:30 AM O'CLOCK

JUN 18 2003  
Ann Shea  
Secretary of State