

By: Bettencourt

S.B. No. 2434

A BILL TO BE ENTITLED

AN ACT

relating to the dissolution of the SH130 Municipal Management District No. 1.

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

SECTION 1. Subchapter I, Chapter 3971, Special District Local Laws Code, is amended by adding Sections 3971.0902, 3971.0903, and 3971.0904 to read as follows:

Sec. 3971.0902. MANDATORY DISSOLUTION. Except as provided by Section 3971.0903, not later than January 1, 2024, the board shall:

(1) wind up district operations;

(2) transfer all remaining district assets to a trust created for the purposes of this section, with the commissioners court of the most populous county in which the district is located acting as trustee; and

(3) dissolve the district.

Sec. 3971.0903. DISTRICT OBLIGATIONS AND LIABILITIES. (a) If on January 1, 2024, the board finds that the board would not be authorized to dissolve the district under Section 3971.0901 because of an existing condition described by Section 3971.0901(c):

(1) the board may not dissolve the district under Section 3971.0902;

(2) the board shall delay the transfer of assets to the trust as provided by Section 3971.0902 until the board may dissolve

1 the district; and

2 (3) the district continues in existence solely for the
3 purposes of resolving the condition, winding up district
4 operations, and making the transfer of assets to the trust as
5 provided by Section 3971.0902.

6 (b) The board shall resolve the conditions and continue to
7 wind up district operations as quickly as practicable until the
8 board would be authorized to dissolve the district under Section
9 3971.0901, at which time the board shall make the transfer of assets
10 to the trust as provided by Section 3971.0902 and dissolve the
11 district.

12 Sec. 3971.0904. DISPOSITION OF REMAINING DISTRICT ASSETS.

13 (a) Not later than the 30th day before the date of the transfer of
14 assets described by Section 3971.0902, the district shall:

15 (1) compile a list of each taxing unit, as defined by
16 Section 1.04, Tax Code, from which a public facility corporation
17 created by the district received a tax exemption under Section
18 303.042, Local Government Code, before September 1, 2023; and

19 (2) provide the list compiled under Subdivision (1) to
20 the trustee of the trust created under Section 3971.0902.

21 (b) As soon as practicable after the transfer of assets
22 described by Section 3971.0902 or 3971.0903, the trustee of the
23 trust created under Section 3971.0902 shall send to each taxing
24 unit, as defined by Section 1.04, Tax Code, from which a public
25 facility corporation created by the district received a tax
26 exemption under Section 303.042, Local Government Code, a payment
27 from the trust assets.

1 (c) The trustee:

2 (1) may apply a reasonable portion of the trust assets
3 to the trustee's costs incurred administering this section; and

4 (2) shall send any trust assets remaining after making
5 the payments required by this section to a special fund of the
6 county for use under Subsection (e).

7 (d) Each payment must be in an amount equal to the amount of
8 tax revenue the receiving taxing unit would have collected from the
9 public facility corporation without the exemption provided by
10 Section 303.042, Local Government Code. If the total amount of
11 remaining assets of the district are less than the amount required
12 to make the payments required under this subsection, the trustee
13 shall make the payments on a pro-rata basis, based on the payment
14 otherwise to be paid to each taxing unit.

15 (e) A county that receives assets under Subsection (c)(2)
16 may use the assets only for a service or project that benefits the
17 former territory of the district.

18 SECTION 2. (a) The legal notice of the intention to
19 introduce this Act, setting forth the general substance of this
20 Act, has been published as provided by law, and the notice and a
21 copy of this Act have been furnished to all persons, agencies,
22 officials, or entities to which they are required to be furnished
23 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
24 Government Code.

25 (b) The governor, one of the required recipients, has
26 submitted the notice and Act to the Texas Commission on
27 Environmental Quality.

1 (c) The Texas Commission on Environmental Quality has filed
2 its recommendations relating to this Act with the governor,
3 lieutenant governor, and speaker of the house of representatives
4 within the required time.

5 (d) All requirements of the constitution and laws of this
6 state and the rules and procedures of the legislature with respect
7 to the notice, introduction, and passage of this Act have been
8 fulfilled and accomplished.

9 SECTION 3. This Act takes effect September 1, 2023.