

By: Lindsay

S.B. No. 717

A BILL TO BE ENTITLED

AN ACT

1
2 relating to limited-purpose annexation and annexation agreements
3 between a municipality and a municipal utility district annexed for
4 limited purposes.

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

6 SECTION 1. Subchapter D, Chapter 43, Local Government Code,
7 is amended by adding Section 43.0754 to read as follows:

8 Sec. 43.0754. LIMITED-PURPOSE ANNEXATION OF CERTAIN
9 DISTRICTS; ANNEXATION AGREEMENTS. (a) A municipality and the
10 board of directors of a municipal utility district that is annexed
11 for limited purposes by the municipality may enter into an
12 annexation agreement under which the municipality may levy and
13 collect in the newly annexed district a tax authorized by law or
14 municipal charter and may share the tax with the newly annexed
15 district as provided by the annexation agreement.

16 (b) The board of a municipal utility district that is
17 annexed for limited purposes by a municipality may not enter into an
18 annexation agreement with the municipality unless the annexation
19 agreement has first been approved by a majority of the property
20 owners in the district voting in an election held by the district
21 for that purpose.

22 (c) The board of the newly annexed municipal utility
23 district may not reduce the district's ad valorem tax rate to a rate
24 lower than the ad valorem tax rate of the annexing municipality.

1 (d) A municipality that annexes for limited purposes a
2 municipal utility district may exercise within the newly annexed
3 area only the authority to tax granted under an annexation
4 agreement entered into under this section. The municipality has no
5 other authority within the newly annexed area.

6 SECTION 2. Sections 43.0751 and 43.0752, Local Government
7 Code, are repealed.

8 SECTION 3. (a) This Act takes effect September 1, 2003.

9 (b) The repeal by this Act of Section 43.0751, Local
10 Government Code, does not apply to a strategic partnership
11 agreement that takes effect under Section 43.0751 before the
12 effective date of this Act. A strategic partnership agreement that
13 takes effect before the effective date of this Act is governed by
14 the law in effect at the time the agreement took effect, and the
15 former law is continued in effect for that purpose.