

By: Strama

H.B. No. 2042

A BILL TO BE ENTITLED

AN ACT

1
2 relating to municipal action regarding a municipal utility district
3 wholly within the municipality's boundaries.

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

5 SECTION 1. Chapter 54, Water Code, section 54.016, is
6 amended as follows:

7 Sec. 54.016(f):

8 (f) A City may provide in its written consent for the
9 inclusion of land in a district that a contract (which shall be
10 deemed to be an "allocation agreement", however entitled by the
11 parties) between the district and the city be entered into prior to
12 the first issue of bonds, notes, warrants, or other obligations of
13 the district. The allocation shall contain the following
14 provisions:

15 (1) a method by which the district shall continue to
16 exist following the annexation of all territory within the district
17 by the city, if the district is initially located outside the
18 corporate limits of the city;

19 (2) an allocation of the ad valorem taxes or revenues
20 of the district or the city which will assure that, following the
21 date of the inclusion of all the district's territory within the
22 corporate limits of the city, regardless of whether annexation
23 precedes or follows the creation of the district, the total annual
24 ad valorem taxes collected by the city and the district from taxable

1 property within the district does not exceed an amount greater than
2 the city's ad valorem tax upon ~~such~~ property located within the
3 municipality, but outside the district;

4 (3) an allocation of governmental services to be
5 provided by the city or the district following the date of inclusion
6 of all of the district's territory within the corporate limits of
7 the city;

8 (4) such other terms and conditions as may be deemed
9 appropriate by the city.

10 (f-1) notwithstanding any other provision of law, if the
11 municipality imposes a tax rate that does not meet the requirements
12 of subsection (f)(2), a majority of the registered voters in the
13 district may petition the governing body of the municipality to
14 disannex all the area contained within the boundaries of the
15 district in the same manner and under the same conditions provided
16 by Section 43.141, Local Government Code, for disannexation
17 following a municipality's failure to provide services.

18 (g) In addition to all the rights and remedies provided by
19 the laws of the state in the event a district violates the terms and
20 provisions of a city's written consent, , the court shall be
21 entitled to injunctive relief or a writ of mandamus issued by a
22 court of competent jurisdiction restraining, compelling or
23 requiring the district and its officials to observe and comply with
24 the terms and provisions prescribed in the city's written consent
25 to the inclusion of land within the district.

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27 SECTION 3. This Act takes effect immediately if it receives

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1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2005.