

1-1 By: Callegari (Senate Sponsor - Lindsay) H.B. No. 2241
1-2 (In the Senate - Received from the House May 4, 2005;
1-3 May 5, 2005, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 20, 2005, reported adversely,
1-5 with favorable Committee Substitute by the following vote: Yeas 3,
1-6 Nays 2; May 20, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2241 By: Wentworth

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the authority of certain municipalities to require a
1-11 contract between a municipal utility district and the municipality
1-12 before the district issues obligations.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 54.016(f), Water Code, is amended to
1-15 read as follows:

1-16 (f) A city located in a county with a population of less than
1-17 1 million in which a municipality with a population of more than
1-18 650,000 is predominately located may provide in its written consent
1-19 for the inclusion of land in a district that a contract ("allocation
1-20 agreement") between the district and the city be entered into prior
1-21 to the first issue of bonds, notes, warrants, or other obligations
1-22 of the district. The allocation agreement shall contain the
1-23 following provisions:

1-24 (1) a method by which the district shall continue to
1-25 exist following the annexation of all territory within the district
1-26 by the city, if the district is initially located outside the
1-27 corporate limits of the city;

1-28 (2) an allocation of the taxes or revenues of the
1-29 district or the city which will assure that, following the date of
1-30 the inclusion of all the district's territory within the corporate
1-31 limits of the city, the total annual ad valorem taxes collected by
1-32 the city and the district from taxable property within the district
1-33 does not exceed an amount greater than the city's ad valorem tax
1-34 upon such property;

1-35 (3) an allocation of governmental services to be
1-36 provided by the city or the district following the date of the
1-37 inclusion of all of the district's territory within the corporate
1-38 limits of the city;

1-39 (4) such other terms and conditions as may be deemed
1-40 appropriate by the city.

1-41 SECTION 2. This Act takes effect immediately if it receives
1-42 a vote of two-thirds of all the members elected to each house, as
1-43 provided by Section 39, Article III, Texas Constitution. If this
1-44 Act does not receive the vote necessary for immediate effect, this
1-45 Act takes effect September 1, 2005.

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