

BILL ANALYSIS

S.B. 162
By: Shapiro
Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, under the Dallas County Utility and Reclamation District (district) statute, single-family development is 100 percent tax exempt. At the time that legislation was approved, no one anticipated any, or at least much, single-family development. Due to a changing economy, large areas of undeveloped lands are likely to be developed for single-family residences, resulting in an unfair hardship to the non-residential taxpayers. The residential taxpayers are open and amenable to considering tax abatement agreements and the district has currently worked out voluntary tax agreements with some single-family residential property owners.

S.B. 162 provides authority for the district to work out tax abatement agreements not to exceed a certain amount for single-family residential property.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 4B(7), Chapter 628, Acts of the 68th Legislature, Regular Session, 1983, to require a tax abatement agreement, except as provided by Subdivision (8) of this section, to provide that the portion of the taxable value of the property subject to the agreement that exceeds the taxable value of the property for the year in which notice for the project to which the agreement pertains is submitted is subject to an effective tax rate not to exceed 60 cents for each \$100 of taxable value of property, as provided by the terms of the agreement as voluntarily entered into by the parties, if the property is single-family residential property.

SECTION 2. (a) Provides that all governmental and proprietary actions of the Dallas County Utility and Reclamation District taken before the effective date of this Act are validated, ratified, and confirmed in all respects as if the actions had been taken as authorized by law.

(b) Provides that this section does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment or has been held invalid by a final court judgment.

SECTION 3. Provides that all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. Effective date: upon passage or September 1, 2007.

EFFECTIVE DATE

Upon passage or September 1, 2007.