By: Watson

S.B. No. 2043

A BILL TO BE ENTITLED

1   AN ACT

2 relating to the authority of the New Sweden Municipal Utility

3 District No. 2 and municipalities with extraterritorial

4 jurisdiction in the district to enter into annexation and tax

5 allocation agreements.

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

7   SECTION 1. Subtitle F, Title 6, Special District Local Laws

8 Code, is amended by adding Chapter 8160 to read as follows:

9   CHAPTER 8160. NEW SWEDEN MUNICIPAL UTILITY DISTRICT NO. 2

10   SUBCHAPTER A. GENERAL PROVISIONS

11   Sec. 8160.001. DEFINITIONS. In this chapter:

12   (1) "Board" means the board of directors of the

13 district.

14   (2) "Director" means a member of the board.

15   (3) "District" means the New Sweden Municipal Utility

16 District No. 2 as created by the Texas Commission on Environmental

17 Quality by order dated November 10, 2006.

18   [Sections 8160.002-8160.100 reserved for expansion]

19   SUBCHAPTER B. POWERS AND DUTIES

20   Sec. 8160.101. GENERAL POWERS AND DUTIES. The district

21 has:

22   (1) the powers and duties provided to a municipal

23 utility district by general law, including Chapters 49 and 54,

24 Water Code, and Chapters 42 and 43, Local Government Code; and

1   (2) all the powers and duties necessary or appropriate

2 to accomplish the purposes for which the district was created by the

3 Texas Commission on Environmental Quality.

4   Sec. 8160.102. ADDITIONAL POWERS RELATED TO ANNEXATION AND

5 TAX ALLOCATION AGREEMENTS. (a) This section applies only to a

6 municipality that:

7   (1) has extraterritorial jurisdiction over the entire

8 area in which the district is located; and

9   (2) has made a strategic partnership agreement with

10 the district.

11   (b) The district and the municipality may agree to provide

12 for the:

13   (1) annexation, including limited purpose annexation,

14 by the municipality of all or a part of the territory of the

15 district; and

16   (2) allocation, following annexation of all or part of

17 the district by the municipality, of taxes imposed on real property

18 in the district between the district and the municipality.

19   (c) Notwithstanding the limitations otherwise imposed by

20 Subchapter J, Chapter 54, Water Code, the district is granted the

21 powers under that subchapter for the purpose of:

22   (1) defining a particular area to be taxed; and

23   (2) entering a tax allocation agreement as provided by

24 this chapter.

25   (d) This chapter does not eliminate any right granted to a

26 municipality under general law to annex all or part of the district.

27 The powers granted to the district and a municipality under this

1 chapter are cumulative of powers granted under other law.

2 Sec. 8160.103. SPECIFIC PROVISIONS OF TAX ALLOCATION

3 AGREEMENT. The tax allocation agreement made under Section

4 8160.102 may contain:

5 (1) a method by which the district continues to exist

6 following annexation by the municipality of all or part of the

7 district territory, if the district is initially located outside

8 the corporate boundaries of the municipality;

9 (2) an allocation of the ad valorem tax revenues of the

10 district and the municipality from property in the district as the

11 district and the municipality may agree;

12 (3) an allocation of governmental services to be

13 provided by the municipality or the district following the date of

14 the inclusion of the district territory in the corporate boundaries

15 of the municipality, which must be proportionate to the allocation

16 of taxes to which the district and the municipality agreed under

17 Subdivision (2);

18 (4) an agreement under which the district assesses and

19 collects ad valorem taxes on all taxable property:

20 (A) at a rate applying to the area of the district

21 included in the municipality and designated as a defined area as

22 provided by Subchapter J, Chapter 54, Water Code, calculated to pay

23 for the improvements, facilities, or services that primarily

24 benefit that area and do not generally benefit the district as a

25 whole; and

26 (B) at a lesser rate applying to the area of the

27 district that is not included in the municipality or designated as a

1 defined area;

2   (5) a provision that the allocation agreement will end

3 on the date that:

4   (A) all territory in the district is annexed by

5 the municipality for full purposes; and

6   (B) the district is dissolved as otherwise

7 provided by law; and

8   (6) any other terms considered appropriate by the

9 municipality and the district.

10   SECTION 2. (a) The legal notice of the intention to

11 introduce this Act, setting forth the general substance of this

12 Act, has been published as provided by law, and the notice and a

13 copy of this Act have been furnished to all persons, agencies,

14 officials, or entities to which they are required to be furnished

15 under Section 59, Article XVI, Texas Constitution, and Chapter 313,

16 Government Code.

17   (b) The governor has submitted the notice and Act to the

18 Texas Commission on Environmental Quality.

19   (c) The Texas Commission on Environmental Quality has filed

20 its recommendations relating to this Act with the governor,

21 lieutenant governor, and speaker of the house of representatives

22 within the required time.

23   (d) The general law relating to consent by political

24 subdivisions to the creation of districts with conservation and

25 reclamation powers and the inclusion of land in those districts has

26 been complied with. All requirements of the constitution and laws

27 of this state and the rules and procedures of the legislature with

1 respect to the notice, introduction, and passage of this Act have

2 been fulfilled and accomplished.

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

4 a vote of two-thirds of all the members elected to each house, as

5 provided by Section 39, Article III, Texas Constitution. If this

6 Act does not receive the vote necessary for immediate effect, this

7 Act takes effect September 1, 2007.