

## **BILL ANALYSIS**

H.B. 3731  
By: Coleman  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Under current law, a city may enter into a strategic partnership agreement with a water control and improvement district or a municipal utility district to create a limited purpose annexation. The city may impose a one-half percent sales tax for the provision of services within the boundaries of the district, as long as the local aggregate tax rate does not exceed 2 percent. The city and the district must hold two separate public hearings prior to the adoption of the strategic partnership agreement and the imposition of the tax, but no election is required.

Similarly, under the Local Government Code, a county may create a county assistance district and impose a one-half percent sales tax for the provision of services, as long as the 2 percent aggregate tax is not exceeded. The requirements for creating a county assistance district are, however, significantly more onerous and time-consuming than those imposed on a city and a district creating a limited purpose annexation, because a county must hold an election.

H.B. 3731 places counties on the same footing as cities and districts by allowing the creation of a county assistance district after holding two separate public hearings in the same manner as cities under Section 43.0751, Local Government Code, and by eliminating the election requirement.

### **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**

H.B. 3731 amends the Local Government Code to authorize a county commissioners court to create by order, rather than calling an election on the question of creating, a county assistance district. The bill makes conforming changes to the Local Government Code that reflect the authorization to create a district, and that remove references to an election. The bill requires a commissioners court, before it may create a county assistance district by order, to conduct two public hearings at which members of the public must be given opportunity to present testimony or evidence on the proposed district and for which notice must be provided. The bill sets forth requirements for the publication of the notice and requires the notice to state that a sales and use tax shall be imposed for the purpose of financing the district and requires the notice to state the rate of the tax.

H.B. 3731 repeals Subsections (c) and (d) , Section 387.010, Local Government Code.

### **EFFECTIVE DATE**

September 1, 2009.