

BILL ANALYSIS

Senate Research Center
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S.B. 422
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Intergovernmental Relations
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Recently, central appraisal districts in Texas have contracted with their local cities to collect the taxes for tax increment finance reinvestment zones and assessments for public improvement districts.

In 2009, Attorney General Greg Abbott stated within Opinion Number GA-0724 that the term "taxes" in Section 6.24 of the Texas Tax Code does not include special assessments. The statute, therefore does not authorize contracts between a municipal governing body and the board of directors of an appraisal district to collect special assessments under the Public Improvement District Assessment Act (Chapter 372, Local Government Code). This opinion caused problems for many cities that do not have the mechanism or staff to collect the public improvement district special assessments.

As proposed, S.B. 422 amends current law relating to the authority of a municipality or county to contract with another entity to collect certain assessments levied by the municipality or county.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 32, Local Government Code, by adding Section 372.0175, as follows:

Sec. 372.0175. **CONTRACTS FOR COLLECTION OF ASSESSMENTS.** Authorizes the governing body of a municipality or county to contract with the governing body of another taxing unit, as defined by Section 1.04 (Definitions), Tax Code, or the board of directors of an appraisal district to perform the duties of the municipality or county relating to the collection of special assessments levied under this subchapter.

SECTION 2. Effective date: upon passage or September 1, 2011.