

By: Morrison

H.B. No. 3872

A BILL TO BE ENTITLED

AN ACT

relating to the name and powers and duties of the Port O'Connor
Municipal Utility District; providing authority to impose a sales
and use tax.

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

SECTION 1. Section 1, Chapter 693, Acts of the 65th
Legislature, Regular Session, 1977, is amended to read as follows:

Section 1. Pursuant to the provisions of Article XVI,
Section 59, of the Texas Constitution, a conservation and
reclamation district is created and established in Calhoun County,
Texas, to be known as the Port O'Connor Improvement [~~Municipal~~
~~Utility~~] District, which shall be a governmental agency and a body
politic and corporate subject to the confirmation election provided
for in Section 6 of this Act. The creation and establishment of the
district is declared to be essential to the accomplishment of the
purposes of Article XVI, Section 59, of the Texas Constitution.

SECTION 2. Chapter 693, Acts of the 65th Legislature,
Regular Session, 1977, is amended by adding Sections 1A, 11, 12, 13,
14, and 15 to read as follows:

Sec. 1A. In this Act:

(1) "Board" means the district's board of directors.

(2) "District" means the Port O'Connor Improvement
District.

Sec. 11. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a)

1 Chapter 321, Tax Code, governs the imposition, computation,
2 administration, enforcement, and collection of the sales and use
3 tax authorized by Sections 12-15 of this Act except to the extent
4 Chapter 321, Tax Code, is inconsistent with those sections.

5 (b) A reference in Chapter 321, Tax Code, to a municipality
6 or the governing body of a municipality is a reference to the
7 district or the board, respectively.

8 Sec. 12. ELECTION; ADOPTION OF TAX. (a) The district may
9 adopt a sales and use tax if authorized by a majority of the voters
10 of the district voting at an election held for that purpose.

11 (b) The board by order may call an election to authorize the
12 adoption of the sales and use tax. The election may be held on any
13 uniform election date and in conjunction with any other district
14 election.

15 (c) The district shall provide notice and hold the election
16 in the manner provided by Subchapter D, Chapter 49, Water Code.

17 (d) The ballot shall be printed to provide for voting for or
18 against the proposition: "Authorization of a sales and use tax in
19 the Port O'Connor Improvement District at a rate not to exceed ____
20 percent" (insert rate of one or more increments of one-eighth of one
21 percent).

22 Sec. 13. SALES AND USE TAX RATE. (a) After the date the
23 results are declared of an election held under Section 12 of this
24 Act at which the voters approved imposition of the tax authorized by
25 that section, the board shall determine and adopt by resolution or
26 order the initial rate of the tax, which must be in one or more
27 increments of one-eighth of one percent.

1 (b) After the election held under Section 12 of this Act,
2 the board may increase or decrease the rate of the tax by one or more
3 increments of one-eighth of one percent.

4 (c) The initial rate of the tax or any rate resulting from
5 subsequent increases or decreases may not exceed the lesser of:

6 (1) the maximum rate authorized by the district voters
7 at the election held under Section 12 of this Act; or

8 (2) a rate that, when added to the rates of all sales
9 and use taxes imposed by other political subdivisions with
10 territory in the district, would result in the maximum combined
11 rate prescribed by Section 321.101(f), Tax Code, at any location in
12 the district.

13 (d) In determining whether the combined sales and use tax
14 rate under Subsection (c)(2) of this section would exceed the
15 maximum combined rate prescribed by Section 321.101(f), Tax Code,
16 at any location in the district, the board shall include:

17 (1) any sales and use tax imposed by a political
18 subdivision whose territory overlaps all or part of the district;

19 (2) any sales and use tax to be imposed by Calhoun
20 County as a result of an election held on the same date as the
21 election held under Section 12 of this Act; and

22 (3) any increase to an existing sales and use tax
23 imposed by Calhoun County as a result of an election held on the
24 same date as the election held under Section 12 of this Act.

25 (e) The board shall notify the comptroller of any changes
26 made to the tax rate in the same manner the municipal secretary
27 provides notice to the comptroller under Section 321.405(b), Tax

1 Code.

2 Sec. 14. USE OF REVENUE. Revenue from the sales and use tax
3 imposed under Section 13 of this Act is for the use and benefit of
4 the district and may be used for any district purpose. The district
5 may pledge all or part of the revenue to the payment of bonds,
6 notes, or other obligations, and that pledge of revenue may be in
7 combination with other revenue, including tax revenue, available to
8 the district.

9 Sec. 15. ABOLITION OR DECREASE OF TAX. (a) Except as
10 provided by Subsection (b) of this section, the board may abolish or
11 decrease the tax imposed under Section 13 of this Act without an
12 election.

13 (b) The board may not abolish or decrease the tax imposed
14 under Section 13 of this Act if the district has outstanding debt
15 secured by the tax and repayment of the debt would be impaired by
16 the abolition or decrease of the tax.

17 (c) If the board abolishes or decreases the tax, the board
18 shall notify the comptroller of that action in the same manner the
19 municipal secretary provides notice to the comptroller under
20 Section 321.405(b), Tax Code.

21 (d) If the board abolishes the tax or decreases the tax rate
22 to zero, a new election to authorize a sales and use tax must be held
23 under Section 12 of this Act before the district may subsequently
24 impose the tax.

25 SECTION 3. The Port O'Connor Improvement District retains
26 all rights, powers, privileges, authorities, duties, and functions
27 that it had before the effective date of this Act.

1 SECTION 4. (a) The legislature validates and confirms all
2 governmental acts and proceedings of the Port O'Connor Improvement
3 District that were taken before the effective date of this Act.

4 (b) This section does not apply to any matter that on the
5 effective date of this Act:

6 (1) is involved in litigation if the litigation
7 ultimately results in the matter being held invalid by a final court
8 judgment; or

9 (2) has been held invalid by a final court judgment.

10 SECTION 5. (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, one of the required recipients, has
18 submitted the notice and Act to the Texas Commission on
19 Environmental Quality.

20 (c) The Texas Commission on Environmental Quality has filed
21 its recommendations relating to this Act with the governor, the
22 lieutenant governor, and the speaker of the house of
23 representatives within the required time.

24 (d) All requirements of the constitution and laws of this
25 state and the rules and procedures of the legislature with respect
26 to the notice, introduction, and passage of this Act are fulfilled
27 and accomplished.

1 SECTION 6. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2013.