

1-1 By: Nichols, Williams S.B. No. 1913
1-2 (In the Senate - Filed April 25, 2013; April 25, 2013, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; May 2, 2013, reported favorably by the following vote:
1-5 Yeas 4, Nays 0; May 2, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10			X	
1-11	X			
1-12	X			

1-13 A BILL TO BE ENTITLED
1-14 AN ACT

1-15 relating to authorizing certain special districts in Montgomery
1-16 County to enter into strategic partnership agreements.

1-17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-18 SECTION 1. Subchapter C, Chapter 8302, Special District
1-19 Local Laws Code, is amended by adding Section 8302.102 to read as
1-20 follows:

1-21 Sec. 8302.102. STRATEGIC PARTNERSHIP; CONTINUATION OF
1-22 DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may
1-23 continue to exist as a limited district after full-purpose
1-24 annexation by a municipality if the district and the annexing
1-25 municipality state the terms of the limited district's existence in
1-26 a strategic partnership agreement.

1-27 (b) A strategic partnership agreement between the district
1-28 and an annexing municipality may:

1-29 (1) authorize the conversion of the district to a
1-30 limited district upon full-purpose annexation and may permit the
1-31 limited district to continue to exist and provide services for a
1-32 fixed term or an indefinite term, on conditions that are mutually
1-33 agreeable to the district and the annexing municipality;

1-34 (2) contain a pledge of user fee revenues, tax
1-35 proceeds from taxes levied within constitutional limits,
1-36 miscellaneous revenues, and other funds under the control of a
1-37 party, to cover that party's pecuniary obligations under the
1-38 agreement;

1-39 (3) continue in effect for a fixed term or an
1-40 indefinite term, as may be agreed upon by the district and the
1-41 annexing municipality; and

1-42 (4) contain other provisions relating to annexation or
1-43 services, including enforcement provisions, as may be agreed upon
1-44 by the district and the annexing municipality.

1-45 (c) An agreement described in this section shall be valid,
1-46 binding, and enforceable in accordance with its terms. To achieve
1-47 this purpose:

1-48 (1) this section controls over any other laws, rules,
1-49 regulations, charter provisions, or ordinances, including any
1-50 contrary provision of Section 43.0751, Local Government Code; and

1-51 (2) if the district and an annexing municipality enter
1-52 into such an agreement, sovereign immunity is waived for each party
1-53 for the purpose of adjudicating claims based on the agreement,
1-54 including claims for money damages, declaratory judgment, and other
1-55 remedies, subject to the terms and conditions of this section.

1-56 (d) The total amount of money awarded in an adjudication
1-57 described by Subsection (c)(2) is limited to direct damages,
1-58 excluding consequential damages, exemplary damages, or damages for
1-59 unabsorbed office overhead, plus reasonable and necessary
1-60 attorney's fees that are equitable and just, plus interest as
1-61 allowed by law, including interest as calculated under Chapter

2-1 2251, Government Code. This section does not waive a defense or a
2-2 limitation on damages available to a party to such an agreement
2-3 other than a bar against suit based on sovereign immunity.

2-4 (e) An agreement described in this section is not a joint
2-5 enterprise for liability purposes. This section does not waive
2-6 sovereign immunity to suit for a cause of action for a negligent or
2-7 intentional tort or for a cause of action brought by any person or
2-8 entity that is not a party to an agreement described in this
2-9 section.

2-10 (f) In this section:

2-11 (1) "Sovereign immunity" includes immunities commonly
2-12 referred to as "sovereign immunity" or "governmental immunity" and
2-13 encompasses both immunity from suit and immunity from liability.

2-14 (2) "Adjudicating" or "adjudication" means the
2-15 bringing of a civil suit and prosecution to final judgment in a
2-16 county or state court and includes the bringing of an authorized
2-17 arbitration proceeding and prosecution to final resolution in
2-18 accordance with any mandatory procedures established in an
2-19 agreement described in this section.

2-20 (g) This section provides authority for the district and an
2-21 annexing municipality to enter into a strategic partnership
2-22 agreement, and such authority is in addition to, and separate from,
2-23 any authority provided by Section 43.0751, Local Government Code,
2-24 and any other laws, rules, regulations, charter provisions, and
2-25 ordinances.

2-26 SECTION 2. Subchapter C, Chapter 8303, Special District
2-27 Local Laws Code, is amended by adding Section 8303.102 to read as
2-28 follows:

2-29 Sec. 8303.102. STRATEGIC PARTNERSHIP; CONTINUATION OF
2-30 DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may
2-31 continue to exist as a limited district after full-purpose
2-32 annexation by a municipality if the district and the annexing
2-33 municipality state the terms of the limited district's existence in
2-34 a strategic partnership agreement.

2-35 (b) A strategic partnership agreement between the district
2-36 and an annexing municipality may:

2-37 (1) authorize the conversion of the district to a
2-38 limited district upon full-purpose annexation and may permit the
2-39 limited district to continue to exist and provide services for a
2-40 fixed term or an indefinite term, on conditions that are mutually
2-41 agreeable to the district and the annexing municipality;

2-42 (2) contain a pledge of user fee revenues, tax
2-43 proceeds from taxes levied within constitutional limits,
2-44 miscellaneous revenues, and other funds under the control of a
2-45 party, to cover that party's pecuniary obligations under the
2-46 agreement;

2-47 (3) continue in effect for a fixed term or an
2-48 indefinite term, as may be agreed upon by the district and the
2-49 annexing municipality; and

2-50 (4) contain other provisions relating to annexation or
2-51 services, including enforcement provisions, as may be agreed upon
2-52 by the district and the annexing municipality.

2-53 (c) An agreement described in this section shall be valid,
2-54 binding, and enforceable in accordance with its terms. To achieve
2-55 this purpose:

2-56 (1) this section controls over any other laws, rules,
2-57 regulations, charter provisions, or ordinances, including any
2-58 contrary provision of Section 43.0751, Local Government Code; and

2-59 (2) if the district and an annexing municipality enter
2-60 into such an agreement, sovereign immunity is waived for each party
2-61 for the purpose of adjudicating claims based on the agreement,
2-62 including claims for money damages, declaratory judgment, and other
2-63 remedies, subject to the terms and conditions of this section.

2-64 (d) The total amount of money awarded in an adjudication
2-65 described by Subsection (c)(2) is limited to direct damages,
2-66 excluding consequential damages, exemplary damages, or damages for
2-67 unabsorbed office overhead, plus reasonable and necessary
2-68 attorney's fees that are equitable and just, plus interest as
2-69 allowed by law, including interest as calculated under Chapter

3-1 2251, Government Code. This section does not waive a defense or a
3-2 limitation on damages available to a party to such an agreement
3-3 other than a bar against suit based on sovereign immunity.

3-4 (e) An agreement described in this section is not a joint
3-5 enterprise for liability purposes. This section does not waive
3-6 sovereign immunity to suit for a cause of action for a negligent or
3-7 intentional tort or for a cause of action brought by any person or
3-8 entity that is not a party to an agreement described in this
3-9 section.

3-10 (f) In this section:

3-11 (1) "Sovereign immunity" includes immunities commonly
3-12 referred to as "sovereign immunity" or "governmental immunity" and
3-13 encompasses both immunity from suit and immunity from liability.

3-14 (2) "Adjudicating" or "adjudication" means the
3-15 bringing of a civil suit and prosecution to final judgment in a
3-16 county or state court and includes the bringing of an authorized
3-17 arbitration proceeding and prosecution to final resolution in
3-18 accordance with any mandatory procedures established in an
3-19 agreement described in this section.

3-20 (g) This section provides authority for the district and an
3-21 annexing municipality to enter into a strategic partnership
3-22 agreement, and such authority is in addition to, and separate from,
3-23 any authority provided by Section 43.0751, Local Government Code,
3-24 and any other laws, rules, regulations, charter provisions, and
3-25 ordinances.

3-26 SECTION 3. The change in law made by this Act applies to a
3-27 strategic partnership agreement entered into before, on, or after
3-28 the effective date of this Act.

3-29 SECTION 4. A strategic partnership agreement entered into
3-30 by the Montgomery County Utility District No. 3 or the Montgomery
3-31 County Utility District No. 4 before the effective date of this Act
3-32 is validated in all respects as if the agreement were entered into
3-33 as authorized by law.

3-34 SECTION 5. Section 4 of this Act does not apply to any
3-35 matter that on the effective date of this Act:

3-36 (1) is involved in litigation if the litigation
3-37 ultimately results in the matter being held invalid by a final
3-38 judgment of a court of competent jurisdiction; or

3-39 (2) has been held invalid by a final judgment of a
3-40 court of competent jurisdiction.

3-41 SECTION 6. This Act takes effect September 1, 2013.

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