

## **BILL ANALYSIS**

C.S.H.B. 3099  
By: Fallon  
Special Purpose Districts  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties note that the Venable Ranch Municipal Utility District No. 1 of Denton County was recently created and is located in the extraterritorial jurisdiction of the City of Aubrey. The parties contend that clarity is needed regarding certain effects of annexation by the city in relation to a new district created by the division of the Venable Ranch Municipal Utility District No. 1 of Denton County. C.S.H.B. 3099 seeks to address this issue.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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**

C.S.H.B. 3099 amends the Special District Local Laws Code to remove the requirement for the prohibition against the Venable Ranch Municipal Utility District No. 1 of Denton County being dissolved that the annexation by the City of Aubrey of all of the territory of the district into the corporate limits of the city have occurred before the date of the election at which the district is confirmed. The bill makes such prohibition against dissolution also applicable to a district created by the division of the Venable Ranch Municipal Utility District No. 1 of Denton County. The bill removes the prohibition against the district imposing a property tax after annexation by the city.

### **EFFECTIVE DATE**

September 1, 2015.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3099 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### **INTRODUCED**

SECTION 1. Subtitle F, Title 6, Chapter 8469 Special District Local Laws Code, is

#### **HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Section 8469.251(a), Special District Local Laws Code, is amended to

amended to read as follows:

SUBCHAPTER F. ANNEXATION BY CITY

Sec. 8469.251. (a) Notwithstanding any other law, if all of the territory of the district is annexed by the city into the corporate limits of the city before the date of the election held to confirm the creation of the district and the district is confirmed ~~at that election~~ pursuant to Section 8469.106(h), the district may not be dissolved and continues in existence following annexation until:

- (1) water, sanitary sewer, and drainage improvements and roads have been constructed to serve at least 90 percent of the territory of the district capable of development; or
- (2) the board adopts a resolution consenting to the dissolution of the district.

(b) After annexation by the city:

- ~~(1) the district may not impose an ad valorem tax;~~
- (2) the district may impose a special assessment in the manner provided by Subchapter F, Chapter 375, Local Government Code; and
- (3) Section 375.161, Local Government Code, does not apply to the district.

(b) Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the city and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property within the

read as follows:

(a) Notwithstanding any other law, if all of the territory of the district ~~or a district created by the division of the district~~ is annexed by the city into the corporate limits of the city ~~[before the date of the election held to confirm the creation of the district and the district is confirmed at that election]~~, the district may not be dissolved and continues in existence following annexation until:

- (1) water, sanitary sewer, and drainage improvements and roads have been constructed to serve at least 90 percent of the territory of the district capable of development; or
- (2) the board adopts a resolution consenting to the dissolution of the district.

SECTION 2. Section 8469.251(b), Special District Local Laws Code, as added by Chapter 1244 (S.B. 1877), Acts of the 83rd Legislature, Regular Session, 2013, is amended to read as follows:

(b) After annexation by the city:

- ~~(1) [the district may not impose an ad valorem tax;~~
- ~~[(2)]~~ the district may impose a special assessment in the manner provided by Subchapter F, Chapter 375, Local Government Code; and
- (2) ~~[(3)]~~ Section 375.161, Local Government Code, does not apply to the district.

SECTION 3. Section 8469.251(b), Special District Local Laws Code, as added by Chapter 1308 (H.B. 3914), Acts of the 83rd Legislature, Regular Session, 2013, is redesignated as Section 8469.251(c) to read as follows:

(c) ~~[(b)]~~ Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the city and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property within the

city's corporate limits may exceed the city's ad valorem tax on that property.

city's corporate limits may exceed the city's ad valorem tax on that property.

SECTION 2. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

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

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

SECTION 4. Same as introduced version.

SECTION 3. This Act takes effect September 1, 2015.

SECTION 5. Same as introduced version.