

BILL ANALYSIS

Senate Research Center

S.B. 1771
By: Shapiro
Natural Resources
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As Filed

DIGEST

The Dallas County Utility and Reclamation District (district) was created in 1972 as a Texas Water Code Chapter 4 District, Dallas County Municipal Utility District #1. In 1983, the district was converted to a Special Law District by the 68th Legislature. Further legislation has authorized the district to enter into tax abatement agreements for as long as thirty years. This bill revises the tax abatement procedures and agreements of the district and validates certain acts of the district.

PURPOSE

As proposed, S.B. 1771 revises the tax abatement procedures and agreements of the Dallas County Utility and Reclamation District (district) and validates certain acts of the district.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 4B, Chapter 628, Acts of the 68th Legislature, Regular Session, 1983, to require, rather than authorize, the Dallas County Utility and Reclamation District (district) to enter into tax abatement agreements for periods not to exceed 25 years, rather than 30 years, pursuant to a certain term schedule. Requires tax abatement agreements to be subject to the rights of holders of current and subsequently issued outstanding tax-supported bonds, whether heretofore or hereafter issued, and of credit providers of the district. Sets forth the required effective tax rate in the tax abatement and development agreement, as that term is defined in the tax abatement policy guidelines and criteria of the district. Requires the tax abatement and development agreement to be with owners of real and personal property within the district for a proposed project or projects. Requires the district's definition of project to be incorporated into the tax abatement and development agreement. Provides that the form and substance of the district's tax abatement agreement approved by the district's board of directors and identified as "Generic Tax Abatement Agreement" is hereby approved, ratified, and validated. Requires the tax abatement project and agreement to be consistent with the district's tax abatement policy guidelines and the requirements of the deed restrictions enforced by the Las Colinas Association or equivalent restrictions enforced by the district, as the sole criteria for the project. Provides that the tax abatement agreements may include phased projects, do not have to be identical within the same reinvestment zone, may incorporate district's requirements relative to infrastructure, and are valid for a period not to exceed 25 years. Requires the provisions of this Act to prevail over any inconsistent provision in Chapter 312, Tax Code. Provides that policy guidelines and criteria adopted by the district are effective during the effective dates of all tax abatement agreements entered into by the district. Authorizes the policy guidelines and criteria to be amended from time to time by a vote of the governing body of the district. Requires the designation of a reinvestment zone for residential or commercial-industrial tax abatement purposes to be in effect for 25 years or until the termination of all outstanding tax abatement agreements, whichever occurs last. Provides that the tax abatement agreements entered into within the same reinvestment zone are not required to be identical. Authorizes a tax abatement agreement to describe the kind, number, and location of all proposed improvements in a general manner subject to change at such time as the specifics of the project are quantified pursuant to a notice of intent to construct the project is submitted to the district.

SECTION 2. Provides that with regard to the holders of outstanding bonds, this Act is intended to clarify the legislative intent of Section 4B(5), Chapter 628, Acts of the 68th Legislature, Regular Session, 1983. Sets forth the legislative intent regarding the rights of holders of outstanding tax supported bonds.

SECTION 3. Sets forth the legislative findings regarding the requirements of Article XVI, Section 59(d), Texas Constitution.

SECTION 4. Provides that the organization of the Dallas County Utility and Reclamation District and all elections held, all contracts executed, all bonds and other obligations issued by the district and the expenditure of funds in payment or satisfaction thereof, all sales and donations of assets, all tax rate reduction agreements, and all governmental and proprietary actions are validated, ratified, and confirmed. Authorizes all bonds voted and all maintenance taxes authorized at elections held within the district to be issued, levied, and collected by the board of directors of the district without the necessity of any further elections.

SECTION 5. Provides that if any provision of this Act or its application to any person or circumstances is held to be invalid, the invalidity does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable. Provides that all the terms and provisions of this Act are to be liberally construed to effectuate the purposes, powers, rights, functions, and authorities herein set forth.

SECTION 6. Effective date: September 1, 1999.

SECTION 7. Emergency clause.