

1-1 By: Bettencourt S.B. No. 2434
 1-2 (In the Senate - Filed March 10, 2023; March 23, 2023, read
 1-3 first time and referred to Committee on Local Government;
 1-4 May 2, 2023, reported favorably by the following vote: Yeas 6,
 1-5 Nays 3; May 2, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Springer	X			
1-9 Eckhardt		X		
1-10 Gutierrez		X		
1-11 Hall	X			
1-12 Nichols	X			
1-13 Parker	X			
1-14 Paxton	X			
1-15 West		X		

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the dissolution of the SH130 Municipal Management
 1-20 District No. 1.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subchapter I, Chapter 3971, Special District
 1-23 Local Laws Code, is amended by adding Sections 3971.0902,
 1-24 3971.0903, and 3971.0904 to read as follows:

1-25 Sec. 3971.0902. MANDATORY DISSOLUTION. Except as provided
 1-26 by Section 3971.0903, not later than January 1, 2024, the board
 1-27 shall:

- 1-28 (1) wind up district operations;
- 1-29 (2) transfer all remaining district assets to a trust
 1-30 created for the purposes of this section, with the commissioners
 1-31 court of the most populous county in which the district is located
 1-32 acting as trustee; and
- 1-33 (3) dissolve the district.

1-34 Sec. 3971.0903. DISTRICT OBLIGATIONS AND LIABILITIES. (a)
 1-35 If on January 1, 2024, the board finds that the board would not be
 1-36 authorized to dissolve the district under Section 3971.0901 because
 1-37 of an existing condition described by Section 3971.0901(c):

- 1-38 (1) the board may not dissolve the district under
 1-39 Section 3971.0902;
- 1-40 (2) the board shall delay the transfer of assets to the
 1-41 trust as provided by Section 3971.0902 until the board may dissolve
 1-42 the district; and
- 1-43 (3) the district continues in existence solely for the
 1-44 purposes of resolving the condition, winding up district
 1-45 operations, and making the transfer of assets to the trust as
 1-46 provided by Section 3971.0902.

1-47 (b) The board shall resolve the conditions and continue to
 1-48 wind up district operations as quickly as practicable until the
 1-49 board would be authorized to dissolve the district under Section
 1-50 3971.0901, at which time the board shall make the transfer of assets
 1-51 to the trust as provided by Section 3971.0902 and dissolve the
 1-52 district.

1-53 Sec. 3971.0904. DISPOSITION OF REMAINING DISTRICT ASSETS.
 1-54 (a) Not later than the 30th day before the date of the transfer of
 1-55 assets described by Section 3971.0902, the district shall:

- 1-56 (1) compile a list of each taxing unit, as defined by
 1-57 Section 1.04, Tax Code, from which a public facility corporation
 1-58 created by the district received a tax exemption under Section
 1-59 303.042, Local Government Code, before September 1, 2023; and
- 1-60 (2) provide the list compiled under Subdivision (1) to
 1-61 the trustee of the trust created under Section 3971.0902.

2-1 (b) As soon as practicable after the transfer of assets
2-2 described by Section 3971.0902 or 3971.0903, the trustee of the
2-3 trust created under Section 3971.0902 shall send to each taxing
2-4 unit, as defined by Section 1.04, Tax Code, from which a public
2-5 facility corporation created by the district received a tax
2-6 exemption under Section 303.042, Local Government Code, a payment
2-7 from the trust assets.

2-8 (c) The trustee:
2-9 (1) may apply a reasonable portion of the trust assets
2-10 to the trustee's costs incurred administering this section; and
2-11 (2) shall send any trust assets remaining after making
2-12 the payments required by this section to a special fund of the
2-13 county for use under Subsection (e).

2-14 (d) Each payment must be in an amount equal to the amount of
2-15 tax revenue the receiving taxing unit would have collected from the
2-16 public facility corporation without the exemption provided by
2-17 Section 303.042, Local Government Code. If the total amount of
2-18 remaining assets of the district are less than the amount required
2-19 to make the payments required under this subsection, the trustee
2-20 shall make the payments on a pro-rata basis, based on the payment
2-21 otherwise to be paid to each taxing unit.

2-22 (e) A county that receives assets under Subsection (c)(2)
2-23 may use the assets only for a service or project that benefits the
2-24 former territory of the district.

2-25 SECTION 2. (a) The legal notice of the intention to
2-26 introduce this Act, setting forth the general substance of this
2-27 Act, has been published as provided by law, and the notice and a
2-28 copy of this Act have been furnished to all persons, agencies,
2-29 officials, or entities to which they are required to be furnished
2-30 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
2-31 Government Code.

2-32 (b) The governor, one of the required recipients, has
2-33 submitted the notice and Act to the Texas Commission on
2-34 Environmental Quality.

2-35 (c) The Texas Commission on Environmental Quality has filed
2-36 its recommendations relating to this Act with the governor,
2-37 lieutenant governor, and speaker of the house of representatives
2-38 within the required time.

2-39 (d) All requirements of the constitution and laws of this
2-40 state and the rules and procedures of the legislature with respect
2-41 to the notice, introduction, and passage of this Act have been
2-42 fulfilled and accomplished.

2-43 SECTION 3. This Act takes effect September 1, 2023.

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