

Amend HB 2138 (senate committee report) as follows:

(1) Strike SECTION 2 of the bill, adding Section 3807.1041, Special District Local Laws Code.

(2) Add the following appropriately numbered SECTION to the bill and renumber the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 3905, Special Districts Local Laws Code, is amended by adding Section 3905.009 to read as follows:

Sec. 3905.009. OVERLAPPING TERRITORY. (a) If territory in the district overlaps with the boundaries of another district created before June 17, 2011, that has the powers of a district created under Chapter 375, Local Government Code, the overlapping territory is excluded from the territory of the district that was created first, regardless of whether the territory overlapped on June 17, 2011.

(b) The exclusion of territory under this section does not diminish or impair the rights of the holders of any outstanding and unpaid bonds, warrants, or other district obligations. The district that was created first shall continue to impose fees, taxes, or assessments, if any, on the excluded territory at the same rate imposed on other territory in the district until the total amount of fees, taxes, or assessments collected from the excluded territory equals its pro rata share of the indebtedness of the district at the time the territory was excluded. All fees, taxes, or assessments collected in the excluded territory by the district that was created first shall be applied to the payment of the excluded territory's pro rata share of indebtedness. The owner of all or part of the excluded territory at any time may pay in full the owner's share of the excluded territory's pro rata share of the indebtedness at the time the territory was excluded.

(c) If the district that was created first does not have any outstanding and unpaid bonds, warrants, or other district obligations, but imposes assessments under an assessment plan adopted before May 1, 2013, the district may continue to impose those assessments on the excluded territory at the same rate imposed on other territory in the district to satisfy the requirements of that assessment plan. All assessments collected in

the excluded territory by the district that was created first shall
be applied to satisfy the requirements of the assessment plan.