

1-1 By: Paul, et al. (Senate Sponsor - Nelson) H.B. No. 304
1-2 (In the Senate - Received from the House April 11, 2019;
1-3 April 15, 2019, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 15, 2019, reported favorably by
1-5 the following vote: Yeas 7, Nays 0; May 15, 2019, 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	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to the governance and operation of municipal management
1-18 districts.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Section 375.022(b), Local Government Code, is
1-21 amended to read as follows:

1-22 (b) The petition must be signed by the owners of a majority
1-23 of the assessed value of the real property in the proposed district
1-24 that would be subject to assessment by the district, according to
1-25 the most recent certified county property tax rolls.

1-26 SECTION 2. Section 375.063, Local Government Code, is
1-27 amended to read as follows:

1-28 Sec. 375.063. QUALIFICATIONS OF DIRECTOR. To be qualified
1-29 to serve as a director, a person must be at least 18 years old and:

- 1-30 (1) ~~[a resident of the district,~~
1-31 ~~[(2)]~~ an owner of property in the district;
1-32 (2) ~~[(3)]~~ an owner of stock, whether beneficial or
1-33 otherwise, of a corporate owner of property in the district;
1-34 (3) ~~[(4)]~~ an owner of a beneficial interest in a trust
1-35 that owns property in the district; or
1-36 (4) ~~[(5)]~~ an agent, employee, or tenant of a person
1-37 covered by Subdivision (1), (2), or (3) ~~[, or (4)]~~.

1-38 SECTION 3. Sections 375.064(a), (b), and (c), Local
1-39 Government Code, are amended to read as follows:

1-40 (a) The initial and each succeeding board of directors
1-41 shall, and the owners of a majority of the assessed value of
1-42 property subject to assessment by the district may, recommend to
1-43 the governing body of the municipality persons to serve on the
1-44 succeeding board.

1-45 (b) After reviewing the recommendations, the governing body
1-46 shall approve or disapprove the directors recommended under
1-47 Subsection (a) ~~[by the board]~~.

1-48 (c) If the governing body is not satisfied with the
1-49 recommendations submitted under Subsection (a) ~~[by the board]~~, the
1-50 board, on the request of the governing body, shall submit to the
1-51 governing body additional recommendations.

1-52 SECTION 4. Section 375.092(f), Local Government Code, is
1-53 amended to read as follows:

1-54 (f) A district may acquire, construct, complete, develop,
1-55 own, operate, and maintain permanent improvements and provide
1-56 services that directly benefit property in the district, regardless
1-57 of whether the improvements or services are located inside or ~~[and]~~
1-58 outside its boundaries.

1-59 SECTION 5. Section 375.114, Local Government Code, is
1-60 amended to read as follows:

1-61 Sec. 375.114. PETITION REQUIRED. The board may not finance

2-1 improvement projects or services [~~and improvement projects~~] under
 2-2 this chapter unless a written petition has been filed with the board
 2-3 requesting those improvements or services signed by:

2-4 (1) the owners of a majority [~~50 percent or more~~] of
 2-5 the assessed value of the property in the district subject to
 2-6 assessment, according to the most recent certified county property
 2-7 tax rolls; or

2-8 (2) for a proposed assessment to be apportioned under
 2-9 Section 375.119(1), the owners of a majority [~~50 percent or more~~]
 2-10 of the surface area of the real property subject to assessment by
 2-11 the district, [~~excluding roads, streets, highways, and utility~~
 2-12 ~~rights-of-way, other public areas, and any other property exempt~~
 2-13 ~~from assessment under Section 375.162 or 375.163,~~] according to the
 2-14 most recent certified county property tax rolls.

2-15 SECTION 6. Section 375.243, Local Government Code, is
 2-16 amended to read as follows:

2-17 Sec. 375.243. PETITION REQUIRED FOR BOND ELECTION. The
 2-18 board may not call a bond election unless a written petition has
 2-19 been filed with the board requesting an election signed by the
 2-20 owners of a majority [+

2-21 [~~(1) 50 percent or more~~] of the assessed value of the
 2-22 property subject to assessment or taxation by [~~in~~] the district as
 2-23 determined from the most recent certified county property tax
 2-24 rolls [~~, or~~

2-25 [~~(2) 50 percent or more of the surface area of the~~
 2-26 ~~district, excluding roads, streets, highways, utility~~
 2-27 ~~rights-of-way, other public areas, and other property exempt from~~
 2-28 ~~assessment under Sections 375.161, 375.163, and 375.164 as~~
 2-29 ~~determined from the most recent certified county property tax~~
 2-30 ~~rolls].~~

2-31 SECTION 7. Section 375.262, Local Government Code, is
 2-32 amended to read as follows:

2-33 Sec. 375.262. DISSOLUTION BY PETITION BY OWNERS. Except as
 2-34 limited by Section 375.264, the board shall dissolve the district
 2-35 on written petition filed with the board by the owners of at least
 2-36 two-thirds [+

2-37 [~~(1) 75 percent or more~~] of the assessed value of the
 2-38 property subject to assessment or taxation by [~~in~~] the district
 2-39 based on the most recent certified county property tax rolls [~~, or~~

2-40 [~~(2) 75 percent or more of the surface area of the~~
 2-41 ~~district, excluding roads, streets, highways, utility~~
 2-42 ~~rights-of-way, other public areas, and other property exempt from~~
 2-43 ~~assessment under Sections 375.161, 375.163, and 375.164, according~~
 2-44 ~~to the most recent certified county property tax rolls].~~

2-45 SECTION 8. Section 382.052(b), Local Government Code, is
 2-46 amended to read as follows:

2-47 (b) If the population of the district is more than 1,000, to
 2-48 be eligible to serve as a director, a person must be at least 18
 2-49 years old, reside in the district, and be:

2-50 (1) an owner of property in the district;

2-51 (2) an owner of stock, whether beneficial or
 2-52 otherwise, of a corporate owner of property in the district;

2-53 (3) an owner of a beneficial interest in a trust that
 2-54 owns property in the district; or

2-55 (4) an agent, employee, or tenant of a person covered
 2-56 by Subdivision (1), (2), or (3) [meet the qualifications of Section
 2-57 375.063].

2-58 SECTION 9. Section 3855.052(b), Special District Local Laws
 2-59 Code, is amended to read as follows:

2-60 (b) Section 375.063(2) [~~375.063(3)~~], Local Government Code,
 2-61 does not apply to the district.

2-62 SECTION 10. Section 3818.251, Special District Local Laws
 2-63 Code, is repealed.

2-64 SECTION 11. The change in law made by this Act to Section
 2-65 375.063, Local Government Code, does not affect the entitlement of
 2-66 a member serving on the board of directors of a district to which
 2-67 that section applies immediately before the effective date of this
 2-68 Act to continue to carry out the board's functions for the remainder
 2-69 of the member's term. The change in law applies only to a member

3-1 appointed on or after the effective date of this Act.

3-2 SECTION 12. This Act takes effect September 1, 2019.

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