

1-1 By: Bettencourt S.B. No. 1329
 1-2 (In the Senate - Filed February 28, 2019; March 7, 2019,
 1-3 read first time and referred to Committee on Property Tax;
 1-4 April 15, 2019, reported favorably by the following vote: Yeas 5,
 1-5 Nays 0; April 15, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Paxton	X			
1-9 Creighton	X			
1-10 Hancock	X			
1-11 Hinojosa	X			

1-13 A BILL TO BE ENTITLED
 1-14 AN ACT

1-15 relating to bonds issued by and the dissolution of municipal
 1-16 management districts.

1-17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-18 SECTION 1. Subchapter M, Chapter 375, Local Government
 1-19 Code, is amended by adding Section 375.2621 to read as follows:
 1-20 Sec. 375.2621. PROHIBITION ON ISSUANCE OF BONDS AFTER
 1-21 PETITION. The district may not issue bonds after the date a
 1-22 petition for dissolution under Section 375.262 is filed with the
 1-23 board.

1-24 SECTION 2. Section 375.264, Local Government Code, is
 1-25 amended to read as follows:

1-26 Sec. 375.264. LIMITATIONS [LIMITATION] ON DISSOLUTION BY
 1-27 BOARD OF DISTRICT WITH DEBT. (a) A district may not be dissolved
 1-28 by its board under Section 375.261 or after a petition is filed
 1-29 under Section 375.262 if the district has [any] outstanding bonded
 1-30 indebtedness until that bonded indebtedness has been repaid or
 1-31 defeased in accordance with the order or resolution authorizing the
 1-32 issuance of the bonds.

1-33 (b) After a petition is filed under Section 375.262 with the
 1-34 board of a district that has outstanding bonded indebtedness:

1-35 (1) the district shall remain in existence solely for
 1-36 the purpose of discharging its bonded indebtedness; and

1-37 (2) the board shall use all district money that is
 1-38 available for the purpose to repay or defease all bonded
 1-39 indebtedness as soon as practicable in accordance with the order or
 1-40 resolution authorizing the issuance of the bonds.

1-41 SECTION 3. The changes in law made by this Act apply only to
 1-42 a municipal management district that is the subject of a petition
 1-43 described by Section 375.262, Local Government Code, filed with the
 1-44 board on or after the effective date of this Act. A district that is
 1-45 the subject of such a petition filed with the board before the
 1-46 effective date of this Act is governed by the law in effect on the
 1-47 date the petition was filed, and the former law is continued in
 1-48 effect for that purpose.

1-49 SECTION 4. The changes in law made by this Act may not be
 1-50 construed to impair an obligation under a contract entered into
 1-51 before the effective date of this Act. A political subdivision may
 1-52 fulfill the subdivision's obligations under a contract entered into
 1-53 before that date but may not extend such a contract beyond the
 1-54 contract's original term.

1-55 SECTION 5. This Act takes effect September 1, 2019.

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