

1-1 By: Allison (Senate Sponsor - Menéndez) H.B. No. 5399  
 1-2 (In the Senate - Received from the House May 10, 2023;  
 1-3 May 10, 2023, read first time and referred to Committee on Local  
 1-4 Government; May 15, 2023, reported favorably by the following  
 1-5 vote: Yeas 7, Nays 0; May 15, 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 creation of the Jones Avenue Municipal Management  
 1-20 District; providing authority to issue bonds; providing authority  
 1-21 to impose assessments, fees, and taxes.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subtitle C, Title 4, Special District Local Laws  
 1-24 Code, is amended by adding Chapter 4007 to read as follows:

1-25 CHAPTER 4007. JONES AVENUE MUNICIPAL MANAGEMENT DISTRICT

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 4007.0101. DEFINITIONS. In this chapter:

1-28 (1) "Board" means the district's board of directors.

1-29 (2) "City" means the City of San Antonio.

1-30 (3) "County" means Bexar County.

1-31 (4) "Director" means a board member.

1-32 (5) "District" means the Jones Avenue Municipal  
 1-33 Management District.

1-34 Sec. 4007.0102. NATURE OF DISTRICT. The Jones Avenue  
 1-35 Municipal Management District is a special district created under  
 1-36 Section 59, Article XVI, Texas Constitution.

1-37 Sec. 4007.0103. PURPOSE; DECLARATION OF INTENT. (a) The  
 1-38 creation of the district is essential to accomplish the purposes of  
 1-39 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
 1-40 Texas Constitution, and other public purposes stated in this  
 1-41 chapter.

1-42 (b) By creating the district and in authorizing the county,  
 1-43 the city, and other political subdivisions to contract with the  
 1-44 district, the legislature has established a program to accomplish  
 1-45 the public purposes set out in Section 52-a, Article III, Texas  
 1-46 Constitution.

1-47 (c) The creation of the district is necessary to promote,  
 1-48 develop, encourage, and maintain employment, commerce,  
 1-49 transportation, housing, tourism, recreation, the arts,  
 1-50 entertainment, economic development, safety, and the public  
 1-51 welfare in the district.

1-52 (d) This chapter and the creation of the district may not be  
 1-53 interpreted to relieve the county or the city from providing the  
 1-54 level of services provided as of the effective date of the Act  
 1-55 enacting this chapter to the area in the district. The district is  
 1-56 created to supplement and not to supplant county or city services  
 1-57 provided in the district.

1-58 Sec. 4007.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-59 (a) All land and other property included in the district will  
 1-60 benefit from the improvements and services to be provided by the  
 1-61 district under powers conferred by Sections 52 and 52-a, Article

2-1 III, and Section 59, Article XVI, Texas Constitution, and other  
 2-2 powers granted under this chapter.  
 2-3 (b) The district is created to serve a public use and  
 2-4 benefit.  
 2-5 (c) The creation of the district is in the public interest  
 2-6 and is essential to further the public purposes of:  
 2-7 (1) developing and diversifying the economy of the  
 2-8 state;  
 2-9 (2) eliminating unemployment and underemployment; and  
 2-10 (3) developing or expanding transportation and  
 2-11 commerce.  
 2-12 (d) The district will:  
 2-13 (1) promote the health, safety, and general welfare of  
 2-14 residents, employers, potential employees, employees, visitors,  
 2-15 and consumers in the district, and of the public;  
 2-16 (2) provide needed funding for the district to  
 2-17 preserve, maintain, and enhance the economic health and vitality of  
 2-18 the district territory as a community and business center;  
 2-19 (3) promote the health, safety, welfare, and enjoyment  
 2-20 of the public by providing pedestrian ways and by landscaping and  
 2-21 developing certain areas in the district, which are necessary for  
 2-22 the restoration, preservation, and enhancement of scenic beauty;  
 2-23 and  
 2-24 (4) provide for water, wastewater, drainage, road, and  
 2-25 recreational facilities for the district.  
 2-26 (e) Pedestrian ways along or across a street, whether at  
 2-27 grade or above or below the surface, and street lighting, street  
 2-28 landscaping, parking, and street art objects are parts of and  
 2-29 necessary components of a street and are considered to be a street  
 2-30 or road improvement.  
 2-31 (f) The district will not act as the agent or  
 2-32 instrumentality of any private interest even though the district  
 2-33 will benefit many private interests as well as the public.  
 2-34 Sec. 4007.0105. INITIAL DISTRICT TERRITORY. (a) The  
 2-35 district is initially composed of the territory described by  
 2-36 Section 2 of the Act enacting this chapter.  
 2-37 (b) The boundaries and field notes contained in Section 2 of  
 2-38 the Act enacting this chapter form a closure. A mistake in the  
 2-39 field notes or in copying the field notes in the legislative process  
 2-40 does not affect the district's:  
 2-41 (1) organization, existence, or validity;  
 2-42 (2) right to issue any type of bonds for the purposes  
 2-43 for which the district is created or to pay the principal of and  
 2-44 interest on the bonds;  
 2-45 (3) right to impose or collect an assessment or tax; or  
 2-46 (4) legality or operation.  
 2-47 Sec. 4007.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
 2-48 All or any part of the area of the district is eligible to be  
 2-49 included in:  
 2-50 (1) a tax increment reinvestment zone created under  
 2-51 Chapter 311, Tax Code; or  
 2-52 (2) a tax abatement reinvestment zone created under  
 2-53 Chapter 312, Tax Code.  
 2-54 Sec. 4007.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT  
 2-55 DISTRICTS LAW. Except as otherwise provided by this chapter,  
 2-56 Chapter 375, Local Government Code, applies to the district.  
 2-57 Sec. 4007.0108. CONSTRUCTION OF CHAPTER. This chapter  
 2-58 shall be liberally construed in conformity with the findings and  
 2-59 purposes stated in this chapter.  
 2-60 SUBCHAPTER B. BOARD OF DIRECTORS  
 2-61 Sec. 4007.0201. GOVERNING BODY; TERMS. (a) The district is  
 2-62 governed by a board of five voting directors who serve staggered  
 2-63 terms of four years, with two or three directors' terms expiring  
 2-64 June 1 of each odd-numbered year.  
 2-65 (b) The board by resolution may change the number of voting  
 2-66 directors on the board only if the board determines that the change  
 2-67 is in the best interest of the district. The board may not consist  
 2-68 of fewer than five or more than nine voting directors.  
 2-69 Sec. 4007.0202. APPOINTMENT OF VOTING DIRECTORS. The mayor

3-1 and members of the governing body of the city shall appoint voting  
3-2 directors from persons recommended by the board. A person is  
3-3 appointed if a majority of the members of the governing body,  
3-4 including the mayor, vote to appoint that person.

3-5 Sec. 4007.0203. NONVOTING DIRECTORS. The board may appoint  
3-6 nonvoting directors to serve at the pleasure of the voting  
3-7 directors.

3-8 Sec. 4007.0204. QUORUM. For purposes of determining the  
3-9 requirements for a quorum of the board, the following are not  
3-10 counted:

3-11 (1) a board position vacant for any reason, including  
3-12 death, resignation, or disqualification;

3-13 (2) a director who is abstaining from participation in  
3-14 a vote because of a conflict of interest; or

3-15 (3) a nonvoting director.

3-16 Sec. 4007.0205. COMPENSATION. A director is entitled to  
3-17 receive fees of office and reimbursement for actual expenses as  
3-18 provided by Section 49.060, Water Code. Sections 375.069 and  
3-19 375.070, Local Government Code, do not apply to the board.

3-20 SUBCHAPTER C. POWERS AND DUTIES

3-21 Sec. 4007.0301. GENERAL POWERS AND DUTIES. The district  
3-22 has the powers and duties necessary to accomplish the purposes for  
3-23 which the district is created.

3-24 Sec. 4007.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)  
3-25 The district, using any money available to the district for the  
3-26 purpose, may provide, design, construct, acquire, improve,  
3-27 relocate, operate, maintain, or finance an improvement project or  
3-28 service authorized under this chapter or Chapter 375, Local  
3-29 Government Code.

3-30 (b) The district may contract with a governmental or private  
3-31 entity to carry out an action under Subsection (a).

3-32 (c) The implementation of a district project or service is a  
3-33 governmental function or service for the purposes of Chapter 791,  
3-34 Government Code.

3-35 Sec. 4007.0303. LAW ENFORCEMENT SERVICES. To protect the  
3-36 public interest, the district may contract with a qualified party,  
3-37 including the county or the city, to provide law enforcement  
3-38 services in the district for a fee.

3-39 Sec. 4007.0304. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.  
3-40 The district may join and pay dues to a charitable or nonprofit  
3-41 organization that performs a service or provides an activity  
3-42 consistent with the furtherance of a district purpose.

3-43 Sec. 4007.0305. ECONOMIC DEVELOPMENT PROGRAMS. (a) The  
3-44 district may engage in activities that accomplish the economic  
3-45 development purposes of the district.

3-46 (b) The district may establish and provide for the  
3-47 administration of one or more programs to promote state or local  
3-48 economic development and to stimulate business and commercial  
3-49 activity in the district, including programs to:

3-50 (1) make loans and grants of public money; and

3-51 (2) provide district personnel and services.

3-52 (c) The district may create economic development programs  
3-53 and exercise the economic development powers provided to  
3-54 municipalities by:

3-55 (1) Chapter 380, Local Government Code; and

3-56 (2) Subchapter A, Chapter 1509, Government Code.

3-57 Sec. 4007.0306. PARKING FACILITIES. (a) The district may  
3-58 acquire, lease as lessor or lessee, construct, develop, own,  
3-59 operate, and maintain parking facilities or a system of parking  
3-60 facilities, including lots, garages, parking terminals, or other  
3-61 structures or accommodations for parking motor vehicles off the  
3-62 streets and related appurtenances.

3-63 (b) The district's parking facilities serve the public  
3-64 purposes of the district and are owned, used, and held for a public  
3-65 purpose even if leased or operated by a private entity for a term of  
3-66 years.

3-67 (c) The district's parking facilities are parts of and  
3-68 necessary components of a street and are considered to be a street  
3-69 or road improvement.

4-1 (d) The development and operation of the district's parking  
4-2 facilities may be considered an economic development program.

4-3 Sec. 4007.0307. ADDING OR EXCLUDING LAND. The district may  
4-4 add or exclude land in the manner provided by Subchapter J, Chapter  
4-5 49, Water Code, or by Subchapter H, Chapter 54, Water Code.

4-6 Sec. 4007.0308. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
4-7 board by resolution shall establish the number of directors'  
4-8 signatures and the procedure required for a disbursement or  
4-9 transfer of district money.

4-10 Sec. 4007.0309. NO EMINENT DOMAIN POWER. The district may  
4-11 not exercise the power of eminent domain.

4-12 SUBCHAPTER D. ASSESSMENTS

4-13 Sec. 4007.0401. PETITION REQUIRED FOR FINANCING SERVICES  
4-14 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
4-15 service or improvement project with assessments under this chapter  
4-16 unless a written petition requesting that service or improvement  
4-17 has been filed with the board.

4-18 (b) A petition filed under Subsection (a) must be signed by  
4-19 the owners of a majority of the assessed value of real property in  
4-20 the district subject to assessment according to the most recent  
4-21 certified tax appraisal roll for the county.

4-22 Sec. 4007.0402. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
4-23 The board by resolution may impose and collect an assessment for any  
4-24 purpose authorized by this chapter in all or any part of the  
4-25 district.

4-26 (b) An assessment, a reassessment, or an assessment  
4-27 resulting from an addition to or correction of the assessment roll  
4-28 by the district, penalties and interest on an assessment or  
4-29 reassessment, an expense of collection, and reasonable attorney's  
4-30 fees incurred by the district:

4-31 (1) are a first and prior lien against the property  
4-32 assessed;

4-33 (2) are superior to any other lien or claim other than  
4-34 a lien or claim for county, school district, or municipal ad valorem  
4-35 taxes; and

4-36 (3) are the personal liability of and a charge against  
4-37 the owners of the property even if the owners are not named in the  
4-38 assessment proceedings.

4-39 (c) The lien is effective from the date of the board's  
4-40 resolution imposing the assessment until the date the assessment is  
4-41 paid. The board may enforce the lien in the same manner that the  
4-42 board may enforce an ad valorem tax lien against real property.

4-43 (d) The board may make a correction to or deletion from the  
4-44 assessment roll that does not increase the amount of assessment of  
4-45 any parcel of land without providing notice and holding a hearing in  
4-46 the manner required for additional assessments.

4-47 SUBCHAPTER E. TAXES AND BONDS

4-48 Sec. 4007.0501. TAX ELECTION REQUIRED. (a) The district  
4-49 must hold an election in the manner provided by Chapter 49, Water  
4-50 Code, or, if applicable, Chapter 375, Local Government Code, to  
4-51 obtain voter approval before the district may impose an ad valorem  
4-52 tax.

4-53 (b) Section 375.243, Local Government Code, does not apply  
4-54 to the district.

4-55 Sec. 4007.0502. OPERATION AND MAINTENANCE TAX. (a) If  
4-56 authorized by a majority of the district voters voting at an  
4-57 election under Section 4007.0501, the district may impose an  
4-58 operation and maintenance tax on taxable property in the district  
4-59 in the manner provided by Section 49.107, Water Code, for any  
4-60 district purpose, including to:

4-61 (1) maintain and operate the district;

4-62 (2) construct or acquire improvements; or

4-63 (3) provide a service.

4-64 (b) The board shall determine the operation and maintenance  
4-65 tax rate. The rate may not exceed the rate approved at the  
4-66 election.

4-67 Sec. 4007.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE  
4-68 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on  
4-69 terms determined by the board.

5-1 (b) The district may issue bonds, notes, or other  
 5-2 obligations payable wholly or partly from ad valorem taxes,  
 5-3 assessments, impact fees, revenue, contract payments, grants, or  
 5-4 other district money, or any combination of those sources of money,  
 5-5 to pay for any authorized district purpose.

5-6 (c) The limitation on the outstanding principal amount of  
 5-7 bonds, notes, or other obligations provided by Section 49.4645,  
 5-8 Water Code, does not apply to the district.

5-9 Sec. 4007.0504. BONDS SECURED BY REVENUE OR CONTRACT  
 5-10 PAYMENTS. The district may issue, without an election, bonds  
 5-11 secured by:

5-12 (1) revenue other than ad valorem taxes, including  
 5-13 contract revenues; or

5-14 (2) contract payments, provided that the requirements  
 5-15 of Section 49.108, Water Code, have been met.

5-16 Sec. 4007.0505. BONDS SECURED BY AD VALOREM TAXES;  
 5-17 ELECTIONS. (a) If authorized at an election under Section  
 5-18 4007.0501, the district may issue bonds payable from ad valorem  
 5-19 taxes.

5-20 (b) At the time the district issues bonds payable wholly or  
 5-21 partly from ad valorem taxes, the board shall provide for the annual  
 5-22 imposition of a continuing direct annual ad valorem tax, without  
 5-23 limit as to rate or amount, for each year that all or part of the  
 5-24 bonds are outstanding as required and in the manner provided by  
 5-25 Sections 54.601 and 54.602, Water Code.

5-26 (c) All or any part of any facilities or improvements that  
 5-27 may be acquired by a district by the issuance of its bonds may be  
 5-28 submitted as a single proposition or as several propositions to be  
 5-29 voted on at the election.

5-30 Sec. 4007.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The  
 5-31 board may not issue bonds until each municipality in whose  
 5-32 corporate limits or extraterritorial jurisdiction the district is  
 5-33 located has consented by ordinance or resolution to the creation of  
 5-34 the district and to the inclusion of land in the district.

5-35 (b) This section applies only to the district's first  
 5-36 issuance of bonds payable from ad valorem taxes.

#### 5-37 SUBCHAPTER I. DISSOLUTION

5-38 Sec. 4007.0901. DISSOLUTION. (a) The board shall dissolve  
 5-39 the district on written petition filed with the board by the owners  
 5-40 of a simple majority of the assessed value of the property subject  
 5-41 to assessment or taxation by the district based on the most recent  
 5-42 certified county property tax rolls.

5-43 (b) The board by majority vote may dissolve the district at  
 5-44 any time.

5-45 (c) The district may not be dissolved by its board under  
 5-46 Subsection (a) or (b) if the district:

5-47 (1) has any outstanding bonded indebtedness until that  
 5-48 bonded indebtedness has been repaid or defeased in accordance with  
 5-49 the order or resolution authorizing the issuance of the bonds;

5-50 (2) has a contractual obligation to pay money until  
 5-51 that obligation has been fully paid in accordance with the  
 5-52 contract; or

5-53 (3) owns, operates, or maintains public works,  
 5-54 facilities, or improvements unless the district contracts with  
 5-55 another person for the ownership, operation, or maintenance of the  
 5-56 public works, facilities, or improvements.

5-57 (d) Sections 375.261, 375.262, and 375.264, Local  
 5-58 Government Code, do not apply to the district.

5-59 SECTION 2. The Jones Avenue Municipal Management District  
 5-60 initially includes all territory contained in the following area:

5-61 Lots 6 and 7, Block 1, New City Block 1036, Replat Jones  
 5-62 Avenue Service Center Subdivision, City of San Antonio, Bexar  
 5-63 County, Texas, according to plat number 22-11800219 recorded in  
 5-64 Volume 20003, Page 11, Deed and Plat Records, Bexar County, Texas.

5-65 SECTION 3. (a) The legal notice of the intention to  
 5-66 introduce this Act, setting forth the general substance of this  
 5-67 Act, has been published as provided by law, and the notice and a  
 5-68 copy of this Act have been furnished to all persons, agencies,  
 5-69 officials, or entities to which they are required to be furnished

6-1 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
6-2 Government Code.

6-3 (b) The governor, one of the required recipients, has  
6-4 submitted the notice and Act to the Texas Commission on  
6-5 Environmental Quality.

6-6 (c) The Texas Commission on Environmental Quality has filed  
6-7 its recommendations relating to this Act with the governor,  
6-8 lieutenant governor, and speaker of the house of representatives  
6-9 within the required time.

6-10 (d) All requirements of the constitution and laws of this  
6-11 state and the rules and procedures of the legislature with respect  
6-12 to the notice, introduction, and passage of this Act have been  
6-13 fulfilled and accomplished.

6-14 SECTION 4. This Act takes effect immediately if it receives  
6-15 a vote of two-thirds of all the members elected to each house, as  
6-16 provided by Section 39, Article III, Texas Constitution. If this  
6-17 Act does not receive the vote necessary for immediate effect, this  
6-18 Act takes effect September 1, 2023.

6-19

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