

By: Wilson

H.B. No. 5171

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a special district to exercise a right or power outside the district's boundaries.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle Z, Title 10, Government Code, is amended by adding Chapter 3001 to read as follows:

CHAPTER 3001. SPECIAL DISTRICT RIGHTS AND POWERS LIMITATION

Sec. 3001.001. DEFINITION. In this chapter, "special district" means a political subdivision of this state with a limited geographic area created for a special purpose by local law or under general law. The term does not include a school district.

Sec. 3001.002. RIGHTS AND POWERS LIMITED TO BOUNDARIES.

(a) Notwithstanding any other law, except as provided by Subsection (c), a special district may not exercise any right or power outside the district's boundaries on or after September 1, 2023.

(b) This section prevails over a special law governing a special district.

(c) This chapter does not diminish or impair the rights of the holders of any outstanding and unpaid debts, bonds, warrants, or other obligations of a special district. After September 1, 2023, a special district may continue to exercise a right or power outside the district as provided by other law only as necessary to pay or fulfill any outstanding and unpaid debts, bonds, warrants,

1 or other obligations.

2 SECTION 2. This Act takes effect September 1, 2023.