

1-1 By: Bettencourt S.B. No. 1546
 1-2 (In the Senate - Filed March 3, 2023; March 16, 2023, read
 1-3 first time and referred to Committee on Local Government;
 1-4 May 3, 2023, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 8, Nays 0; May 3, 2023, sent
 1-6 to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Bettencourt	X			
1-9 Springer	X			
1-10 Eckhardt	X			
1-11 Gutierrez			X	
1-12 Hall	X			
1-13 Nichols	X			
1-14 Parker	X			
1-15 Paxton	X			
1-16 West	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1546 By: Hall

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the authority of certain special districts and
 1-22 corporations created by certain special districts to exercise
 1-23 certain rights and powers outside district boundaries.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Subtitle Z, Title 10, Government Code, is
 1-26 amended by adding Chapter 3001 to read as follows:

1-27 CHAPTER 3001. LIMITATION OF RIGHTS AND POWERS OF CERTAIN SPECIAL
 1-28 DISTRICTS AND CORPORATIONS

1-29 Sec. 3001.001. DEFINITIONS. In this chapter:

1-30 (1) "Corporation" and "special district" have the
 1-31 meanings assigned by Section 303.003, Local Government Code.

1-32 (2) "Private entity" has the meaning assigned by
 1-33 Section 2267.001.

1-34 Sec. 3001.002. CERTAIN RIGHTS AND POWERS LIMITED TO
 1-35 BOUNDARIES. (a) Notwithstanding any other law and except as
 1-36 provided by Subsection (d), on or after September 1, 2023:

1-37 (1) a special district or a corporation created by a
 1-38 special district may not acquire, purchase, construct,
 1-39 rehabilitate, renovate, repair, equip, furnish, finance, own, or
 1-40 lease a multifamily residential development located outside the
 1-41 district's boundaries; and

1-42 (2) a corporation created by a special district may
 1-43 not grant a leasehold or other possessory interest in real property
 1-44 outside the district's boundaries to a private entity if the
 1-45 leasehold or other interest would result in an exemption from ad
 1-46 valorem taxation under Section 303.042, Local Government Code, for
 1-47 the private entity.

1-48 (b) A contract, agreement, or action of a special district
 1-49 or a corporation created by a special district that violates
 1-50 Subsection (a) is void.

1-51 (c) This section prevails over a special law governing a
 1-52 special district.

1-53 (d) This chapter does not diminish or impair the rights of
 1-54 the holders of any outstanding and unpaid debts, bonds, warrants,
 1-55 or other obligations of a special district or a corporation created
 1-56 by a special district. After September 1, 2023, a special district
 1-57 or a corporation created by a special district may continue to
 1-58 exercise a right or power prohibited by Subsection (a) outside the
 1-59 district as provided by other law only as necessary to pay or
 1-60 fulfill any outstanding and unpaid debts, bonds, warrants, or other

2-1 obligations.

2-2 SECTION 2. This Act takes effect immediately if it receives
2-3 a vote of two-thirds of all the members elected to each house, as
2-4 provided by Section 39, Article III, Texas Constitution. If this
2-5 Act does not receive the vote necessary for immediate effect, this
2-6 Act takes effect September 1, 2023.

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