

By: Davis of Dallas

H.B. No. 2679

A BILL TO BE ENTITLED

AN ACT

relating to the creation, powers, and duties of municipal management districts.

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

SECTION 1. Chapter 375, Local Government Code, is amended by adding Subchapter P to read as follows:

SUBCHAPTER P. CONSOLIDATION OF DISTRICTS

Sec. 375.351. CONSOLIDATION OF DISTRICTS. (a) Two or more districts may consolidate into one district. To initiate a consolidation, the board of a district shall adopt a resolution proposing a consolidation and deliver a copy of the resolution to the board of each district with which consolidation is proposed.

(b) A consolidation under this subchapter occurs if the board of each involved district adopts a resolution containing the terms and conditions for the consolidation.

Sec. 375.352. CONFIRMATION ELECTION. (a) A consolidation of districts under this subchapter is contingent on the results of an election to confirm the consolidation. A confirmation election must be held in each district to be consolidated.

(b) The board of each district to be consolidated shall order an election in the district after the board of each district to be consolidated has agreed on the terms and conditions for consolidation. The directors of each district conducting an election shall order the election in each district to be held on the

1 same day. The election shall be held and notice given in the manner
2 provided by the Election Code.

3 (c) The ballots for the election shall be printed to provide
4 for voting for or against the proposition: "The consolidation of
5 (names of the districts to be consolidated) into the _____
6 Management District." If the consolidated district will have
7 authority to levy a property tax for payment of its bonded
8 indebtedness, the proposition shall include the following
9 language: "and the levy of a tax on property at a rate not to exceed
10 _____ cents on each \$100 of assessed valuation for payment of
11 bonds." If the consolidated district will have authority to levy a
12 property tax for payment of its maintenance and operating expenses,
13 the proposition shall include the following language: "and the
14 levy of a tax on property at a rate not to exceed _____ cents on each
15 \$100 of assessed valuation for payment of maintenance and operating
16 expenses of the district."

17 (d) Districts may be consolidated only if a majority of the
18 voters voting in each district vote in favor of the consolidation.
19 If more than two districts are consolidating, the failure of any one
20 district to ratify the consolidation does not prevent the
21 consolidation of the other districts.

22 Sec. 375.353. GOVERNING CONSOLIDATED DISTRICTS. (a) After
23 two or more districts are consolidated, they become one district
24 and are governed as one district.

25 (b) During the transition period, the officers of each
26 district shall continue to act jointly as officers of the original
27 districts to settle the affairs of their respective districts.

1 (c) If the consolidated district elects directors,
2 directors for the consolidated district shall be elected in the
3 same manner and for the same term as directors elected at a
4 confirmation election. The directors' election shall be set for
5 the next regular election.

6 Sec. 375.354. DEBTS OF ORIGINAL DISTRICTS. (a) After two
7 or more districts are consolidated, the consolidated district shall
8 protect the debts of the original districts and shall assure that
9 the debts are not impaired. If the consolidated district has taxing
10 authority, the debts may be paid by taxes levied on the land in the
11 original districts as if they had not consolidated or from
12 contributions from the consolidated district on terms stated in the
13 consolidation agreement.

14 (b) If the consolidated district has taxing authority and
15 assumes the bonds, notes, and other obligations of the original
16 districts, taxes may be levied uniformly on all taxable property
17 within the consolidated district to pay the debts.

18 SECTION 2. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2009.