

1-1 By: Coleman (Senate Sponsor - Ellis) H.B. No. 3009
1-2 (In the Senate - Received from the House May 6, 2009;
1-3 May 7, 2009, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 23, 2009, reported favorably, as
1-5 amended, by the following vote: Yeas 4, Nays 0; May 23, 2009, sent
1-6 to printer.)

1-7 COMMITTEE AMENDMENT NO. 1 By: Gallegos

1-8 SECTION 1. Amend H.B. 3009, House Engrossed Version, by adding the
1-9 following language to 375.354(c):

1-10 The consolidation district may exercise the powers of the
1-11 districts being consolidated within the respective boundaries of
1-12 the original districts. For land annexed into the consolidated
1-13 districts; the consolidation district; the consolidated district
1-14 may exercise any of the powers of the original districts.

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to the authority of municipal management districts to
1-18 consolidate.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Chapter 375, Local Government Code, is amended
1-21 by adding Subchapter P to read as follows:

1-22 SUBCHAPTER P. CONSOLIDATION OF DISTRICTS

1-23 Sec. 375.351. CONSOLIDATION OF DISTRICTS. (a) Two or more
1-24 districts may consolidate into one district under this subchapter
1-25 if none of the districts to be consolidated has issued bonds or
1-26 notes secured by assessments or ad valorem taxes, or has levied
1-27 taxes.

1-28 (b) To initiate a consolidation, the board of a district
1-29 shall adopt a resolution proposing a consolidation and deliver a
1-30 copy of the resolution to the board of each district with which
1-31 consolidation is proposed.

1-32 (c) A consolidation under this subchapter occurs if the
1-33 board of each involved district adopts a resolution containing the
1-34 terms and conditions for the consolidation.

1-35 Sec. 375.352. TERMS AND CONDITIONS FOR CONSOLIDATION. (a)
1-36 The terms and conditions for consolidation must include:

1-37 (1) adoption of a name for the consolidated district;

1-38 (2) the number and apportionment of directors to serve
1-39 on the board of the consolidated district;

1-40 (3) the effective date of the consolidation;

1-41 (4) an agreement on finances for the consolidated
1-42 district, including disposition of funds, property, and other
1-43 assets of each district; and

1-44 (5) an agreement on governing the districts during the
1-45 transition period, including selection of officers.

1-46 (b) The terms and conditions for consolidation may include
1-47 any terms or conditions to which the board of each district agrees.

1-48 Sec. 375.353. NOTICE AND HEARING ON CONSOLIDATION. (a)
1-49 Each district's board shall publish notice and hold a public
1-50 hearing in its district regarding the terms and conditions for
1-51 consolidation of the districts.

1-52 (b) Notice of the hearing must be published one time in a
1-53 newspaper of general circulation in the area of each district at
1-54 least seven days before the date of the hearing.

1-55 (c) After the hearing, the board by resolution may approve
1-56 the terms and conditions for consolidation and enter an order
1-57 consolidating the districts.

1-58 Sec. 375.354. GOVERNING CONSOLIDATED DISTRICTS. (a) After
1-59 two or more districts are consolidated, they become one district
1-60 and are governed as one district.

1-61 (b) During the transition period, the officers of each
1-62 district shall continue to act jointly as officers of the original

2-1 districts to settle the affairs of their respective districts.

2-2 Sec. 375.355. DEBTS OF ORIGINAL DISTRICTS. (a) After two
2-3 or more districts are consolidated, the consolidated district shall
2-4 protect the debts of the original districts and shall assure that
2-5 the debts are not impaired. If the consolidated district has taxing
2-6 authority, the debts may be paid by taxes levied on the land in the
2-7 original districts as if they had not consolidated or from
2-8 contributions from the consolidated district on terms stated in the
2-9 consolidation agreement.

2-10 (b) If the consolidated district has taxing authority and
2-11 assumes the bonds, notes, and other obligations of the original
2-12 districts, taxes may be levied uniformly on all taxable property
2-13 within the consolidated district to pay the debts.

2-14 Sec. 375.356. ASSESSMENT AND COLLECTION OF TAXES. If the
2-15 consolidated district has taxing authority, the district shall
2-16 assess and collect taxes on all property in the district uniformly,
2-17 for maintenance and operation of the district.

2-18 Sec. 375.357. FILING OF ORDER WITH COUNTY CLERK AND
2-19 EXECUTIVE DIRECTOR. A consolidation order issued by the board
2-20 shall be kept in the records of the consolidated district, recorded
2-21 in the office of the county clerk in each of the counties in the
2-22 consolidated district, and filed with the executive director of the
2-23 commission.

2-24 SECTION 2. This Act takes effect immediately if it receives
2-25 a vote of two-thirds of all the members elected to each house, as
2-26 provided by Section 39, Article III, Texas Constitution. If this
2-27 Act does not receive the vote necessary for immediate effect, this
2-28 Act takes effect September 1, 2009.

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