

SENATE AMENDMENTS

2nd Printing

By: Coleman

H.B. No. 3009

A BILL TO BE ENTITLED

AN ACT

relating to the authority of municipal management districts to consolidate.

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 under this subchapter if none of the districts to be consolidated has issued bonds or notes secured by assessments or ad valorem taxes, or has levied taxes.

(b) 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.

(c) 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. TERMS AND CONDITIONS FOR CONSOLIDATION. (a) The terms and conditions for consolidation must include:

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

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

1 (3) the effective date of the consolidation;

2 (4) an agreement on finances for the consolidated
3 district, including disposition of funds, property, and other
4 assets of each district; and

5 (5) an agreement on governing the districts during the
6 transition period, including selection of officers.

7 (b) The terms and conditions for consolidation may include
8 any terms or conditions to which the board of each district agrees.

9 Sec. 375.353. NOTICE AND HEARING ON CONSOLIDATION. (a)
10 Each district's board shall publish notice and hold a public
11 hearing in its district regarding the terms and conditions for
12 consolidation of the districts.

13 (b) Notice of the hearing must be published one time in a
14 newspaper of general circulation in the area of each district at
15 least seven days before the date of the hearing.

16 (c) After the hearing, the board by resolution may approve
17 the terms and conditions for consolidation and enter an order
18 consolidating the districts.

19 Sec. 375.354. GOVERNING CONSOLIDATED DISTRICTS. (a) After
20 two or more districts are consolidated, they become one district
21 and are governed as one district.

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

25 Sec. 375.355. DEBTS OF ORIGINAL DISTRICTS. (a) After two
26 or more districts are consolidated, the consolidated district shall
27 protect the debts of the original districts and shall assure that

1 the debts are not impaired. If the consolidated district has taxing
2 authority, the debts may be paid by taxes levied on the land in the
3 original districts as if they had not consolidated or from
4 contributions from the consolidated district on terms stated in the
5 consolidation agreement.

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

10 Sec. 375.356. ASSESSMENT AND COLLECTION OF TAXES. If the
11 consolidated district has taxing authority, the district shall
12 assess and collect taxes on all property in the district uniformly,
13 for maintenance and operation of the district.

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

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

ADOPTED

MAY 27 2009

Atay Spaw
Secretary of the Senate

COMMITTEE AMENDMENT NO. 1

BY: *M. Gully*

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

3 The consolidation district may exercise the powers of the
4 districts being consolidated within the respective boundaries of
5 the original districts. For land annexed into the consolidated
6 districts; the consolidation district; the consolidated district
7 may exercise any of the powers of the original districts.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 28, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3009 by Coleman (Relating to the authority of municipal management districts to consolidate.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would add Subchapter P to Chapter 375 of the Local Government Code to authorize two or more municipal management districts to consolidate. The bill establishes the procedures for the consolidation.

Local Government Impact

It is assumed that municipal management districts would consolidate only if any costs associated with consolidation could be absorbed using existing resources and if the consolidation would be sufficiently beneficial.

Source Agencies:

LBB Staff: JOB, SZ, DB, JB, TP

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 23, 2009

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3009 by Coleman (Relating to the authority of municipal management districts to consolidate.), **Committee Report 2nd House, As Amended**

No fiscal implication to the State is anticipated.

The bill would add Subchapter P to Chapter 375 of the Local Government Code to authorize two or more municipal management districts to consolidate. The bill establishes the procedures for the consolidation.

Local Government Impact

It is assumed that municipal management districts would consolidate only if any costs associated with consolidation could be absorbed using existing resources and if the consolidation would be sufficiently beneficial.

Source Agencies:

LBB Staff: JOB, DB, JB, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 18, 2009

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3009 by Coleman (Relating to the authority of municipal management districts to consolidate.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would add Subchapter P to Chapter 375 of the Local Government Code to authorize two or more municipal management districts to consolidate. The bill establishes the procedures for the consolidation.

Local Government Impact

It is assumed that municipal management districts would consolidate only if any costs associated with consolidation could be absorbed using existing resources and if the consolidation would be sufficiently beneficial.

Source Agencies:

LBB Staff: JOB, DB, JB, TP

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 29, 2009

TO: Honorable Yvonne Davis, Chair, House Committee on Urban Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3009 by Coleman (Relating to the authority of municipal management districts to consolidate.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would add Subchapter P to Chapter 375 of the Local Government Code to authorize two or more municipal management districts to consolidate. The bill establishes the procedures for the consolidation.

Local Government Impact

It is assumed that municipal management districts would consolidate only if any costs associated with consolidation could be absorbed using existing resources and if the consolidation would be sufficiently beneficial.

Source Agencies:

LBB Staff: JOB, DB, JB, TP

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 16, 2009

TO: Honorable Yvonne Davis, Chair, House Committee on Urban Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3009 by Coleman (Relating to the authority of municipal management districts to consolidate.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would add Subchapter P to Chapter 375 of the Local Government Code to authorize two or more municipal management districts to consolidate. The bill establishes the procedures for the consolidation.

Local Government Impact

It is assumed that municipal management districts would consolidate only if any costs associated with consolidation could be absorbed using existing resources and if the consolidation would be sufficiently beneficial.

Source Agencies:

LBB Staff: JOB, DB

5
1011