

AN ACT

relating to the Driftwood Economic Development Municipal Management District; removing conditions to imposing a tax on residential property; providing authority to issue bonds.

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

SECTION 1. Section 3858.052, Special District Local Laws Code, is amended to read as follows:

Sec. 3858.052. APPOINTMENT OF DIRECTORS. The board consists of the following directors:

(1) Position 1: a person appointed by the commissioners court;

(2) Position 2: a person appointed by the commissioners court;

(3) Position 3: a person appointed by the city council;

(4) Position 4: a person appointed by the city council; and

(5) Position 5: a person appointed by the commissioners court, who must be the individual, the designee of the individual, or the designee of the entity that [who] owns more property in the district than any other individual or entity, except that if the commissioners court is unable to identify a qualified person [~~qualified for Position 5~~] who is willing and able to serve, the commissioners court shall appoint to the place a

1 person who is:

2 (A) at least 18 years old; and

3 (B) a resident of this state.

4 SECTION 2. Subchapter B, Chapter 3858, Special District
5 Local Laws Code, is amended by adding Section 3858.057 to read as
6 follows:

7 Sec. 3858.057. QUALIFICATIONS OF DIRECTORS; PARTICIPATION
8 IN VOTING. (a) Sections 375.063 and 375.072, Local Government
9 Code, do not apply to a director.

10 (b) An official or employee of a public entity may serve on
11 the board. The common law doctrine of incompatibility does not
12 disqualify an official or employee of a public entity from serving
13 as a director.

14 (c) A person appointed to serve on the board under this
15 chapter is qualified to serve as a director and participate in all
16 votes pertaining to the business of the district regardless of any
17 other statutory provision to the contrary.

18 (d) A director may participate in discussion and vote on an
19 action even if the director is an official or employee of a public
20 entity and the action relates to assessments on or contracts with
21 the public entity.

22 SECTION 3. Section 3858.102(a), Special District Local Laws
23 Code, is amended to read as follows:

24 (a) The district may provide, or it may enter into contracts
25 with a governmental or private entity to provide, the following
26 types of improvement projects or services or activities in support
27 of or incidental to those projects or services:

1 (1) the planning, design, construction, improvement,
2 operation, and maintenance of:

3 (A) irrigation facilities and landscaping;

4 (B) highway right-of-way or transit corridor
5 beautification and improvement;

6 (C) lighting, banners, and signs;

7 (D) a street or sidewalk;

8 (E) a hiking or cycling path or trail;

9 (F) a park, lake, garden, recreational facility,
10 sports facility, open space, scenic area, animal habitat, or
11 related exhibit or preserve;

12 (G) a fountain, plaza, or pedestrian mall;

13 (H) a drainage or storm-water detention
14 improvement;

15 (I) a wastewater treatment and disposal
16 facility;

17 (J) water, wastewater, or drainage facilities or
18 services;

19 (K) a water quality protection facility;

20 (L) [~~(K)~~] a facility to enhance groundwater
21 recharge, including a rainwater collection and harvesting system;

22 (M) [~~(L)~~] an alternative energy facility; or

23 (N) [~~(M)~~] solid waste management services,
24 including garbage collection, recycling, and composting;

25 (2) the planning, design, construction, acquisition,
26 lease, rental, improvement, maintenance, installation, and
27 management of and provision of furnishings for a facility for:

- 1 (A) a conference, convention, or exhibition;
2 (B) a manufacturer, consumer, or trade show;
3 (C) a civic, community, or institutional event;
4 or
5 (D) an exhibit, display, attraction, special
6 event, or seasonal or cultural celebration or holiday; or
7 (3) a special or supplemental service for the
8 improvement and promotion of the district or for the protection of
9 public health and safety in the district, including:
10 (A) advertising;
11 (B) promotion;
12 (C) tourism;
13 (D) health and sanitation;
14 (E) public safety;
15 (F) security;
16 (G) fire protection or emergency medical
17 services;
18 (H) business recruitment;
19 (I) development;
20 (J) elimination of traffic congestion;
21 (K) recreational, educational, or cultural
22 improvements, enhancements, and services; ~~or~~
23 (L) water, wastewater, or drainage facilities or
24 services; or
25 (M) any similar public improvement, facility, or
26 service.

27 SECTION 4. Subchapter C, Chapter 3858, Special District

1 Local Laws Code, is amended by adding Section 3858.1025 to read as
2 follows:

3 Sec. 3858.1025. ECONOMIC DEVELOPMENT. (a) The district may
4 engage in activities that accomplish the economic development
5 purposes of the district.

6 (b) The district may establish and provide for the
7 administration of one or more programs to promote state or local
8 economic development and to stimulate business and commercial
9 activity in the district, including programs to:

10 (1) make loans and grants of public money; and

11 (2) provide district personnel and services.

12 (c) The district may create economic development programs
13 and exercise the economic development powers that Chapter 380,
14 Local Government Code, provides to a municipality.

15 SECTION 5. Section 3858.104(a), Special District Local Laws
16 Code, is amended to read as follows:

17 (a) The district may adopt and enforce rules:

18 (1) to administer or operate the district or any
19 service provided by the district;

20 (2) for the use, enjoyment, availability, protection,
21 security, and maintenance of the district's property and
22 facilities; or

23 (3) to provide for public safety and security in the
24 district.

25 SECTION 6. Subchapter D, Chapter 3858, Special District
26 Local Laws Code, is amended by adding Sections 3858.1521 and
27 3858.1522 to read as follows:

1 Sec. 3858.1521. BONDS AND OTHER OBLIGATIONS. (a) The
2 district may issue bonds, notes, or other obligations payable
3 wholly or partly from ad valorem taxes, assessments, impact fees,
4 revenue, contract payments, grants, or other district money for any
5 purpose authorized by this chapter.

6 (b) Notwithstanding Subsection (a), ad valorem taxes may be
7 pledged only to pay bonds, notes, or other obligations that are
8 issued by the district for purposes authorized under Sections 52
9 and 52-a, Article III, or Section 59, Article XVI, Texas
10 Constitution.

11 Sec. 3858.1522. ELECTIONS REGARDING BONDS. (a) The
12 district may issue, without an election, bonds and other
13 obligations secured by revenue from any source other than ad
14 valorem taxes.

15 (b) The district must hold an election in the manner
16 provided by Chapters 49 and 54, Water Code, to obtain voter approval
17 before the district may issue bonds payable from ad valorem taxes.

18 SECTION 7. Section 3858.152, Special District Local Laws
19 Code, is repealed.

20 SECTION 8. (a) Section 3858.153(c), Special District Local
21 Laws Code, is repealed.

22 (b) This section takes effect January 1, 2016.

23 SECTION 9. The repeal by this Act of Section 3858.153(c),
24 Special District Local Laws Code, applies only to ad valorem taxes
25 that are imposed for an ad valorem tax year that begins on or after
26 January 1, 2016.

27 SECTION 10. (a) The legal notice of the intention to

1 introduce this Act, setting forth the general substance of this
2 Act, has been published as provided by law, and the notice and a
3 copy of this Act have been furnished to all persons, agencies,
4 officials, or entities to which they are required to be furnished
5 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6 Government Code.

7 (b) The governor has submitted the notice and Act to the
8 Texas Commission on Environmental Quality.

9 (c) The Texas Commission on Environmental Quality has filed
10 its recommendations relating to this Act with the governor,
11 lieutenant governor, and speaker of the house of representatives
12 within the required time.

13 (d) All requirements of the constitution and laws of this
14 state and the rules and procedures of the legislature with respect
15 to the notice, introduction, and passage of this Act are fulfilled
16 and accomplished.

17 SECTION 11. Except as otherwise provided by this Act, this
18 Act takes effect September 1, 2015.

President of the Senate

Speaker of the House

I certify that H.B. No. 2259 was passed by the House on May 15, 2015, by the following vote: Yeas 134, Nays 5, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2259 on May 29, 2015, by the following vote: Yeas 141, Nays 5, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2259 was passed by the Senate, with amendments, on May 27, 2015, by the following vote: Yeas 28, Nays 3.

Secretary of the Senate

APPROVED: _____

Date

Governor