

SENATE AMENDMENTS

2nd Printing

By: Isaac

H.B. No. 2259

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the Driftwood Economic Development Municipal
3 Management District; removing conditions to imposing a tax on
4 residential property; providing authority to issue bonds.

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

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

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

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

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

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

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

18 (5) Position 5: a person appointed by the
19 commissioners court, who must be the individual, the designee of
20 the individual, or the designee of the entity that [who] owns more
21 property in the district than any other individual or entity,
22 except that if the commissioners court is unable to identify a
23 qualified person [qualified for Position 5] who is willing and able
24 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:

20 (1) the director has a beneficial interest in a
21 business entity that will receive a pecuniary benefit from the
22 action; or

23 (2) the director is an official or employee of a public
24 entity and the action relates to assessments on or contracts with
25 the public entity.

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

1 (a) The district may provide, or it may enter into contracts
2 with a governmental or private entity to provide, the following
3 types of improvement projects or services or activities in support
4 of or incidental to those projects or services:

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

7 (A) irrigation facilities and landscaping;

8 (B) highway right-of-way or transit corridor
9 beautification and improvement;

10 (C) lighting, banners, and signs;

11 (D) a street or sidewalk;

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

13 (F) a park, lake, garden, recreational facility,
14 sports facility, open space, scenic area, animal habitat, or
15 related exhibit or preserve;

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

17 (H) a drainage or storm-water detention
18 improvement;

19 (I) a wastewater treatment and disposal
20 facility;

21 (J) water, wastewater, or drainage facilities or
22 services;

23 (K) a water quality protection facility;

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

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

27 (N) [~~(M)~~] solid waste management services,

1 including garbage collection, recycling, and composting;

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

5 (A) a conference, convention, or exhibition;

6 (B) a manufacturer, consumer, or trade show;

7 (C) a civic, community, or institutional event;

8 or

9 (D) an exhibit, display, attraction, special
10 event, or seasonal or cultural celebration or holiday; or

11 (3) a special or supplemental service for the
12 improvement and promotion of the district or for the protection of
13 public health and safety in the district, including:

14 (A) advertising;

15 (B) promotion;

16 (C) tourism;

17 (D) health and sanitation;

18 (E) public safety;

19 (F) security;

20 (G) fire protection or emergency medical
21 services;

22 (H) business recruitment;

23 (I) development;

24 (J) elimination of traffic congestion;

25 (K) recreational, educational, or cultural
26 improvements, enhancements, and services; [~~or~~]

27 (L) water, wastewater, or drainage facilities or

1 services; or

2 (M) any similar public improvement, facility, or
3 service.

4 SECTION 4. Subchapter C, Chapter 3858, Special District
5 Local Laws Code, is amended by adding Section 3858.1025 to read as
6 follows:

7 Sec. 3858.1025. ECONOMIC DEVELOPMENT. (a) The district may
8 engage in activities that accomplish the economic development
9 purposes of the district.

10 (b) The district may establish and provide for the
11 administration of one or more programs to promote state or local
12 economic development and to stimulate business and commercial
13 activity in the district, including programs to:

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

15 (2) provide district personnel and services.

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

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

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

22 (1) to administer or operate the district or any
23 service provided by the district;

24 (2) for the use, enjoyment, availability, protection,
25 security, and maintenance of the district's property and
26 facilities; or

27 (3) to provide for public safety and security in the

1 district.

2 SECTION 6. Subchapter D, Chapter 3858, Special District
3 Local Laws Code, is amended by adding Section 3858.1521 to read as
4 follows:

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

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

15 SECTION 7. Section 3858.152, Special District Local Laws
16 Code, is repealed.

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

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

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

24 SECTION 10. (a) The legal notice of the intention to
25 introduce this Act, setting forth the general substance of this
26 Act, has been published as provided by law, and the notice and a
27 copy of this Act have been furnished to all persons, agencies,

1 officials, or entities to which they are required to be furnished
2 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
3 Government Code.

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

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

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

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

ADOPTED

MAY 27 2015

Leta Spaw
Secretary of the Senate

By: Isaac / Campbell

H.B. No. 2259

Substitute the following for H.B. No. 2259:

By: *Paul Bellercont*

C.S. H.B. No. 2259

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20 the individual, or the designee of the entity that [who] owns more
21 property in the district than any other individual or entity,
22 except that if the commissioners court is unable to identify a
23 qualified person [~~qualified for Position 5~~] who is willing and able
24 to serve, the commissioners court shall appoint to the place a

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7 (D) a street or sidewalk;
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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
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9 public health and safety in the district, including:
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18 that are imposed for an ad valorem tax year that begins on or after
19 January 1, 2016.

20 SECTION 10. (a) The legal notice of the intention to
21 introduce this Act, setting forth the general substance of this
22 Act, has been published as provided by law, and the notice and a
23 copy of this Act have been furnished to all persons, agencies,
24 officials, or entities to which they are required to be furnished
25 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
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27 (b) The governor has submitted the notice and Act to the

1 Texas Commission on Environmental Quality.

2 (c) The Texas Commission on Environmental Quality has filed
3 its recommendations relating to this Act with the governor,
4 lieutenant governor, and speaker of the house of representatives
5 within the required time.

6 (d) All requirements of the constitution and laws of this
7 state and the rules and procedures of the legislature with respect
8 to the notice, introduction, and passage of this Act are fulfilled
9 and accomplished.

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

ADOPTED

FLOOR AMENDMENT NO. 1

MAY 27 2015

BY:

Campbell

Leta Spaw
Secretary of the Senate

1 Amend C.S.H.B. No. 2259 (Senate committee report) as
2 follows:

3 (1) In the recital for SECTION 6 of the bill (page 3, line
4 19), strike "Section 3858.1521" and substitute "Sections
5 3858.1521 and 3858.1522".

6 (2) In SECTION 6 of the bill, after added Section
7 3858.1521(b) (page 3, between lines 30 and 31), insert the
8 following:

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

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

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 28, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2259 by Isaac (Relating to the Driftwood Economic Development Municipal Management District; removing conditions to imposing a tax on residential property; providing authority to issue bonds.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, KVe, EK

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 25, 2015

TO: Honorable Eddie Lucio Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2259 by Isaac (Relating to the Driftwood Economic Development Municipal Management District; removing conditions to imposing a tax on residential property; providing authority to issue bonds.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, KVe, EK

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 20, 2015

TO: Honorable Eddie Lucio Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2259 by Isaac (Relating to the Driftwood Economic Development Municipal Management District; removing conditions to imposing a tax on residential property; providing authority to issue bonds.), **As Engrossed**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, KVe, EK

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 28, 2015

TO: Honorable Doug Miller, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2259** by Isaac (Relating to the Driftwood Economic Development Municipal Management District; removing conditions to imposing a tax on residential property; providing authority to issue bonds.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, KVe, EK

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 10, 2015

TO: Honorable Doug Miller, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2259 by Isaac (Relating to the Driftwood Economic Development Municipal Management District; removing conditions to imposing a tax on residential property.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, KVe, EK

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

84TH LEGISLATIVE REGULAR SESSION

April 24, 2015

TO: Honorable Doug Miller, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2259 by Isaac (Relating to the Driftwood Economic Development Municipal Management District; removing conditions to imposing a tax on residential property; providing authority to issue bonds.), **Committee Report 1st House, Substituted**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TPWD) and the Texas Commission on Environmental Quality (TCEQ) has determined that:

No Water Development Policy Impact Statement will be prepared for this bill under the provisions of Texas Constitution, Article 16, Section 59(d) as this bill does not create a conservation and reclamation district.

Source Agencies: 582 Commission on Environmental Quality, 580 Water Development Board

LBB Staff: UP, SZ

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

84TH LEGISLATIVE REGULAR SESSION

April 14, 2015

TO: Honorable Doug Miller, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2259 by Isaac (Relating to the Driftwood Economic Development Municipal Management District; removing conditions to imposing a tax on residential property.), **As Introduced**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TPWD) and the Texas Commission on Environmental Quality (TCEQ) has determined that:

No Water Development Policy Impact Statement will be prepared for this bill under the provisions of Texas Constitution, Article 16, Section 59(d) as this bill does not create a conservation and reclamation district.

Source Agencies: 582 Commission on Environmental Quality, 580 Water Development Board

LBB Staff: UP, SZ