

**House Bill 2259**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

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 person who is:
  - (A) at least 18 years old; and
  - (B) a resident of this state.

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

Sec. 3858.057. QUALIFICATIONS OF DIRECTORS; PARTICIPATION IN VOTING. (a) Sections 375.063 and 375.072, Local Government Code, do not apply to a director. (b) An official or employee of a public entity may serve on the board. The common law doctrine of incompatibility does not disqualify an official or employee of a public entity from serving as a director.

SENATE VERSION (IE)

SECTION 1. Same as House version.

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

Sec. 3858.057. QUALIFICATIONS OF DIRECTORS; PARTICIPATION IN VOTING. (a) Sections 375.063 and 375.072, Local Government Code, do not apply to a director. (b) An official or employee of a public entity may serve on the board. The common law doctrine of incompatibility does not disqualify an official or employee of a public entity from serving as a director.

CONFERENCE

**House Bill 2259**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

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

(d) A director may participate in discussion and vote on an action even if:

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

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

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

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

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

(A) irrigation facilities and landscaping;

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

(C) lighting, banners, and signs;

(D) a street or sidewalk;

(E) a hiking or cycling path or trail;

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

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

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

SENATE VERSION (IE)

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

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

SECTION 3. Same as House version.

CONFERENCE

**House Bill 2259**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

- (I) a wastewater treatment and disposal facility;
- (J) water, wastewater, or drainage facilities or services;
- (K) a water quality protection facility;
- (L) [~~(K)~~] a facility to enhance groundwater recharge, including a rainwater collection and harvesting system;
- (M) [~~(L)~~] an alternative energy facility; or
- (N) [~~(M)~~] solid waste management services, including garbage collection, recycling, and composting;
- (2) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:
  - (A) a conference, convention, or exhibition;
  - (B) a manufacturer, consumer, or trade show;
  - (C) a civic, community, or institutional event; or
  - (D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday; or
- (3) a special or supplemental service for the improvement and promotion of the district or for the protection of public health and safety in the district, including:
  - (A) advertising;
  - (B) promotion;
  - (C) tourism;
  - (D) health and sanitation;
  - (E) public safety;
  - (F) security;
  - (G) fire protection or emergency medical services;
  - (H) business recruitment;
  - (I) development;
  - (J) elimination of traffic congestion;
  - (K) recreational, educational, or cultural improvements, enhancements, and services; [~~(N)~~]
  - (L) water, wastewater, or drainage facilities or services; or

**House Bill 2259**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

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

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

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

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

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

(2) provide district personnel and services.

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

SECTION 4. Same as House version.

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

(a) The district may adopt and enforce rules:

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

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

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

SECTION 5. Same as House version.

SECTION 6. Subchapter D, Chapter 3858, Special District Local Laws Code, is amended by adding Section 3858.1521 to

SECTION 6. Subchapter D, Chapter 3858, Special District Local Laws Code, is amended by adding Sections 3858.1521

**House Bill 2259**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

read as follows:

Sec. 3858.1521. BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money for any purpose authorized by this chapter.

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

No equivalent provision.

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

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

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

SENATE VERSION (IE)

and 3858.1522 to read as follows: [FA1(1)]

Sec. 3858.1521. BONDS AND OTHER OBLIGATIONS.

(a) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money for any purpose authorized by this chapter.

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

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

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may issue bonds payable from ad valorem taxes. [FA1(2)]

SECTION 7. Same as House version.

SECTION 8. Same as House version.

CONFERENCE

**House Bill 2259**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

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

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

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

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

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

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

SENATE VERSION (IE)

SECTION 9. Same as House version.

SECTION 10. Same as House version.

SECTION 11. Same as House version.

CONFERENCE