

BILL ANALYSIS

Senate Research Center
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H.B. 2881
By: Sanford (Estes)
Administration
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 2881 amends the Special District Local Laws Code to change the composition of the Old Celina Municipal Management District No. 1 board of directors from three directors appointed by the governing body of the City of Celina, and two specified city officers, to five elected directors. The bill establishes member term lengths and requires the board to hold an election for directors on the uniform election date in May in odd-numbered years. The bill removes the exemption for a district director from general management district director qualification requirements and repeals a provision relating to the district's specific director qualifications. The bill changes the persons responsible for appointing a director to fill a board vacancy from the governing body of the city to the remaining directors.

H.B. 2881 removes the authorization for the governing body of the city to remove an appointed director and instead authorizes the board to remove a director by unanimous vote of the other directors if the director has missed at least half of the meetings scheduled during the preceding 12 months. The bill sets out the procedure for a director to make an appeal for reinstatement with the Texas Commission on Environmental Quality and sets out provisions relating to transitional directors and initial permanent directors.

H.B. 2881 amends current law relating to the board of directors of the Old Celina Municipal Management District No. 1.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 3919.001, Special District Local Laws Code, as follows:

Sec. 3919.001. DEFINITIONS. Defines "commission" and redesignates Subdivisions (3) through (5) as Subdivisions (4) through (6), respectively.

SECTION 2. Amends Section 3919.051, Special District Local Laws Code, as follows:

Sec. 3919.051. GOVERNING BODY; TERMS. (a) Provides that the Old Celina Municipal Management District No. 1 (district) is governed by a board of five elected directors (board), rather than by a board of five directors composed of certain persons.

(b) Provides that directors serve staggered terms of four years, with two or three directors' terms expiring May 31 of each odd-numbered year, rather than provides that appointed directors serve staggered terms of four years, with one or two directors' terms expiring May 31 of each even-numbered year.

(c) Requires the board to hold an election for directors on the uniform election date in May in odd-numbered years.

SECTION 3. Amends Section 3919.052(a), Special District Local Laws Code, to provide that Section 375.072(c) (relating to an employee of a public entity serving as a board member but not participating in discussions of or voting on certain matters) does not, rather than Sections 375.063 (Qualifications of Director) and 375.072(a) (relating to a person who qualifies to serve on the board qualifying to serve as a director and participate in certain votes) and (c), Local Government Code, do not, apply to a director.

SECTION 4. Amends Section 3919.053, Special District Local Laws Code, to require the remaining directors, if a vacancy occurs on the board, rather than to require the governing board of the City of Celina (city), to appoint a director to serve, rather than fill a vacancy on the board, for the remainder of the unexpired term.

SECTION 5. Amends Section 3919.056(a), Special District Local Laws Code, to require the district to compensate directors as provided by Section 49.060 (Fees of Office; Reimbursement), Water Code, rather than to require the district to compensate as provided by Section 49.060, Water Code, each director who is not a member of the governing body of the city or an employee of the city.

SECTION 6. Amends Section 3919.059, Special District Local Laws Code, as follows:

Sec. 3919.059. **REMOVAL OF DIRECTORS.** (a) Creates this section from existing text. Authorizes the board to remove a director by unanimous vote of the other directors if the director has missed at least half of the meetings scheduled during the preceding 12 months, rather than authorizes the governing body of the city to remove a director appointed under Section 3919.051(a)(1) (relating to the board of five directors being composed of three directors appointed by the governing body of the city).

(b) Authorizes a director removed under this section to file a written appeal with the Texas Commission on Environmental Quality (TCEQ) not later than the 30th day after the date the director receives written notice of the board action. Authorizes TCEQ to reinstate the director if TCEQ finds that the removal was unwarranted under the circumstances after considering the reasons for the absences, the time and place of the meetings, the business conducted at the meetings missed, and any other relevant circumstances.

SECTION 7. Amends Subchapter B, Chapter 3919, Special District Local Laws Code, by adding Section 3919.061, as follows:

Sec. 3919.061. **TRANSITIONAL DIRECTORS AND INITIAL PERMANENT DIRECTORS.** (a) Provides that the transitional board consists of certain members.

(b) Provides that a transitional director serves until the earlier if the date the initial permanent directors are elected under Section 3919.051 or September 1, 2021.

(c) Requires TCEQ, if the initial permanent directors have not been elected under Section 3919.051, and the terms of the transitional directors have expired, to appoint successor transitional directors as provided by Subsection (d) to serve terms that expire the earlier of the date initial permanent directors are elected under Section 3919.051 or the fourth anniversary of the date the preceding transitional directors' terms expired.

(d) Authorizes the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal rolls for the county, if the initial permanent directors have not been elected under Section 3919.051, to submit a written petition to TCEQ requesting that TCEQ appoint successor transitional directors to serve four-year terms beginning on the date the terms of the transitional directors then serving expire. Requires TCEQ to appoint as the successor transitional directors five persons named in a list of nominees included with the petition.

(e) Requires that the initial permanent directors elected under Section 3919.051 draw lots to determine which two serve two-year terms and which three serve four-year terms.

SECTION 8. Repealer: Section 3919.052(c) (relating to certain individuals being qualified to serve as a director and being qualified to participate in all votes pertaining to the business of the district), Special District Local Laws Code.

SECTION 9. Provides that the terms of the members of the board of the district serving on the effective date of this Act who were appointed under Chapter 3919, Special District Local Laws Code, before the effective date of this Act expire on the effective date of this Act. Provides that, on the effective date of this Act, the board of the district is composed of the directors described by Section 3919.061, Special District Local Laws Code, as added by this Act.

SECTION 10. Provides that all requirements of the constitution and the 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. Effective date: September 1, 2017.