

1-1 By: Creighton S.B. No. 1015
1-2 (In the Senate - Filed February 22, 2017; March 6, 2017,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; April 19, 2017, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;
1-6 April 19, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1015 By: Lucio

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to procedures for incorporation or establishment of
1-20 another form of local government for certain areas subject to a
1-21 regional participation agreement.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subchapter D, Chapter 43, Local Government Code,
1-24 is amended by adding Section 43.0755 to read as follows:

1-25 Sec. 43.0755. PROCEDURES FOR INCORPORATION OR
1-26 ESTABLISHMENT OF ANOTHER FORM OF LOCAL GOVERNMENT FOR CERTAIN AREAS
1-27 SUBJECT TO REGIONAL PARTICIPATION AGREEMENT. (a) In this section,
1-28 "district," "eligible municipality," and "regional participation
1-29 agreement" have the meanings assigned by Section 43.0754.

1-30 (b) This section applies only to a district and an eligible
1-31 municipality that have entered into a regional participation
1-32 agreement under Section 43.0754 that authorizes any of the actions
1-33 described by Section 43.0754(c)(6), (7), or (8).

1-34 (c) Notwithstanding any other law, including laws
1-35 prescribing population or territorial requirements for
1-36 incorporation under Section 5.901, 6.001, 7.001, or 8.001, the
1-37 governing body of a district may order an election as provided by
1-38 this subsection to be held on a uniform election date prescribed by
1-39 Section 41.001, Election Code. An election under this subsection
1-40 may, consistent with the regional participation agreement, be
1-41 ordered for the purpose of:

1-42 (1) submitting to the qualified voters of the district
1-43 the question of whether the territory of the district should be
1-44 incorporated as a municipality;

1-45 (2) submitting to the qualified voters of a designated
1-46 area of the district the question of whether that designated area
1-47 should be incorporated as a municipality;

1-48 (3) submitting to the qualified voters of the district
1-49 the question of whether the territory of the district should adopt a
1-50 specific alternate form of local government other than a
1-51 municipality; or

1-52 (4) submitting to the qualified voters of a designated
1-53 area of the district the question of whether that designated area
1-54 should adopt a specific alternate form of local government other
1-55 than a municipality.

1-56 (d) Notwithstanding any other law:

1-57 (1) the authority of the governing body of a district
1-58 to order an election under Subsection (c) is separate and
1-59 independent and is the exclusive means of ordering any such
1-60 election;

2-1 (2) all or any part of the territory of a district may
 2-2 be incorporated as a Type A, Type B, or Type C municipality, as
 2-3 determined by the governing body of the district ordering the
 2-4 incorporation election under Subsection (c)(1) or (2); and

2-5 (3) the requirements of Sections 7.002 and 8.002 do
 2-6 not apply to an election ordered under Subsection (c)(1) or (2).

2-7 (e) In an election ordered under Subsection (c)(2) or (4),
 2-8 the governing body of the district may order elections in multiple
 2-9 designated areas on the same date or order elections in designated
 2-10 areas periodically on a uniform election date.

2-11 (f) In any election ordered under Subsection (c), the
 2-12 governing body of the district shall also submit for confirmation
 2-13 to the voters voting in the election the proposed initial property
 2-14 tax rate determined for the municipality or alternate form of
 2-15 government, as applicable, which may not exceed the maximum rate
 2-16 authorized by law. The ballot in an election held under Subsection
 2-17 (c) shall be printed to permit voting for or against the
 2-18 proposition: "Authorizing the (specify the incorporation of or the
 2-19 adoption of an alternate form of local government for) (insert name
 2-20 of local government) and the adoption of an initial property tax
 2-21 rate of not more than (specify the maximum rate determined)."

2-22 (g) In any election ordered under Subsection (c), the
 2-23 governing body of the district may also submit to the voters voting
 2-24 in the election any other measure the governing body considers
 2-25 necessary and convenient to effectuate the transition to a
 2-26 municipal or alternate form of local government, including a
 2-27 measure on the question of whether, on incorporation as a
 2-28 municipality or establishment of an alternate form of local
 2-29 government, any rights, powers, privileges, duties, purposes,
 2-30 functions, or responsibilities of the district or the district's
 2-31 authority to issue bonds and impose a tax is transferred to the
 2-32 municipality or alternate form of local government.

2-33 (h) If a majority of the voters voting in an election under
 2-34 Subsection (c)(2) or (4) approve the proposition submitted on the
 2-35 form of local government, the county judge of the county in which
 2-36 the municipality or alternate form of local government is located
 2-37 shall order an election for the governing body of the municipality
 2-38 or alternate form of local government to be held on a date that
 2-39 complies with the provisions of the Election Code, except that
 2-40 Section 41.001(a), Election Code, does not apply. A municipality
 2-41 or alternate form of local government resulting from an election
 2-42 described by this subsection is incorporated or established on the
 2-43 date a majority of the members of the governing body qualify and
 2-44 take office.

2-45 (i) If a majority of the voters voting in an election under
 2-46 Subsection (c)(1) or (3) approve the proposition submitted on the
 2-47 form of local government, the district is dissolved and the
 2-48 governing body of the district will serve as the temporary
 2-49 governing body of the municipality or alternate form of local
 2-50 government until a permanent governing body is elected as provided
 2-51 by Subsection (j).

2-52 (j) The temporary governing body under Subsection (i) shall
 2-53 order an election to elect the permanent governing body of the
 2-54 municipality or alternate form of local government to occur on a
 2-55 date that complies with the provisions of the Election Code, except
 2-56 that Section 41.001(a), Election Code, does not apply.

2-57 (k) An election ordered under Subsection (h) or (j) to elect
 2-58 members of the governing body of a municipality must be held under
 2-59 the applicable provisions of Chapter 22, 23, or 24, to the extent
 2-60 consistent with this section. An election for members of the
 2-61 governing body of an alternate form of government must be held under
 2-62 the law applicable to that form of government, to the extent
 2-63 consistent with this section.

2-64 (l) If a majority of the voters voting in an election under
 2-65 Subsection (c)(1) or (3) approve the proposition submitted on the
 2-66 form of local government for the territory of the district, the
 2-67 assets, liabilities, and obligations of the district are
 2-68 transferred to the form of government approved at the election.

2-69 (m) If a majority of the voters voting in an election under

3-1 Subsection (c)(2) or (4) approve the proposition submitted on the
3-2 form of local government in a designated area of the district and
3-3 if, on the date of the election approving the form of local
3-4 government, the district owes any debts, by bond or otherwise, the
3-5 designated area is not released from its pro rata share of the
3-6 indebtedness.

3-7 (n) For purposes of determining the initial tax rate of a
3-8 municipality or an alternate form of local government, the tax rate
3-9 of the district when the territory incorporated or established as
3-10 an alternate form of government was part of the district is not
3-11 considered for purposes of the calculations required by Section
3-12 26.04(c), Tax Code.

3-13 SECTION 2. This Act takes effect immediately if it receives
3-14 a vote of two-thirds of all the members elected to each house, as
3-15 provided by Section 39, Article III, Texas Constitution. If this
3-16 Act does not receive the vote necessary for immediate effect, this
3-17 Act takes effect September 1, 2017.

3-18 * * * * *