

AN ACT

relating to the governance and operation of municipal management districts.

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

SECTION 1. Section 375.022(b), Local Government Code, is amended to read as follows:

(b) The petition must be signed by the owners of a majority of the assessed value of the real property in the proposed district that would be subject to assessment by the district, according to the most recent certified county property tax rolls.

SECTION 2. Section 375.063, Local Government Code, is amended to read as follows:

Sec. 375.063. QUALIFICATIONS OF DIRECTOR. To be qualified to serve as a director, a person must be at least 18 years old and:

- (1) ~~[a resident of the district,~~
- ~~[(2)]~~ an owner of property in the district;
- (2) ~~[(3)]~~ an owner of stock, whether beneficial or otherwise, of a corporate owner of property in the district;
- (3) ~~[(4)]~~ an owner of a beneficial interest in a trust that owns property in the district; or
- (4) ~~[(5)]~~ an agent, employee, or tenant of a person covered by Subdivision (1), (2), or (3) ~~[, or (4)]~~.

SECTION 3. Sections 375.064(a), (b), and (c), Local Government Code, are amended to read as follows:

1 (a) The initial and each succeeding board of directors
2 shall, and the owners of a majority of the assessed value of
3 property subject to assessment by the district may, recommend to
4 the governing body of the municipality persons to serve on the
5 succeeding board.

6 (b) After reviewing the recommendations, the governing body
7 shall approve or disapprove the directors recommended under
8 Subsection (a) [~~by the board~~].

9 (c) If the governing body is not satisfied with the
10 recommendations submitted under Subsection (a) [~~by the board~~], the
11 board, on the request of the governing body, shall submit to the
12 governing body additional recommendations.

13 SECTION 4. Section 375.092(f), Local Government Code, is
14 amended to read as follows:

15 (f) A district may acquire, construct, complete, develop,
16 own, operate, and maintain permanent improvements and provide
17 services that directly benefit property in the district, regardless
18 of whether the improvements or services are located inside or [~~and~~]
19 outside its boundaries.

20 SECTION 5. Section 375.114, Local Government Code, is
21 amended to read as follows:

22 Sec. 375.114. PETITION REQUIRED. The board may not finance
23 improvement projects or services [~~and improvement projects~~] under
24 this chapter unless a written petition has been filed with the board
25 requesting those improvements or services signed by:

26 (1) the owners of a majority [~~50 percent or more~~] of
27 the assessed value of the property in the district subject to

1 assessment, according to the most recent certified county property
2 tax rolls; or

3 (2) for a proposed assessment to be apportioned under
4 Section 375.119(1), the owners of a majority [~~50 percent or more~~]
5 of the surface area of the real property subject to assessment by
6 the district, [~~excluding roads, streets, highways, and utility~~
7 ~~rights-of-way, other public areas, and any other property exempt~~
8 ~~from assessment under Section 375.162 or 375.163,~~] according to the
9 most recent certified county property tax rolls.

10 SECTION 6. Section 375.243, Local Government Code, is
11 amended to read as follows:

12 Sec. 375.243. PETITION REQUIRED FOR BOND ELECTION. The
13 board may not call a bond election unless a written petition has
14 been filed with the board requesting an election signed by the
15 owners of a majority[+

16 [~~(1) 50 percent or more~~] of the assessed value of the
17 property subject to assessment or taxation by [~~in~~] the district as
18 determined from the most recent certified county property tax
19 rolls[~~, or~~

20 [~~(2) 50 percent or more of the surface area of the~~
21 ~~district, excluding roads, streets, highways, utility~~
22 ~~rights-of-way, other public areas, and other property exempt from~~
23 ~~assessment under Sections 375.161, 375.163, and 375.164 as~~
24 ~~determined from the most recent certified county property tax~~
25 ~~rolls].~~

26 SECTION 7. Section 375.262, Local Government Code, is
27 amended to read as follows:

1 Sec. 375.262. DISSOLUTION BY PETITION BY OWNERS. Except as
2 limited by Section 375.264, the board shall dissolve the district
3 on written petition filed with the board by the owners of at least
4 two-thirds [+

5 ~~[(1) 75 percent or more]~~ of the assessed value of the
6 property subject to assessment or taxation by [~~in~~] the district
7 based on the most recent certified county property tax rolls[~~, or~~

8 ~~[(2) 75 percent or more of the surface area of the~~
9 ~~district, excluding roads, streets, highways, utility~~
10 ~~rights-of-way, other public areas, and other property exempt from~~
11 ~~assessment under Sections 375.161, 375.163, and 375.164, according~~
12 ~~to the most recent certified county property tax rolls].~~

13 SECTION 8. Section 382.052(b), Local Government Code, is
14 amended to read as follows:

15 (b) If the population of the district is more than 1,000, to
16 be eligible to serve as a director, a person must be at least 18
17 years old, reside in the district, and be:

18 (1) an owner of property in the district;

19 (2) an owner of stock, whether beneficial or
20 otherwise, of a corporate owner of property in the district;

21 (3) an owner of a beneficial interest in a trust that
22 owns property in the district; or

23 (4) an agent, employee, or tenant of a person covered
24 by Subdivision (1), (2), or (3) [meet the qualifications of Section
25 375.063].

26 SECTION 9. Section 3855.052(b), Special District Local Laws
27 Code, is amended to read as follows:

1 (b) Section 375.063(2) [~~375.063(3)~~], Local Government Code,
2 does not apply to the district.

3 SECTION 10. Section 3818.251, Special District Local Laws
4 Code, is repealed.

5 SECTION 11. The change in law made by this Act to Section
6 375.063, Local Government Code, does not affect the entitlement of
7 a member serving on the board of directors of a district to which
8 that section applies immediately before the effective date of this
9 Act to continue to carry out the board's functions for the remainder
10 of the member's term. The change in law applies only to a member
11 appointed on or after the effective date of this Act.

12 SECTION 12. This Act takes effect September 1, 2019.

President of the Senate

Speaker of the House

I certify that H.B. No. 304 was passed by the House on April 9, 2019, by the following vote: Yeas 142, Nays 6, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 304 was passed by the Senate on May 21, 2019, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor