1 AN ACT

- 2 relating to the powers, authorities, duties, and responsibilities
- 3 of certain conservation and reclamation districts and to notice a
- 4 person who proposes to sell or convey real property located in any
- 5 of certain conservation and reclamation districts must provide to a
- 6 prospective purchaser of that property.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 8 SECTION 1. Section 375.022, Local Government Code, is
- 9 amended by adding Subsections (d) and (e) to read as follows:
- 10 (d) The petition may request that a succeeding board of
- 11 directors be elected under Section 375.0645 instead of being
- 12 appointed under Section 375.064.
- (e) On receipt by the commission of a petition that complies
- 14 with this section, the commission shall issue a notice indicating
- 15 that the petition is administratively complete and may conduct a
- 16 hearing on the petition in the manner provided by Section 49.011,
- 17 Water Code, if the commission determines that a hearing is
- 18 <u>necessary.</u>
- 19 SECTION 2. Section 375.025(c), Local Government Code, is
- 20 amended to read as follows:
- 21 (c) If [after the hearing] the commission finds that the
- 22 petition is sufficient and conforms to the requirements of Section
- 23 375.022(c) and that the district is feasible [and necessary] and
- 24 would benefit the public, the commission by order shall make that

- 1 finding and grant the petition. In determining if the project is
- 2 feasible [and necessary] and would benefit the public, the
- 3 commission shall consider:
- 4 (1) the availability of comparable services from other
- 5 systems, including special districts, municipalities, and regional
- 6 authorities; and
- 7 (2) the reasonableness of the proposed public purpose
- 8 projects and services.
- 9 SECTION 3. Subchapter D, Chapter 375, Local Government
- 10 Code, is amended by adding Section 375.0645 to read as follows:
- 11 Sec. 375.0645. ELECTION OF DIRECTORS. (a) This section
- 12 applies only to a district created by order of the commission
- 13 providing for an elected board of directors as requested in the
- 14 petition requesting creation of the district as provided by Section
- 15 <u>375.022(d)</u>.
- 16 (b) The commission shall appoint the initial directors
- 17 under Section 375.026, and subsequent directors are elected in the
- 18 manner provided by Subchapter D, Chapter 49, Water Code.
- 19 (c) An elected director is entitled to receive fees of
- 20 office and reimbursement for actual expenses as provided by Section
- 21 <u>49.060</u>, Water Code.
- 22 (d) Sections 375.069 and 375.070 do not apply to an elected
- 23 <u>director</u>.
- (e) Section 49.052(f), Water Code, does not exempt an
- 25 elected director from disqualification under that section.
- 26 (f) Sections 375.064, 375.161, and 375.243 do not apply to a
- 27 district with an elected board.

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- 1 SECTION 4. Section 375.065, Local Government Code, is
- 2 amended to read as follows:
- 3 Sec. 375.065. REMOVAL OF DIRECTOR. The governing body of
- 4 the municipality after notice and hearing may remove a director
- 5 appointed by the municipality for misconduct or failure to carry
- 6 out the director's duties on petition by a majority of the remaining
- 7 directors.
- 8 SECTION 5. Section 375.067(a), Local Government Code, is
- 9 amended to read as follows:
- 10 (a) As soon as practicable after a director is appointed or
- 11 <u>elected as provided by this subchapter</u>, the director shall execute
- 12 a \$10,000 bond payable to the district and conditioned on the
- 13 faithful performance of the director's duties.
- 14 SECTION 6. Section 375.068, Local Government Code, is
- 15 amended to read as follows:
- 16 Sec. 375.068. OFFICERS. After directors are appointed or
- 17 elected as provided by this subchapter and have qualified by
- 18 executing a bond and taking the oath, they shall organize by
- 19 electing a president, a vice-president, a secretary, and any other
- 20 officers the board considers necessary.
- 21 SECTION 7. Section 375.071, Local Government Code, is
- 22 amended to read as follows:
- Sec. 375.071. QUORUM. (a) One-half of the serving
- 24 directors constitutes a quorum, and a concurrence of a majority of a
- 25 quorum of directors is required for any official action of the
- 26 district.
- 27 (b) If at least two-thirds of the directors execute a

- 1 written consent at any time, a majority of a quorum at a board
- 2 meeting may [The written consent of at least two-thirds of the
- 3 directors is required to authorize the levy of assessments, the
- 4 levy of taxes, the imposition of impact fees, or the issuance of
- 5 bonds. A director may execute a written consent outside of a board
- 6 meeting.
- 7 SECTION 8. Section 375.161(b), Local Government Code, is
- 8 amended to read as follows:
- 9 (b) This section does not apply to a tax or assessment, if a
- 10 tax is authorized or approved by the voters of the district, or to a
- 11 required payment for a service provided by the district, including
- 12 water and sewer services.
- 13 SECTION 9. Section 375.208, Local Government Code, is
- 14 amended to read as follows:
- 15 Sec. 375.208. COMMISSION APPROVAL. A district must obtain
- 16 approval of the commission as provided by Section 49.181 [Chapter
- 17 54], Water Code, only if the [it issues] bonds are to provide water,
- 18 sewage, or drainage facilities. [Except as expressly provided by
- 19 this section and Sections 375.062 and 375.064, a district is not
- 20 subject to the jurisdiction of the commission.
- 21 SECTION 10. Section 3919.205(d), Special District Local
- 22 Laws Code, is amended to read as follows:
- 23 (d) The district shall generate and implement a program to
- 24 provide notice modeled on the notice described by Section 49.4521
- [49.452(c)], Water Code, to a prospective purchaser of property in
- 26 the district of the assessments that have been approved and are
- 27 imposed by the district.

- 1 SECTION 11. Section 49.011(a), Water Code, is amended to
- 2 read as follows:
- 3 (a) On receipt by the commission of all required
- 4 documentation associated with an application for creation of a
- 5 district by the commission under Chapter 36, 50, 51, 54, 55, 58, 65,
- 6 or 66 of this code or Chapter 375, Local Government Code, the
- 7 commission shall issue a notice indicating that the application is
- 8 administratively complete.
- 9 SECTION 12. Section 49.060, Water Code, is amended by
- 10 amending Subsection (a) and adding Subsection (a-2) to read as
- 11 follows:
- 12 (a) A director is entitled to receive fees of office [of not
- 13 more than \$150 a day | for each day the director actually spends
- 14 performing the duties of a director. The board by resolution shall
- 15 set the fees of office. The board may not set the fees of office at
- 16 an amount greater than the amount of the per diem set by the Texas
- 17 Ethics Commission for members of the legislature under Section 24a,
- 18 Article III, Texas Constitution. In this subsection, "performing
- 19 the duties of a director" means substantive performance of the
- 20 management or business of the district, including participation in
- 21 board and committee meetings and other activities involving the
- 22 substantive deliberation of district business and in pertinent
- 23 educational programs. The phrase does not include routine or
- 24 ministerial activities such as the execution of documents,
- 25 self-preparation for meetings, or other activities requiring a
- 26 minimal amount of time.
- 27 (a-2) Notwithstanding Subsection (a-1), an authority

- 1 created by special law, by resolution of the board, may not set the
- 2 annual limit on the fees of office described by that subsection at
- 3 an amount greater than the amount a director would receive for 60
- 4 days of service a year at the maximum daily rate authorized by
- 5 Subsection (a).
- 6 SECTION 13. Section 49.063, Water Code, is amended by
- 7 adding Subsections (d) and (e) to read as follows:
- 8 (d) A district that is required by law to post notice of a
- 9 meeting on an Internet website may instead provide the notice to the
- 10 county clerk of each county in which the district is located to post
- 11 the notice on the county clerk's or county's Internet website.
- 12 (e) Failure to timely or properly post a notice of a meeting
- 13 on an Internet website does not prohibit a district from conducting
- 14 the meeting if the notice required by Section 551.054(a)(1),
- 15 Government Code, is posted timely and properly.
- SECTION 14. Section 49.065, Water Code, is amended by
- 17 adding Subsection (d) to read as follows:
- 18 (d) Subsection (b) applies to a personal e-mail address of a
- 19 director only if the district does not make available to the public
- 20 an official e-mail address for the director or the district. In
- 21 this subsection, "personal e-mail address" means an e-mail address
- 22 that is not paid for by district money and is not used primarily for
- 23 the transaction of official business of the district.
- SECTION 15. Section 49.102, Water Code, is amended by
- 25 amending Subsection (j) and adding Subsections (k) and (l) to read
- 26 as follows:
- 27 (j) The provisions of this section <u>requiring a confirmation</u>

- 1 <u>election do not apply to a [shall not be applicable to any</u>] district
- 2 exercising the powers of Chapter 375, Local Government Code, or any
- 3 district created by a special Act of the legislature that does not
- 4 require a confirmation election.
- 5 (k) Notwithstanding any other law, if the board determines
- 6 that it is in the best interest of the district and the voters of the
- 7 district for the district to administer an election under this
- 8 section, the district shall establish precincts and designate
- 9 polling locations inside the boundaries of the district.
- 10 (1) Section 43.075, Local Government Code, does not apply to
- 11 <u>a district until the board declares the district is created under</u>
- 12 Subsection (e) of this section.
- SECTION 16. Section 49.106, Water Code, is amended by
- 14 amending Subsection (e) and adding Subsection (f) to read as
- 15 follows:
- 16 (e) A district's authorization to issue bonds resulting
- 17 from an election held under this section, or any other law that
- 18 allows for the qualified voters of a district to authorize the
- 19 issuance of bonds by a district, remains in effect after the
- 20 election unless the district is dissolved [or is annexed by another
- 21 district].
- 22 <u>(f) The board may submit new bond authorization and</u>
- 23 refunding bond authorization in a single proposition at an
- 24 <u>election</u>.
- 25 SECTION 17. Section 49.181, Water Code, is amended by
- 26 adding Subsection (f-1) to read as follows:
- 27 (f-1) For the purposes of evaluating the financial

- 1 feasibility of a project financed by a bond, the commission shall
- 2 consider:
- 3 (1) a district located wholly or partly in Austin,
- 4 Brazos, Chambers, Grimes, Liberty, Walker, or Wharton County as if
- 5 the district were located in Harris County; and
- 6 (2) a district located wholly or partly in Bastrop,
- 7 Bell, Blanco, Burnet, Caldwell, Gillespie, Kendall, Lee, or Milam
- 8 County as if the district were located in Travis County.
- 9 SECTION 18. Section 49.23602(c), Water Code, is amended to
- 10 read as follows:
- 11 (c) If the board of a district adopts a combined debt
- 12 service, contract, and operation and maintenance tax rate that
- 13 exceeds the district's mandatory tax election rate, an election
- 14 must be held in accordance with the procedures provided by Sections
- 15 26.07(c)-(g), Tax Code, to determine whether to approve the adopted
- 16 tax rate. If the adopted tax rate is not approved at the election,
- 17 the district's tax rate is the voter-approval tax rate. An election
- 18 is not required if the adopted tax rate is less than or equal to the
- 19 voter-approval tax rate.
- SECTION 19. Section 49.271, Water Code, is amended by
- 21 amending Subsection (e) and adding Subsection (f) to read as
- 22 follows:
- (e) A [district] contract for construction work may include
- 24 economic incentives for early completion of the work or economic
- 25 disincentives for late completion of the work.
- 26 <u>(f) The provisions of this section apply to a contract for</u>
- 27 construction work entered into by a third party on behalf of a

1 district. 2 SECTION 20. Subchapter J, Chapter 49, Water Code, 3 amended by adding Section 49.316 to read as follows: 4 Sec. 49.316. DIVISION OF DISTRICT. (a) The board, on its 5 own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the 6 7 district, may adopt an order dividing the district. 8 (b) An order dividing a district may create one or more new districts and may provide for the continuation of the district. 10 (c) An order dividing the district shall: 11 (1) name any new district; 12 (2) include the metes and bounds description of the territory of each of the districts; 13 14 (3) appoint temporary directors for any new district; 15 and 16 (4) provide for the division of assets and liabilities 17 between the districts. (d) The board may adopt an order dividing the district 18 19 before or after the date the board holds an election to confirm the district's creation. 20

(g) On or before the 30th day after the date of adoption of

may not, at the time the new district is created, contain any land

(f) A new district created by the division of the district

(e) The district may be divided only if the district:

(1) has never issued any bonds; and

outside the area of the district at the time of creation.

(2) is not imposing ad valorem taxes.

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- 1 an order dividing the district, the district shall file the order
- 2 with the commission and record the order in the real property
- 3 records of each county in which the district is located.
- 4 (h) A new district created by the division of the district
- 5 shall hold a confirmation and directors' election.
- 6 (i) If the creation of a new district is confirmed, the new
- 7 district shall provide the election date and results to the
- 8 commission.
- 9 (j) A new district created by the division of the district
- 10 must hold an election as required by this chapter to obtain voter
- 11 approval before the district may impose a maintenance tax or issue
- 12 bonds payable wholly or partly from ad valorem taxes.
- 13 (k) Municipal consent to the creation of the district and to
- 14 the inclusion of land in the district acts as municipal consent to
- 15 the creation of any new district created by the division of the
- 16 <u>district and to the inclusion of land in the new district.</u>
- 17 (1) The district may continue to rely on confirmation,
- 18 directors', bond, and tax elections held before the division.
- 19 SECTION 21. Section 49.452, Water Code, is amended by
- 20 amending Subsection (a) and adding Subsections (a-1) and (a-2) to
- 21 read as follows:
- 22 (a) In this section, "district" means a district:
- 23 (1) governed by Chapter 375, Local Government Code; or
- 24 (2) [<del>(1) Any person who proposes to sell or convey</del>
- 25 real property located in a district] created under this title or by
- 26 a special Act of the legislature that:
- 27 (A) is providing or proposing to provide, as the

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- 1 district's principal function, water, sanitary sewer, drainage,
- 2 and flood control or protection facilities or services, or any of
- 3 these facilities or services that have been financed or are
- 4 proposed to be financed with bonds of the district payable in whole
- 5 or part from taxes of the district, or by imposition of a standby
- 6 fee, if any, to household or commercial users, other than
- 7 agricultural, irrigation, or industrial users:  $[\tau]$  and
- 8 (B) [which district] includes less than all the
- 9 territory in at least one county and which, if located within the
- 10 corporate area of a city, includes less than 75 percent of the
- 11 incorporated area of the city or which is located outside the
- 12 corporate area of a city in whole or in substantial part[, must
- 13 first give to the purchaser the written notice provided in this
- 14 section].
- 15 <u>(a-1)</u> A person who proposes to sell or convey real property
- 16 <u>located in a district must give to the purchaser the written notice</u>
- 17 as provided by this section and Section 49.4521.
- 18 (a-2) [(2)] The provisions of this section <u>are</u> [shall] not
- 19 [be] applicable to:
- 20  $\underline{\text{(1)}}$  [ $\frac{\text{(A)}}{\text{(1)}}$ ] transfers of title under any type of lien
- 21 foreclosure;
- 22 (2) [<del>(B)</del>] transfers of title by deed in cancellation
- 23 of indebtedness secured by a lien upon the property conveyed;
- 24  $\underline{(3)}$  [(C)] transfers of title by reason of a will or
- 25 probate proceedings; [or]
- 26 (4) [<del>(D)</del>] transfers of title to a governmental entity;
- 27 or

1	(5) transfers of title for the purpose of qualifying a		
2	director.		
3	SECTION 22. Subchapter $M$ , Chapter $49$ , Water Code, is		
4	amended by adding Section 49.4521 to read as follows:		
5	Sec. 49.4521. PRESCRIBED NOTICE TO PURCHASERS. (a) A		
6	notice to a purchaser provided under Section 49.452 must include:		
7	(1) a title caption in at least a 24-point, bold font		
8	stating "NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT		
9	DISTRICT"; and		
10	(2) the following statements, as applicable to the		
11	<u>district:</u>		
12	(A) "The real property that you are about to		
13	purchase is located in the (insert name of district) and may be		
14	<pre>subject to district taxes or assessments.";</pre>		
15	(B) "The district may, subject to voter approval		
16	impose taxes and issue bonds. The district may impose an unlimited		
17	rate of tax in payment of such bonds.";		
18	(C) one of the following, as applicable:		
19	(i) "The current rate of the district		
20	property tax is (insert current property tax rate) on each \$100 or		
21	assessed valuation."; or		
22	(ii) "The district has not yet imposed		
23	taxes. The projected rate of the district property tax is (insert		
24	<pre>projected property tax rate) on each \$100 of assessed valuation.";</pre>		
25	(D) "The district may impose assessments and		
26	issue bonds and impose an assessment in payment of such bonds.";		
27	(E) one of the following, as applicable:		

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1	(i) "The rate of the district assessment is	
2	(insert current assessment amount) on each \$100 of assessed	
3	valuation.";	
4	(ii) "The amount of the district assessment	
5	on the real property that you are about to purchase is (insert	
6	<pre>current assessment amount)."; or</pre>	
7	(iii) "The district has not yet imposed an	
8	assessment, but the projected (insert "rate" or "amount", as	
9	applicable) of the assessment is (insert projected assessment rate	
10	or amount, as applicable).";	
11	(F) "The total amounts of bonds payable wholly or	
12	partly from (insert "property taxes" or "assessments", as	
13	applicable) (insert ", excluding refunding bonds that are	
14	separately approved by the voters" or ", excluding any bonds or any	
15	portions of bonds issued that are payable solely from revenues	
16	received or expected to be received under a contract with a	
17	governmental entity", as applicable), approved by the voters are:	
18	(i) \$(insert amount) for water, sewer, and	
19	drainage facilities;	
20	(ii) \$(insert amount) for road facilities;	
21	(iii) \$(insert amount) for parks and	
22	recreational facilities; and	
23	(iv) \$(insert amount) for (description of	
24	additional facilities, as applicable).";	
25	(G) "The aggregate initial principal amounts of	
26	all such bonds issued are:	
27	(i) \$(insert amount) for water, sewer, and	

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1
   drainage facilities;
 2
                         (ii) $(insert amount) for road facilities;
                         (iii) $(insert amount) for parks and
 3
4
   recreational facilities; and
5
                         (iv) $(insert amount) for (description of
   additional facilities, as applicable).";
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7
                    (H) "The district sought and obtained approval of
8
   the Texas Commission on Environmental Quality to adopt and impose a
   standby fee. The amount of the standby fee is $(insert amount of
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10
   standby fee). An unpaid standby fee is a personal obligation of the
   person that owned the property at the time of imposition and is
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12
   secured by a lien on the property. Any person may request a
   certificate from the district stating the amount, if any, of unpaid
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   standby fees on a tract of property in the district.";
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15
                    (I) if applicable, one of the following:
16
                         (i) "The district is located wholly or
17
   partly in the extraterritorial jurisdiction of the City of (insert
   name of the municipality). Texas law governs the ability of a
18
   municipality to annex property in the municipality's
19
   extraterritorial jurisdiction and whether a district that is
20
   annexed by the municipality is dissolved."; or
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22
                         (ii) "The district is located wholly or
   partly within the corporate boundaries of the City of (insert name
23
24
   of the municipality). The municipality and the district overlap,
   but may not provide duplicate services or improvements. Property
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   located in the municipality and the district is subject to taxation
   by the municipality and the district.";
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- (J) "The district has entered into a strategic
- 2 partnership agreement with the City of (insert name of the
- 3 municipality). This agreement may address the timeframe, process,
- 4 and procedures for the municipal annexation of the area of the
- 5 district located in the municipality's extraterritorial
- 6 jurisdiction.";
- 7 (K) "The purpose of the district is to provide
- 8 (insert water, sewer, drainage, flood control, firefighting, road,
- 9 parks and recreational, or other type of facilities or services, as
- 10 applicable) facilities and services. The cost of district
- 11 facilities is not included in the purchase price of your
- 12 property.";
- 13 (L) "PURCHASER IS ADVISED THAT THE INFORMATION
- 14 SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME.
- 15 THE DISTRICT ANNUALLY ESTABLISHES TAX RATES. PURCHASER IS ADVISED
- 16 TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR
- 17 PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM."; and
- 18 (M) "The undersigned purchaser hereby
- 19 acknowledges receipt of the foregoing notice at or before the
- 20 execution of a binding contract for the purchase of the real
- 21 property or at closing of purchase of the real property.".
- 22 (b) The district shall omit or edit for accuracy statements
- 23 not applicable to the district, as determined by the district.
- 24 (c) The notice must be dated and executed by the seller and
- 25 the purchaser.
- 26 (d) If the law is amended and causes inaccuracies in the
- 27 content of the notice, the district shall revise the content of the

- 1 <u>notice to accurately reflect current law.</u>
- 2 SECTION 23. Section 49.453, Water Code, is amended by
- 3 adding Subsection (e) to read as follows:
- 4 (e) A district required to maintain an Internet website or
- 5 have access to a generally accessible Internet website under
- 6 Section 26.18, Tax Code, shall post or create a process for posting
- 7 the district's notice to purchasers under Section 49.4521 on the
- 8 <u>applicable Internet website.</u>
- 9 SECTION 24. Section 49.455(c), Water Code, is amended to
- 10 read as follows:
- 11 (c) The information form [and map or plat] required by this
- 12 section shall be signed by a majority of the members of the board
- 13 and by each such officer affirmed and acknowledged before it is
- 14 filed with the county clerk, and each amendment made to an
- 15 information form [or map] shall also be signed by the members of the
- 16 board and by each such officer affirmed and acknowledged before it
- 17 is filed with the county clerk.
- 18 SECTION 25. Subchapter O, Chapter 51, Water Code, is
- 19 amended by adding Section 51.7131 to read as follows:
- 20 Sec. 51.7131. ALTERNATIVE SUBSTITUTION PROCEDURES.
- 21 Notwithstanding this subchapter, a district may substitute land in
- the manner provided by Sections 54.739-54.747.
- SECTION 26. Section 53.029(e), Water Code, is amended to
- 24 read as follows:
- (e) A district that has adopted the rights, authority,
- 26 privileges, and functions of a road district in the manner provided
- 27 by Subsection (c) may, following approval of a construction

- 1 contract by the district's governing body, reimburse expenditures
- 2 as provided by Sections 257.003(a), [and] (b), and (d),
- 3 Transportation Code, without any additional approval  $\underline{or}$
- 4 determination under Section 257.003, Transportation Code.
- 5 SECTION 27. Section 54.016, Water Code, is amended by
- 6 adding Subsection (f-1) to read as follows:
- 7 (f-1) An agreement between a municipality and a municipal
- 8 utility district is an allocation agreement only if:
- 9 (1) the agreement strictly complies with the
- 10 requirements of Subsection (f); and
- 11 (2) the agreement is specifically designated by the
- 12 parties to the agreement as an "allocation agreement" under
- 13 Subsection (f).
- SECTION 28. Sections 54.234(d) and (e), Water Code, are
- 15 amended to read as follows:
- 16 (d) If the commission issues an order approving the
- 17 petition, the district may undertake a road project if:
- 18 (1) the municipality or county with platting
- 19 jurisdiction [that will operate and maintain the road] has approved
- 20 the plans and specifications of the road project; or
- 21 (2) the Texas Transportation Commission has approved
- 22 the plans and specifications of the road project, if the state is to
- 23 operate and maintain the road.
- (e) Notwithstanding any other law and except [Except] as
- 25 provided by Subsection (d), a district is not required to obtain
- 26 approval from the Texas Transportation Commission to acquire,
- 27 construct, convey, or finance the road project.

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- 1 SECTION 29. Section 54.728, Water Code, is amended to read
- 2 as follows:
- 3 Sec. 54.728. CONSOLIDATION OF DISTRICTS. (a) Two or more
- 4 districts governed by the provisions of this chapter may
- 5 consolidate into one district as provided by Sections 54.729-54.733
- 6 of this code.
- 7 (b) One or more districts governed by the provisions of this
- 8 chapter and one or more districts governed by the provisions of
- 9 Chapter 375, Local Government Code, may consolidate into one
- 10 district as provided by this subsection and Sections 54.729-54.733
- 11 of this code. The initial directors of the consolidated district
- 12 shall be elected and serve terms as provided by Section 49.103 of
- 13 this code. The consolidation agreement under this subsection may
- 14 provide that the consolidated district continue operating with the
- 15 powers, authorities, duties, responsibilities, and board of
- 16 <u>directors of one of the original districts before consolidation.</u>
- 17 (c) After the initial election of directors, a district
- 18 consolidated under Subsection (b) is governed as agreed by either:
- 19 (1) an elected board of directors, who must be elected
- 20 at a general election in the manner and for the terms provided by
- 21 <u>Section 49.103; or</u>
- 22 (2) an appointed board of directors, who must be
- 23 appointed as provided under Chapter 375, Local Government Code.
- SECTION 30. Section 57.053, Water Code, is amended by
- 25 amending Subsection (a) and adding Subsection (d) to read as
- 26 follows:
- 27 (a) A vacancy on an appointed board is filled by the

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- 1 appointment of a director by a majority vote of the commissioners
- 2 court. [A director appointed to fill a vacancy must be a person
- 3 qualified for election as a director under Section 57.059.
- 4 commissioners court shall appoint directors so that the board will
- 5 always have full membership.
- 6 (d) A director appointed to fill a vacancy must be a person
- 7 qualified to serve as a director under Section 57.059.
- 8 SECTION 31. Section 57.059, Water Code, is amended to read
- 9 as follows:
- 10 Sec. 57.059. QUALIFICATIONS FOR [ELECTED] DIRECTORS. To be
- 11 qualified to serve [for election] as a director, a person must:
- 12 <u>(1) be at least 18 years old;</u>
- 13 (2) own land subject to taxation in the district or be
- 14 a qualified voter in the district; [property taxpaying elector of
- 15 the precinct and county from which he is elected] and
- 16 (3) if the director is elected, be a qualified voter of
- 17 the precinct in the district established by the commissioners court
- 18 under Section 57.058 from which the director is elected [be
- 19 eliqible under the constitution and laws of this state to hold the
- 20 office to which he is elected].
- 21 SECTION 32. The following provisions are repealed:
- 22 (1) Sections 375.023 and 375.024, Local Government
- 23 Code;
- 24 (2) Sections 375.025(a) and (b), Local Government
- 25 Code;
- 26 (3) Sections 49.452(b), (c), (d), and (e), Water Code;
- 27 (4) Sections 49.455(f) and (h), Water Code;

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- 1 (5) Section 54.030(b), Water Code, as amended by
- 2 Chapter 539 (H.B. 2914), Acts of the 86th Legislature, Regular
- 3 Session, 2019;
- 4 (6) Section 54.032(a), Water Code, as amended by
- 5 Chapter 539 (H.B. 2914), Acts of the 86th Legislature, Regular
- 6 Session, 2019;
- 7 (7) Section 54.033(a), Water Code, as amended by
- 8 Chapter 539 (H.B. 2914), Acts of the 86th Legislature, Regular
- 9 Session, 2019; and
- 10 (8) Section 54.103, Water Code.
- 11 SECTION 33. (a) Section 49.452, Water Code, as amended by
- 12 this Act, and Section 49.4521, Water Code, as added by this Act,
- 13 apply only to notice given to a purchaser of real property within a
- 14 water district on or after the effective date of this Act. Notice
- 15 given to a purchaser before the effective date is governed by the
- 16 law in effect at the time the notice was given, and that law is
- 17 continued in effect for that purpose.
- 18 (b) Section 49.455, Water Code, as amended by this Act,
- 19 applies only to an information form filed on or after the effective
- 20 date of this Act. An information form filed before the effective
- 21 date of this Act is governed by the law in effect on the date the
- 22 form was filed, and that law is continued in effect for that
- 23 purpose.
- 24 SECTION 34. This Act takes effect immediately if it
- 25 receives a vote of two-thirds of all the members elected to each
- 26 house, as provided by Section 39, Article III, Texas Constitution.
- 27 If this Act does not receive the vote necessary for immediate

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1 effect, this Act takes effect September 1, 2023.

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President of the Senate	Speaker of the House			
I certify that H.B. No. 281	.5 was passed by the House on May			
12, 2023, by the following vote:	Yeas 124, Nays 16, 2 present, not			
voting; and that the House concurred in Senate amendments to H.B.				
No. 2815 on May 26, 2023, by the following vote: Yeas 129, Nays 9,				
1 present, not voting.				
	Chief Clerk of the House			
I certify that H.B. No. 281	5 was passed by the Senate, with			
amendments, on May 24, 2023, by the	ne following vote: Yeas 30, Nays			
0.				
	Secretary of the Senate			
APPROVED:				
Date				
Governor				