

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. The Legacy Water Control and Improvement District is converted to the Legacy Municipal Management District and is governed by Chapter 4008, Special District Local Laws Code, as added by this Act.

SECTION 2. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 4008 to read as follows:
CHAPTER 4008. LEGACY MUNICIPAL MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 4008.0101. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "County" means Webb County.
(3) "Director" means a board member.
(4) "District" means the Legacy Municipal Management District, formerly the Legacy Water Control and Improvement District.
Sec. 4008.0102. NATURE OF DISTRICT; CONVERSION.
The Legacy Municipal Management District is a special district created under Section 59, Article XVI, Texas Constitution, as the Legacy Water Control and Improvement District. The district is converted to a municipal management district known as the Legacy Municipal Management District under the same constitutional authority.
Sec. 4008.0103. PURPOSE; DECLARATION OF INTENT.
(a) The conversion and operation of the district are essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By converting the district to a municipal management district and in authorizing the county and other political subdivisions to contract with the district, the legislature has established a program to

SENATE VERSION (CS)

SECTION 1. Same as House version.

SECTION 2. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 4008 to read as follows:
CHAPTER 4008. LEGACY MUNICIPAL MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 4008.0101. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "County" means Webb County.
(3) "Director" means a board member.
(4) "District" means the Legacy Municipal Management District, formerly the Legacy Water Control and Improvement District.
Sec. 4008.0102. NATURE OF DISTRICT; CONVERSION.
The Legacy Municipal Management District is a special district created under Section 59, Article XVI, Texas Constitution, as the Legacy Water Control and Improvement District. The district is converted to a municipal management district known as the Legacy Municipal Management District under the same constitutional authority.
Sec. 4008.0103. PURPOSE; DECLARATION OF INTENT.
(a) The conversion and operation of the district are essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By converting the district to a municipal management district and in authorizing the county and other political subdivisions to contract with the district, the legislature has established a program to

CONFERENCE

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The conversion and operation of the district are necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the conversion or operation of the district may not be interpreted to relieve the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant county services provided in the district.

Sec. 4008.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is converted to a municipal management district to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The conversion and operation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;

(2) eliminating unemployment and underemployment; and

(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve,

SENATE VERSION (CS)

accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The conversion and operation of the district are necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the conversion or operation of the district may not be interpreted to relieve the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant county services provided in the district.

Sec. 4008.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is converted to a municipal management district to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The conversion and operation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;

(2) eliminating unemployment and underemployment; and

(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve,

CONFERENCE

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

maintain, and enhance the economic health and vitality of the district territory as a community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Sec. 4008.0105. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 3 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 3 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Sec. 4008.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is

SENATE VERSION (CS)

maintain, and enhance the economic health and vitality of the district territory as a community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Sec. 4008.0105. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 3 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 3 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Sec. 4008.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is

CONFERENCE

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code; or

(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code.

Sec. 4008.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 4008.0108. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 4008.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Sec. 4008.0202. RECOMMENDATIONS FOR SUCCEEDING BOARD. (a) The initial and each succeeding board of directors shall, and the owners of a majority of the assessed value of property subject to assessment by the district may, recommend to the governing body of the county persons to serve on the succeeding board.

(b) After reviewing the recommendations, the governing body shall approve or disapprove the directors recommended under Subsection (a).

(c) If the governing body is not satisfied with the recommendations submitted under Subsection (a), the board, on the request of the governing body, shall submit to the governing body additional recommendations.

(d) Board members may serve successive terms.

Sec. 4008.0203. DISQUALIFICATION OF DIRECTORS. Section 49.052, Water Code, does not apply to the district.

SENATE VERSION (CS)

eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code; or

(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code.

Sec. 4008.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 4008.0108. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 4008.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Sec. 4008.0202. RECOMMENDATIONS FOR SUCCEEDING BOARD. (a) The initial and each succeeding board of directors shall, and the owners of a majority of the assessed value of property subject to assessment by the district may, recommend to the governing body of the county persons to serve on the succeeding board.

(b) After reviewing the recommendations, the governing body shall approve or disapprove the directors recommended under Subsection (a).

(c) If the governing body is not satisfied with the recommendations submitted under Subsection (a), the board, on the request of the governing body, shall submit to the governing body additional recommendations.

(d) Board members may serve successive terms.

CONFERENCE

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

Sec. 4008.0204. REMOVAL OF DIRECTOR. The governing body of the county after notice and hearing may remove a director for misconduct or failure to carry out the director's duties on petition by a majority of the remaining directors.

Sec. 4008.0205. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification; or

(2) a director who is abstaining from participation in a vote because of a conflict of interest.

Sec. 4008.0206. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Sec. 4008.0207. INITIAL DIRECTORS ON CONVERSION TO MANAGEMENT DISTRICT. (a) On the conversion of the district to a management district the initial board consists of the following directors:

Pos. No.Name of Director

1.Richard Jones

2.Michael Olson

3.Melissa Johnson

4.Kathleen Walker

5.William Baize

(b) Notwithstanding Section 4008.0201, of the initial directors, the terms of directors appointed for positions one, two, and three expire June 1, 2024, and the terms of directors appointed for positions four and five expire June 1, 2026.

(c) This section expires September 1, 2026.

SENATE VERSION (CS)

Sec. 4008.0203. REMOVAL OF DIRECTOR. The governing body of the county after notice and hearing may remove a director for misconduct or failure to carry out the director's duties on petition by a majority of the remaining directors.

Sec. 4008.0204. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification; or

(2) a director who is abstaining from participation in a vote because of a conflict of interest.

Sec. 4008.0205. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Sec. 4008.0206. INITIAL DIRECTORS ON CONVERSION TO MANAGEMENT DISTRICT. (a) On the conversion of the district to a management district the initial board consists of the following directors:

Pos. No.Name of Director

1.Richard Jones

2.Michael Olson

3.Melissa Johnson

4.Kathleen Walker

5.William Baize

(b) Notwithstanding Section 4008.0201, of the initial directors, the terms of directors appointed for positions one, two, and three expire June 1, 2024, and the terms of directors appointed for positions four and five expire June 1, 2026.

(c) This section expires September 1, 2026.

CONFERENCE

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SUBCHAPTER C. POWERS AND DUTIES

Sec. 4008.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 4008.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The district, using any money available to the district for the purpose, may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

(b) The district may contract with a governmental or private entity to carry out an action under Subsection (a).

(c) The implementation of a district project or service is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 4008.0303. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Sec. 4008.0304. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 4008.0305. ECONOMIC DEVELOPMENT PROGRAMS. (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:

SENATE VERSION (CS)

SUBCHAPTER C. POWERS AND DUTIES

Sec. 4008.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 4008.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The district, using any money available to the district for the purpose, may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

(b) The district may contract with a governmental or private entity to carry out an action under Subsection (a).

(c) The implementation of a district project or service is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 4008.0303. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Sec. 4008.0304. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 4008.0305. ECONOMIC DEVELOPMENT PROGRAMS. (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:

CONFERENCE

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(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 provided to municipalities by:
(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.
Sec. 4008.0306. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.
(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.
(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.
(d) The development and operation of the district's parking facilities may be considered an economic development program.
Sec. 4008.0307. ADDING OR EXCLUDING LAND. The district may add or exclude land in the manner provided by Subchapter J, Chapter 49, Water Code, or by Subchapter H, Chapter 54, Water Code.
Sec. 4008.0308. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.
Sec. 4008.0309. NO EMINENT DOMAIN POWER. The

SENATE VERSION (CS)

(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 provided to municipalities by:
(1) Chapter 380, Local Government Code; and
(2) Subchapter A, Chapter 1509, Government Code.
Sec. 4008.0306. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.
(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.
(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.
(d) The development and operation of the district's parking facilities may be considered an economic development program.
Sec. 4008.0307. ADDING OR EXCLUDING LAND. The district may add or exclude land in the manner provided by Subchapter J, Chapter 49, Water Code, or by Subchapter H, Chapter 54, Water Code.
Sec. 4008.0308. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.
Sec. 4008.0309. NO EMINENT DOMAIN POWER. The

CONFERENCE

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

district may not exercise the power of eminent domain.

SUBCHAPTER D. ASSESSMENTS

Sec. 4008.0401. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 4008.0402. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real

SENATE VERSION (CS)

district may not exercise the power of eminent domain.

SUBCHAPTER D. ASSESSMENTS

Sec. 4008.0401. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 4008.0402. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real

CONFERENCE

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

SUBCHAPTER E. TAXES AND BONDS

Sec. 4008.0501. TAX ELECTION REQUIRED. (a) The district must hold an election in the manner provided by Chapter 49, Water Code, or, if applicable, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax.

(b) Section 375.243, Local Government Code, does not apply to the district.

Sec. 4008.0502. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election under or in accordance with Section 4008.0501, the district may impose an operation and maintenance tax on taxable property in the district in the manner provided by or in accordance with Section 49.107, Water Code, for any district purpose, including to:

- (1) maintain and operate the district;
- (2) construct or acquire improvements; or
- (3) provide a service.

(b) The district may impose an operation and maintenance tax previously approved by a majority of the voters of the former Legacy Water Control and Improvement District.

(c) The board shall determine the operation and maintenance tax rate. The rate may not exceed:

- (1) if the district has not held an election under Subsection (a), the rate approved at an election described by Subsection (b); or

SENATE VERSION (CS)

property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

SUBCHAPTER E. TAXES AND BONDS

Sec. 4008.0501. TAX ELECTION REQUIRED. (a) The district must hold an election in the manner provided by Chapter 49, Water Code, or, if applicable, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax.

(b) Section 375.243, Local Government Code, does not apply to the district.

Sec. 4008.0502. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election under or in accordance with Section 4008.0501, the district may impose an operation and maintenance tax on taxable property in the district in the manner provided by or in accordance with Section 49.107, Water Code, for any district purpose, including to:

- (1) maintain and operate the district;
- (2) construct or acquire improvements; or
- (3) provide a service.

(b) The district may impose an operation and maintenance tax previously approved by a majority of the voters of the former Legacy Water Control and Improvement District.

(c) The board shall determine the operation and maintenance tax rate. The rate may not exceed:

- (1) if the district has not held an election under Subsection (a), the rate approved at an election described by Subsection (b); or

CONFERENCE

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(2) if the district has held an election under Subsection (a), the rate approved at that election.

Sec. 4008.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may borrow money on terms determined by the board.

(b) 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, or any combination of those sources of money, to pay for any authorized district purpose.

Sec. 4008.0504. OBLIGATIONS SECURED BY REVENUE OR CONTRACT PAYMENTS. The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes, including contract revenues; or

(2) contract payments, provided that the requirements of Section 49.108, Water Code, have been met.

Sec. 4008.0505. BONDS SECURED BY AD VALOREM TAXES; ELECTIONS. (a) If authorized at an election under Section 4008.0501, the district may issue bonds payable from ad valorem taxes.

(b) At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

(c) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to

SENATE VERSION (CS)

(2) if the district has held an election under Subsection (a), the rate approved at that election.

Sec. 4008.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may borrow money on terms determined by the board.

(b) 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, or any combination of those sources of money, to pay for any authorized district purpose.

Sec. 4008.0504. OBLIGATIONS SECURED BY REVENUE OR CONTRACT PAYMENTS. The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes, including contract revenues; or

(2) contract payments, provided that the requirements of Section 49.108, Water Code, have been met.

Sec. 4008.0505. BONDS SECURED BY AD VALOREM TAXES; ELECTIONS. (a) If authorized at an election under Section 4008.0501, the district may issue bonds payable from ad valorem taxes.

(b) At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

(c) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to

CONFERENCE

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

be voted on at the election.

Sec. 4008.0506. CONSENT OF COUNTY REQUIRED. (a) The board may not issue bonds until the county has consented by resolution to the conversion of the Legacy Water Control and Improvement District to a municipal management district and to the inclusion of land in the district.

(b) This section applies only to the district's first issuance of bonds payable from ad valorem taxes.

SUBCHAPTER I. DISSOLUTION AND MUNICIPAL ANNEXATION

Sec. 4008.0901. DISSOLUTION. (a) The board shall dissolve the district on written petition filed with the board by the owners of:

(1) at least two-thirds of the assessed value of the property subject to assessment by the district based on the most recent certified county property tax rolls; or

(2) at least two-thirds of the surface area of the district, excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment by the district according to the most recent certified county property tax rolls.

(b) The board by majority vote may dissolve the district at any time.

(c) The district may not be dissolved by its board under Subsection (a) or (b) if the district:

(1) has any outstanding bonded indebtedness until that bonded indebtedness has been repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonds;

(2) has a contractual obligation to pay money until that obligation has been fully paid in accordance with the contract;
or

SENATE VERSION (CS)

be voted on at the election.

Sec. 4008.0506. CONSENT OF COUNTY REQUIRED. (a) The board may not issue bonds until the county has consented by resolution to the conversion of the Legacy Water Control and Improvement District to a municipal management district and to the inclusion of land in the district.

(b) This section applies only to the district's first issuance of bonds payable from ad valorem taxes.

SUBCHAPTER I. DISSOLUTION AND MUNICIPAL ANNEXATION

Sec. 4008.0901. DISSOLUTION. (a) The board shall dissolve the district on written petition filed with the board by the owners of:

(1) at least two-thirds of the assessed value of the property subject to assessment by the district based on the most recent certified county property tax rolls; or

(2) at least two-thirds of the surface area of the district, excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment by the district according to the most recent certified county property tax rolls.

(b) The board by majority vote may dissolve the district at any time.

(c) The district may not be dissolved by its board under Subsection (a) or (b) if the district:

(1) has any outstanding bonded indebtedness until that bonded indebtedness has been repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonds;

(2) has a contractual obligation to pay money until that obligation has been fully paid in accordance with the contract;
or

CONFERENCE

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION (CS)	CONFERENCE
<p>(3) <u>owns, operates, or maintains public works, facilities, or improvements unless the district contracts with another person for the ownership, operation, or maintenance of the public works, facilities, or improvements.</u></p> <p>(d) <u>Sections 375.261, 375.262, and 375.264, Local Government Code, do not apply to the district.</u></p> <p><u>Sec. 4008.0902. MUNICIPAL ANNEXATION. The district is a "water or sewer district" under Section 43.071, Local Government Code.</u></p>	<p>(3) <u>owns, operates, or maintains public works, facilities, or improvements unless the district contracts with another person for the ownership, operation, or maintenance of the public works, facilities, or improvements.</u></p> <p>(d) <u>Sections 375.261, 375.262, and 375.264, Local Government Code, do not apply to the district.</u></p> <p><u>Sec. 4008.0902. MUNICIPAL ANNEXATION. The district is a "water or sewer district" under Section 43.071, Local Government Code.</u></p>	
<p>SECTION 3. Metes and bounds description of the Legacy Municipal Management District's territory.</p>	<p>SECTION 3. Same as House version.</p>	
<p>SECTION 4. The Legacy Municipal Management District retains all rights, powers, privileges, authority, duties, and functions that the Legacy Water Control and Improvement District had before the effective date of this Act, except as otherwise expressly provided by Chapter 4008, Special District Local Laws Code, as added by this Act.</p>	<p>SECTION 4. Same as House version.</p>	
<p>SECTION 5. (a) The legislature validates and confirms all governmental acts and proceedings of the Legacy Water Control and Improvement District that were taken before the effective date of this Act.</p> <p>(b) This section does not apply to any matter that on the effective date of this Act:</p> <p>(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or</p> <p>(2) has been held invalid by a final court judgment.</p>	<p>SECTION 5. Same as House version.</p>	
<p>SECTION 6. (a) The legal notice of the intention to</p>	<p>SECTION 6. Same as House version.</p>	

House Bill 5405
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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, one of the required recipients, 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) The general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with.

(e) 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 have been fulfilled and accomplished.

SECTION 7. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

SENATE VERSION (CS)

SECTION 7. Same as House version.

CONFERENCE