

BILL ANALYSIS

C.S.H.B. 4308
By: Gates
Trade, Workforce & Economic Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that many counties across Texas struggle to attract major industrial employers due to limited financial incentives, particularly counties with a population of less than three million, that this lack of financial incentives serves to inhibit competition and much-needed economic growth in these counties, and that the local communities in these counties would greatly benefit from more jobs that industrial employers would bring to the area. C.S.H.B. 4308 seeks to allow a commissioners court to provide these financial incentives through the establishment of industrial development districts, applicable to any county with a population of not more than three million, to encourage economic growth. These districts would have the power to design, construct, acquire, and maintain improvements and services that support industrial development. Further, the districts could offer loans and grants to stimulate business activity within the district.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4308 amends the Local Government Code to set out provisions relating to the creation, with voter approval, of industrial development districts in a county with a population of not more than three million.

General Provisions

Purposes; Declaration of Intent

C.S.H.B. 4308 establishes the following relating to a county industrial development district:

- creation of each district is 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 the bill;
- the creation of each district under the bill's provisions is 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; and
- the creation of a district may not be interpreted to relieve a county or municipality from providing the level of services provided to the area in the district as of the date the district

is created and a district is created to supplement and not to supplant county or municipality services provided in a district.

Findings of Benefit

C.S.H.B. 4308 sets out the following findings of benefit:

- certain counties in Texas need incentives for the development of public improvements to attract major industrial employers to those counties, and those counties are at a disadvantage in competing with counties in other states for the location and development of projects that attract major industrial employers by virtue of the availability and prevalent use of financial incentives in other states;
- all land and other property included in the boundaries of a district will benefit from the projects, 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 the bill's provisions;
- the creation of a district is in the public interest and essential to further the public purposes of developing and diversifying the economy of the state, eliminating unemployment and underemployment, and developing or expanding transportation and commerce;
- a district will do the following:
 - promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public; and
 - promote the economic welfare of the citizens of the state by providing incentives for the location and development in certain counties of projects that attract major industrial employers in order to increase employment and economic activity; and
- a district will not act as the agent or instrumentality of any private interest even though the districts might benefit many private interests as well as the public.

Eligibility for Inclusion in Special Zones

C.S.H.B. 4308 makes all or any part of the area of a district eligible to be included in a tax increment reinvestment zone created under the Tax Increment Financing Act or a tax abatement reinvestment zone created under the Property Redevelopment and Tax Abatement Act.

Governmental Agency; Tort Claims

C.S.H.B. 4308 makes applicable to a district created under the bill's provisions the following:

- statutory provisions establishing that a municipal management district is a governmental agency, a body politic and corporate, and a political subdivision of the state and a unit of government for purposes of the Texas Tort Claims Act, and that operations of such a district are considered to be essential governmental functions and not proprietary functions for all purposes, including the application of the act; and
- provisions of the County Development District Act establishing that a county development district, after it is created, may sue and be sued in any court of the state in the name of the district and that service of process in any suit may be made by serving any two directors.

Construction of Provisions

C.S.H.B. 4308 requires its provisions to be liberally construed in conformity with the findings and purposes stated in the bill.

Creation of Districts

Creation Election

C.S.H.B. 4308 authorizes the commissioners court of a county with a population of not more than three million to order an election on the question of creating a county industrial development district.

Contents of Order

C.S.H.B. 4308 requires the order calling the election to do the following:

- describe the boundaries of the proposed district by metes and bounds or by lot and block number, if there is a recorded map or plat and survey of the area; and
- call for the election to be held within those boundaries.

Conduct of Election

C.S.H.B. 4308 requires the election to be held in accordance with Election Code provisions to the extent not inconsistent with the bill's provisions. The bill requires the election ballot to be printed to permit voting for or against a specified proposition.

Results of Election

C.S.H.B. 4308 establishes the following relating to election results:

- if a majority of the votes received at the election favor the creation of the district, the district is created and if a majority of the votes received at the election are against the creation of the district, the district is not created; and
- failure to approve the creation of a district does not affect the authority of the county to call one or more elections on the question of creating one or more districts.

District Administration

Board of Directors

C.S.H.B. 4308 establishes that a district is governed by a board of nine directors appointed by the commissioners court of the county in which the district is located. Directors serve staggered four-year terms with four or five members' terms expiring September 1 of every other year. The bill requires the directors to draw lots to determine the four directors to serve terms that expire on September 1 of the second year following creation of the district and the five directors to serve terms that expire on September 1 of the fourth year following creation of the district.

Qualifications for Directors

C.S.H.B. 4308 requires an individual, for qualification to serve as a director, to be at least 21 years old and a qualified voter of the county in which the district is located.

Persons Disqualified From Serving

C.S.H.B. 4308 makes Water Code provisions applicable to all general law districts relating to disqualification of directors applicable to directors of a district created under the bill's provisions.

Board Vacancy

C.S.H.B. 4308 requires a vacancy in the office of director to be filled by appointment by the commissioners court.

Removal of Director

C.S.H.B. 4308 authorizes the commissioners court, after notice and hearing, to remove a director for misconduct or failure to carry out the director's duties on petition by a majority of the remaining directors.

Officers

C.S.H.B. 4308 requires the directors of the board, after each appointment of directors and after the directors have qualified by taking the proper oath, to elect a president, vice president, secretary, and any other officers the board considers necessary.

Quorum; Officers' Duties; Management of District

C.S.H.B. 4308 establishes that the following Water Code provisions generally applicable to all general law districts relating to quorum, officers' duties, and management of a district govern the board of a district:

- the provision establishing that a majority of the board constitutes a quorum for any meeting;
- the provision regarding the requirement for a board to elect officers after a district is created and the directors have qualified;
- the provision making the board responsible for the management of all the affairs of the district; and
- the provision subjecting a director of a district to applicable state law regulating conflicts of interest of officers of municipalities, counties, and other local governments.

District Office; Meetings and Notice

C.S.H.B. 4308 requires the board to designate and establish a district office in the county and authorizes the board to establish regular meetings to conduct district business and hold special meetings at other times as the business of a district requires. The bill requires notice of the time, place, and purpose of any meeting of the board to be given by posting at a place convenient to the public within the district and requires a copy of the notice to be furnished to the clerk or clerks of the county in which the district is located, and requires the clerk to post the notice on a bulletin board in the county courthouse used for that purpose. The bill makes state open meetings law applicable to meetings of the board and authorizes any interested person to attend any meeting of the board.

Director's Compensation; Bond and Oath of Office

C.S.H.B. 4308 makes applicable to the directors of a district created under the bill's provisions the following statutory provisions that are applicable to a municipal management district generally:

- the provision requiring a director to execute a \$10,000 bond payable to the district and to take the constitutional oath of office required for public officers;
- the provision establishing that a position on the board may not be construed to be a civil office of emolument for any purpose; and
- the provision establishing that a director is not entitled to compensation for service on the board but is entitled to be reimbursed for necessary expenses incurred in carrying out the duties and responsibilities of a director.

Powers and Duties

C.S.H.B. 4308 establishes that a district has the powers and duties necessary to accomplish the purposes for which the district is created and that the district has the power of a municipal management district created under applicable state law. The bill, with respect to the specific

powers of a district, authorizes a district, using any money available to the district for the purpose, to do the following:

- provide, design, construct, acquire, improve, relocate, operate, maintain, or finance a district project;
- provide the necessary infrastructure to attract major industrial employers to the district and its vicinity, which may be conducted by the district using financial incentives and contracts for professional services with persons or organizations selected by the district;
- acquire, sell, lease, convey, or otherwise dispose of property or an interest in property under terms determined by the district;
- plan, acquire, establish, develop, construct, renovate, and dispose of projects to benefit the district;
- enter agreements with governmental or private entities, including providers of public utilities and commercial railways, to develop necessary infrastructure for the purposes of the district and any other district purpose; and
- adopt rules to govern the operation of the district and its employees and property.

The bill establishes that the implementation of a district project or service is a governmental function or service for the purposes of the Interlocal Cooperation Act.

Nonprofit Corporation

C.S.H.B. 4308 authorizes the board by resolution to authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by the bill's provisions. The bill establishes that such a nonprofit corporation has each power of and is considered to be a local government corporation created under the Texas Transportation Corporation Act and authorizes such a nonprofit corporation to implement any project and provide any service authorized by the bill's provisions. The bill requires the board to appoint the board of directors of the nonprofit corporation and requires the board of directors of the nonprofit corporation to serve in the same manner as the board of directors of a local government corporation created under the Texas Transportation Corporation Act, except that a board member is not required to reside in the district.

Competitive Bidding; Contract Award

C.S.H.B. 4308 makes applicable to a district created under the bill's provisions the following statutory provisions governing competitive bidding with respect to municipal management districts in general:

- provisions establishing applicability of Water Code provisions with respect to competitive bidding on contracts for construction work, equipment, materials or machinery; and
- provisions establishing that the applicable statutory provisions regarding competitive bidding with respect to municipal management districts in general state the required procedures necessary for a district award contracts supersede any law or other requirement with respect to award of contracts.

The bill authorizes a district to use a method authorized by the Government Code provisions related to contracting and delivery procedures for construction projects as an alternative to competitive bidding. The bill establishes that a contract between the district and a governmental entity or nonprofit corporation created under the Development Corporation Act is not subject to the competitive bidding requirement described by these provisions of the bill regarding competitive bidding.

Economic Development Programs

C.S.H.B. 4308 authorizes a district to do the following:

- engage in activities that accomplish the economic development purposes of the district;
- establish and provide for the administration of one or more programs to promote state or local economic development and stimulate business and commercial activity in the

district, including programs to make loans and grants of public money and provide district personnel and services; and

- create economic development programs and exercise the economic development powers provided to municipalities by statutory provisions relating to economic development programs for municipal planning and development and Government Code provisions relating to the issuance or sale of bonds for facilities sold or leased to public or private entities.

Adding or Excluding Land

C.S.H.B. 4308 authorizes a district to add or exclude land in the manner provided by Water Code provisions applicable to all general law districts relating to annexation or exclusion of land or Water Code provisions applicable to municipal utility districts relating to adding and excluding territory and to consolidating and dissolving districts.

Disbursements and Transfers of Money

C.S.H.B. 4308 requires the board by resolution to establish the method of disbursement of the districts funds and the number of directors' signatures and the procedure required for the disbursement or transfer of district money.

Repayment of Organizational Expenses

C.S.H.B. 4308 authorizes a district to reimburse any person for a cost or expense necessarily incurred in the creation and organization of the district, including costs of investigation and making plans, costs of engineer's reports, project designer fees, legal fees, and other incidental expenses. The bill defines "cost" by reference to the meaning assigned by the Development Corporation Act with respect to a project. These payments may be made from money obtained from the issuance of notes or the sale of bonds first issued by the district or out of other revenues of the district.

C.S.H.B. 4308 establishes that "project" includes the following:

- a project described by the Development Corporation Act, other than a port;
- the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are, as follows:
 - for the creation or retention of primary jobs and found by the board of directors to be required or suitable for the development, retention, or expansion of advanced manufacturing, operations, and industrial facilities or advanced nuclear reactors; or
 - found by the board of directors to be required or suitable for use for a career center in the area to be benefited by the district;
- job training required or suitable for the promotion or development and expansion of business enterprises described by the bill; and
- expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, including:
 - streets and roads, rail spurs, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements, and related improvements; and
 - telecommunications and Internet improvements.

The bill defines "primary job" by reference to the meaning assigned to the term by the Development Corporation Act.

Assessments

Petition Required for Financing Services and Improvements With Assessments

C.S.H.B. 4308 prohibits the board from financing a service or improvement project with assessments under the bill's provisions unless a written petition requesting that service or improvement has been filed with the board. The bill requires such a petition to 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.

Assessments; Liens for Assessments

C.S.H.B. 4308 authorizes the board by resolution to impose and collect an assessment for any purpose authorized by the bill in all or any part of the district. 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 are, as follows:

- a first and prior lien against the property assessed;
- superior to any other lien or claim other than a lien or claim for county, school district, or municipal property taxes; and
- the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

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 a property tax lien against real property and may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of a parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Taxes and Bonds

Tax Election Required

C.S.H.B. 4308 requires a district to hold an election in the manner provided by Water Code provisions applicable to all general law districts or, if applicable, statutory provisions relating to municipal management districts in general to obtain voter approval before the district may impose a property tax. The statutory provision relating to the petition requirement for a bond election that is applicable to municipal management districts in general is inapplicable to a district created under the bill's provisions.

Operation and Maintenance Tax

C.S.H.B. 4308 authorizes a district, if authorized by a majority of the district voters voting in the election, to impose an operation and maintenance tax on taxable property in the district in the manner provided by Water Code provisions governing general law districts that are applicable to all districts for any district purpose, including for the purposes of:

- maintaining and operating the district;
- constructing or acquiring improvements; or
- providing a service.

The bill requires the board to determine the tax rate but prohibits the rate from exceeding the rate approved at the election.

Authority to Borrow Money and to Issue Bonds and Other Obligations

C.S.H.B. 4308 authorizes a district to borrow money on terms determined by the board and to issue bonds, notes, or other obligations payable wholly or partly from property 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, including the following:

- paying interest on district bonds during and after the period of the acquisition or construction of a project;
- paying administrative and operating expenses;
- creating a reserve fund for the payment of principal and interest on the bonds; and
- paying all expenses incurred and to be incurred in the issuance, sale, and delivery of the bonds.

The bill establishes that the limitation on the outstanding principal amount of bonds, notes, or other obligations provided under Water Code provisions relating to bonds for recreational facilities does not apply to the district.

Bonds Secured by Revenue or Contract Payments

C.S.H.B. 4308 authorizes a district to issue without an election bonds secured by the following:

- revenue other than property taxes, including contract revenues; or
- contract payments, provided that the requirements of Water Code provisions relating to contract elections have been met.

C.S.H.B. 4308 authorizes a district to issue bonds payable from property taxes if authorized by a majority of the votes in an election held for such purposes. At the time the district issues bonds payable wholly or partly from property taxes, the board must provide for the annual imposition of a continuing direct annual property 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 Water Code provisions, with respect to municipal utility district taxes, relating to a tax levy for bonds and the establishment of the tax rate in each year. The bill authorizes all or any part of any project, facility, or improvements that may be acquired by a district by the issuance of its bonds to be submitted as a single proposition or as several propositions to be voted on at an election.

Consent of Municipality Required

C.S.H.B. 4308, applicable only to the district's first issuance of bonds payable from property taxes, prohibits the board from issuing bonds until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district as required by applicable law.

Sales and Use Tax

Applicability of Certain Tax Code Provisions

C.S.H.B. 4308 establishes that the Municipal Sales and Use Tax Act governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by these sales and use tax bill provisions except to the extent the act is inconsistent with the bill. The bill establishes that a reference in the act to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

C.S.H.B. 4308 authorizes a district to adopt a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose. The bill authorizes the board by order to call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election. The bill prescribes the ballot language for voting for or against the adoption of the sales and use tax.

Sales and Use Tax Rate

C.S.H.B. 4308 requires the board, on or after the date the results are declared of an election held under the bill's provisions at which the voters authorized imposition of a tax, to provide by resolution or order the initial rate of the tax, which must be in one or more increments of one-eighth of one percent. After the authorization of the tax, the board may increase or decrease the rate of the tax by one or more increments of one-eighth of one percent. The bill prohibits the board from decreasing the rate of the tax if the decrease would impair the repayment of any outstanding debt or obligation payable from the tax. The bill prohibits the initial rate of the tax or any rate resulting from subsequent increases or decreases from exceeding the lesser of the following:

- the maximum rate authorized at an election held to adopt the tax under the bill's provisions; or
- a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate prescribed by the Municipal Sales and Use Tax Act at any location in the district.

The bill requires the board to include the following in determining whether the combined sales and use tax rate would exceed the maximum combined rate prescribed by the act at any location in the district:

- any sales and use tax imposed by a political subdivision whose territory overlaps all or part of the district;
- any sales and use tax to be imposed by a municipality or county as a result of an election held on the same date as the election held under the bill's provisions; and
- any increase to an existing sales and use tax imposed by the city or the county as a result of an election held on the same date as the election under the bill's provisions.

C.S.H.B. 4308 requires a district that adopts a sales and use tax authorized at an election held under the bill's provisions and subsequently includes a new territory in the district to impose the sales and use tax in the included territory as provided by the act and establishes that the district is not required to hold another election to approve the imposition of the sales and use tax in the included territory. The bill establishes that if the district adopts a sales and use tax at an election held under the bill's provisions and subsequently excludes territory in the district under these provisions, the sales and use tax is inapplicable to the excluded territory as provided by the act but is applicable to the territory remaining in the district.

Notification of Rate Change

C.S.H.B. 4308 requires the board to notify the comptroller of public accounts of any changes made to the tax rate under the bill's sales and use tax provisions in the same manner the municipal secretary provides notice to the comptroller under the Municipal Sales and Use Tax Act of the application of taxes being changed by the results of an election.

Use of Revenue

C.S.H.B. 4308 establishes that revenue from the sales and use tax imposed under the bill's sales and use tax provisions is for the use and benefit of the district and may be used for any district purpose. The bill authorizes the district to pledge all or part of the revenue to the payment of bonds, notes, or other obligations and provides that the pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

Abolition of Tax

C.S.H.B. 4308 authorizes the board to abolish the sales and use tax without an election but prohibits the board from abolishing the tax if the district has any outstanding debt or obligation secured by the tax, and repayment of the debt or obligation would be impaired by the abolition of the tax. If the board abolishes the tax, the board must notify the comptroller of that action in

the same manner as the municipal secretary provides notice to the comptroller of the application of taxes under the Municipal Sales and Use Tax Act of the application of taxes being changed by the results of an election. If the board abolishes the tax or decreases the tax rate to zero, a new election to authorize a sales and use tax must be held under the bill's provisions before the district may subsequently impose the tax.

Dissolution

C.S.H.B. 4308 establishes that a district may be dissolved only as provided by these bill provisions. The bill authorizes the board of directors to petition the commissioners court to dissolve the district if a majority of the board finds the following at any time:

- before the authorization of bonds or the final lending of its credit, that the proposed undertaking is impracticable or cannot be successfully and beneficially accomplished; or
- that all bonds of the district or other debts of the district have been paid and the purposes of the district have been accomplished.

The bill requires the commissioners court to hold a hearing on receipt of a petition from the board for dissolution of the district. The bill requires the commissioners court, if the court determines from the evidence that the best interests of the county and the owners of property and interests in property within the district will be served by dissolving the district, to enter in its records the appropriate findings and order dissolving the district. Otherwise, the commissioners court is required to enter its order providing that the district has not been dissolved. On dissolution of the district, the bill requires funds and property of the district, if any, to be transferred to the commissioners court.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 4308 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Both the introduced and the substitute provide for the creation of a district through an election called by the commissioners court of an applicable county and provide for many of the same powers and duties. However, the versions apply to different counties, as follows:

- the introduced made the authorization applicable to a county with a population of more than 800,000 that borders a county with a population of more than four million; and
- the substitute makes the authorization applicable to a county with a population of not more than three million regardless of where it is located in relation to any other county.

Moreover, the introduced specified that the applicable commissioners court may call the election to obtain voter approval to impose a property tax or issue bonds payable from property taxes but the substitute does not include that specification in its authorization for the creation election. Accordingly, the substitute does not include the provision in the introduced requiring the created district to give notice of its election on the adoption of a sales and use tax in the manner prescribed for its creation election.

The substitute includes a definition defining "primary job" by reference to the Development Corporation Act, whereas the introduced used that term but did not define that term. The substitute and introduced set out substantially the same projects, but the introduced specifically listed all such projects while the substitute defines such projects by reference to the Development Corporation Act and specifically lists others that are also listed in the introduced. The substitute expressly excludes a port from that referenced definition and the introduced also did not include a port among its specifically listed projects.

The substitute does not include the following provisions from the introduced:

- a provision that established the nature of the district as a special district created under the constitution;
- a provision that established that by authorizing the creation of districts under the bill's provisions, and authorizing the counties, cities, and other political subdivisions to contract with the districts, the legislature has established a program to accomplish the purposes set out in the Texas Constitution.

Both the introduced and substitute provide that the creation of a district may not be interpreted to relieve the applicable local government from providing the level of services provided to the area in the district as of a certain date. Whereas the introduced provided that those services are services provided by a county or city as of the effective date of the act enacting its provisions, the substitute provides that those services are services provided by a county or municipality as of the date the district is created.

The substitute revises certain of the findings of benefit in the introduced as follows:

- whereas the introduced found that small and medium-sized counties are in need of the applicable incentives, the substitute finds that certain counties need such incentives;
- whereas the introduced and substitute both find that all land and other property in the district will benefit from improvements and services to be provided under certain constitutional provisions, the substitute additionally finds that projects so provided under those constitutional provisions will provide such a benefit to all land and other property in the district, which the introduced did not find;
- whereas the introduced found that the means and measure authorized by the bill are in the public interest, the substitute finds that the creation of a district is in the public interest; and
- whereas the introduced found that districts will not act as the agent or instrumentality of any private interest even though the districts will benefit many private interests as well as the public, the substitute finds that districts will not act as the agent or instrumentality of any private interest even though the districts might benefit many private interests as well as the public.

While both the introduced and substitute provide for a nine-member board of directors, they differ as follows:

- the introduced provided for numbered positions for directors, with specified positions filled by the state senator and state representative, or their designees, of the applicable senate or house district in which the majority of the district is located and for the remainder of the directors to be nominated and appointed by the commissioners court of the county in which the district is located; and
- the substitute provides for the appointment of all directors by the commissioners court of the county in which the district is located.

Moreover, the substitute does not include the following provisions regarding directors that were in the introduced:

- the provision that required a director to be a resident citizen of Texas; and
- the provision that established that a director is not entitled to receive compensation for service on the board.

The substitute does not include the provision in the introduced that authorized a district to employ necessary personnel.

The introduced did not include the provision in the substitute requiring the board to designate and establish a district office in the county.

The substitute does not include the following provisions that were in the introduced:

- a provision that established that legal notice of the intention to introduce the bill, setting forth the general substance of the bill, has been published as provided by law, and the notice and a copy of the bill have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under the Texas Constitution, and Government Code provisions relating to notice for local and special laws; and
- a provision that established that all requirements of the Texas Constitution and laws of the state and the rules of procedure of the legislature with respect to the notice, introduction, and passage of the bill have been fulfilled and accomplished.