

By: Bettencourt

S.B. No. 1452

A BILL TO BE ENTITLED

AN ACT

relating to continuation elections for municipal management districts.

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

SECTION 1. Sections 375.264(a) and (b), Local Government Code, are amended to read as follows:

(a) A district may not be dissolved by its board under Section 375.261 or 375.2631 or after a petition is filed under Section 375.262 if the district has 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.

(b) If a petition for dissolution is filed under Section 375.262 with the board of a district or a majority of voters do not favor the continuation of a district under Section 375.2631 and the district has outstanding bonded indebtedness secured by assessments:

(1) the district shall remain in existence solely for the purposes of winding up district operations and discharging its bonded indebtedness; and

(2) the board shall use all district money that is available to:

(A) wind up district operations; and

(B) repay or defease the bonded indebtedness as

1 soon as practicable in accordance with the order or resolution
2 authorizing the issuance of the bonds.

3 SECTION 2. Subchapter M, Chapter 375, Local Government
4 Code, is amended by adding Section 375.2631 to read as follows:

5 Sec. 375.2631. CONTINUATION ELECTION; DISSOLUTION. (a)
6 Each 10th year the board of a district shall call an election in the
7 district to determine whether the district may continue. In all
8 areas of conflict this section takes precedence over all prior
9 statutory enactments.

10 (b) In an election ordered under Subsection (a), the
11 following proposition shall be submitted to the voters: "Shall the
12 (name of district) be continued?"

13 (c) If the majority of votes cast in the election do not
14 favor the proposition, the board:

15 (1) except as limited by Section 375.264, shall
16 dissolve the district; and

17 (2) may not incur new debt.

18 (d) A district created on or before November 1, 2016, shall
19 hold elections under Subsection (a) beginning on the uniform
20 election date in November 2026. A district created after November
21 1, 2016, shall hold elections under Subsection (a) beginning on the
22 uniform election date in November following the 10th anniversary of
23 the district's creation.

24 SECTION 3. This Act takes effect September 1, 2025.