

- SUBJECT:** Governance and operation of municipal management districts
- COMMITTEE:** Special Purpose Districts — committee substitute recommended
- VOTE:** 6 ayes — D. Miller, Alvarado, Faircloth, Fallon, Martinez Fischer, Zedler
0 nays
1 absent — Stickland
- WITNESSES:** For —Trey Lary, Allen Boone Humphries Robinson LLP; Sandra Rocha Taylor and Norma Nelly Vielma, Laredo Alliance; and six individuals; (*Registered, but did not testify:* Howard Cohen, Schwartz, Page, and Harding, LLP; Jann Cobler)

Against — None

On — Mahmood Banijamali
- BACKGROUND:** Local Government Code, ch. 375 provides for the creation of municipal management districts (MMDs) to supplement the services and obligations of the municipality. MMDs are created in areas devoted primarily to commercial development or business activity to expand and improve transportation and pedestrian facilities and systems, as well as to landscape and develop certain areas that are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

To create an MMD, a petition, signed by the owners of a majority of the assessed value of the real property within the district or 50 persons who own real property in the proposed district, must be submitted to Texas Commission on Environmental Quality (TCEQ).

MMDs have the power to levy an ad valorem property tax for funding mass transit, road, or drainage improvements and to levy impact fees. Under certain circumstances, an MMD may levy assessments against property within the district.

DIGEST: CSHB 3097 would amend Local Government Code, ch. 375 regarding the governance and operation of municipal management districts by:

- removing the option to create a municipal management district by a petition signed by 50 persons who own real property in the proposed district;
- expanding those that could nominate a board member to include the existing board as well as a majority of property owners;
- allowing a service or improvement that benefitted property in the district, even if the improvement was located outside of the district boundaries;
- allowing only owners with the majority of property value to petition for a bond election; and
- lowering the threshold of property owners who could dissolve a district from 75 percent to two-thirds.

The bill would take effect September 1, 2015.