

BILL ANALYSIS

H.B. 1968
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Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Municipal management districts (MMD) have traditionally been used by cities as tools to promote economic development to serve nonresidential areas that have previously been developed. Over the past decade, several of these districts have been used by cities as tools to promote new development and to pay for public infrastructure costs, in a manner similar to a municipal utility district (MUD). MUD directors are entitled to receive a nominal fee of office. While an MMD's board of directors has the same powers as a board of directors for a MUD, they are not entitled to receive fees of office. It has been suggested that in certain circumstances, where an MMD serves a MUD-like function, it may be appropriate to allow directors to receive fees of office for their service on the board. H.B. 1968 seeks to address this issue by authorizing an MMD's board of directors to declare that a position on the board is a civil office of emolument and entitling a director of an MMD that has made that declaration to receive a fee of office and reimbursement of eligible expenses.

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

H.B. 1968 amends the Local Government Code to authorize a municipal management district's board of directors by resolution to declare that a position on the board is a civil office of emolument under the Texas Constitution if the governing board of the municipality in which the district is located consents by resolution or ordinance. The bill entitles a member of the board of directors whose position is made a civil office of emolument to receive fees of office and reimbursement of eligible expenses.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.