

## **BILL ANALYSIS**

Senate Research Center  
88R8347 LRM-D

H.B. 1793  
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Local Government  
5/202023  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 1793 addresses concerns raised by constituents and activists regarding the authority of directors and board members of municipal utility districts (MUDs) to levy fees and property taxes without feeling the burden of those tax hikes and fees themselves.

Under the current law, the qualifications to be on the board of directors of a MUD are being at least 18 years old, a Texas resident, and either owning land subject to taxation or being a qualified voter of that district. Thus, a MUD director or board member is not necessarily required to own taxable property within the MUD. Consequently, they may not directly experience the effects of an increase in property taxes imposed within the MUD.

H.B. 1793 aims to address this issue by holding MUD directors and board members accountable for the tax hikes they may levy. The bill removes the option for a qualified voter within a MUD to be eligible for service as a MUD director or board member. Instead, it requires individuals to own taxable property within the MUD in order to qualify for that position. This change is intended to promote accountability among MUD directors and board members.

H.B. 1793 seeks to ensure that those who have the authority to make decisions about levying taxes and fees in a MUD are personally impacted by those decisions by owning taxable property within the district.

H.B. 1793 amends current law relating to the qualifications for serving as a member of the board of directors of a municipal utility district.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 54.102, Water Code, as follows:

Sec. 54.102. QUALIFICATIONS FOR DIRECTORS. Requires a person, to be qualified to serve as a director of a municipal utility district (district), to meet certain criteria, including own land subject to taxation in the district, rather than either own land subject to taxation in the district or be a qualified voter within the district. Makes nonsubstantive changes.

SECTION 2. Provides that the change in law made by this Act does not affect the entitlement of a member serving immediately before the effective date of this Act on the board of directors of a municipal utility district operating under Chapter 54 (Municipal Utility Districts), Water Code, to continue to carry out the board's functions for the remainder of the member's term. Provides that the change in law applies only to a member of the board of directors of such a district elected or appointed on or after the effective date of this Act. Provides that this Act does not prohibit a person who is a member of the board of directors of such a district on the effective date of this Act from being reelected or reappointed to the board if the person has the qualifications required for a member under Section 54.102, Water Code, as amended by this Act.

SECTION 3. Effective date: September 1, 2023.