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From: Michael Kovacs <Kovacs>
To: "Robert"
Cc: "David"
Bcc: AndrewKeefer
Importance: Normal
Subject: MUD Reform & Zoning Reform
Attachments: [image001.png](#), [image002.png](#), [image003.png](#), [image004.png](#), [image005.png](#), [Proposed amendments to MUD laws.docx](#), [Zoning Super Majorities 20 to 50.docx](#)

Robert,

Here is draft bill language for a couple items we're suggesting for authorship from Justin and would love to set up a time to visit with you and Justin to talk on. We've not sent to Legislative Counsel to draft, but this work was done by our City Attorney to make drafting faster and get you all a better idea of specifics proposed.

MUD Reform

This proposal seeks to:

- Require any MUD that taxes within a municipal boundary, to meet within that municipality's city limits
- Require MUDs notify governing bodies of both the City and County in which they are located of any elections
- Removes the TCEQ procedure for MUD creation for MUDs within cities or the ETJ of cities

These changes will dramatically improve transparency in MUD operations and taxes and ensure that only elected officials (municipal or the state legislature) can create MUDs in a city or a city's ETJ. We did not go as far as proposing counties have authority over MUDs, but that is going to be an issue, and we'd support you going to that solution if you think you could get it done. We've sent a copy to Royse City to review it as well. They recently had a lawsuit fire up over a MUD in their ETJ, and predict MUD formations in their ETJ, and beyond their ETJ, are going to be a major issue for them going forward.

Zoning Reform

- This moves the required ownership percentage of protests within 200 feet of a zoning change that would trigger a super-super majority of a 75% vote needed by a City Council, from 20% to 50%.

This change would enhance liberty and property rights while allowing the majority will of citizens in cities to advance quality projects for the public good to ensure housing affordability by raising supplies. The concept, that we think is logical, is that if a majority of nearby property ownership interests will protest a zoning change, then they can make it difficult for a majority of the cities' citizens' local representatives to pass a project, but a small minority should not be able to stop a project's property owners and developers. This will have the biggest impacts in large cities and first ring suburbs.

We'd be happy to supply more information on these ideas and they are designed to act in tandem with one another; one somewhat anti-development, and one very pro-development. The key approach is boosting financial efficiency of city services, which keeps taxes low and promotes good government at the local level. Strong cities and towns will make for local independence, and a stronger State of Texas.

Michael

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