

LOCAL GOVERNMENT CODE

TITLE 12. PLANNING AND DEVELOPMENT

SUBTITLE C1. ADDITIONAL PLANNING AND DEVELOPMENT PROVISIONS

APPLYING TO MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 506. COUNTY ALLIANCE CORPORATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 506.001. DEFINITION. In this chapter, "county alliance corporation" means the corporation authorized to be created by a county alliance.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 506.002. CREATION OF COUNTY ALLIANCE; AUTHORITY TO CREATE CORPORATION. Two or more counties that are adjacent or in close proximity, as determined by the commissioners courts of the counties involved, may establish a county alliance to authorize the creation of a corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 506.003. STATUS OF COUNTY ALLIANCE AS SINGLE UNIT. For purposes of this subtitle, a county alliance is considered a single unit.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 506.004. APPLICABILITY OF SUBTITLE. The provisions of this subtitle outside of this chapter apply to a county alliance and to a county alliance corporation, except to the extent inconsistent with this chapter or another provision of this subtitle that expressly applies to a county alliance or to a county alliance corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER B. GOVERNANCE OF CORPORATION

Sec. 506.051. APPOINTMENT OF DIRECTORS; TERM. (a) The board of directors of a county alliance corporation consists of directors appointed by the commissioners court of each county in the alliance as follows:

(1) three directors from each county if the alliance includes 10 or fewer counties; or

(2) two directors from each county if the alliance includes more than 10 counties.

(b) A director may not serve more than six years.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 506.052. NO COMPENSATION; REIMBURSEMENT FOR EXPENSES. A director serves without compensation but is entitled to reimbursement for expenses incurred in the performance of the director's duties.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 506.053. REMOVAL OF DIRECTOR. A director is subject to removal at the will of the appointing county.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER C. MEMBERSHIP IN COUNTY ALLIANCE

Sec. 506.101. MEMBERSHIP IN ESTABLISHED COUNTY ALLIANCE. A county may become a member of an established county alliance that has authorized the creation of a county alliance corporation. The county becomes a member of the county alliance if:

(1) the commissioners court of the county proposing to join the county alliance petitions the board of directors of the established county alliance corporation for admission;

(2) the board approves the admission of the petitioning county; and

(3) the petitioning county:

(A) agrees to abide by the bylaws of the county alliance corporation;

(B) pays a fee to the county alliance as determined by the board; and

(C) meets any other requirement established by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 506.102. WITHDRAWAL FROM COUNTY ALLIANCE. (a) A county may withdraw from a county alliance if all of the county's obligations and entitlements relating to the county alliance corporation have been properly settled.

(b) The county withdrawing from the county alliance may not receive any assets, including money or other property, of the county alliance corporation until the existence of the corporation is terminated as provided by Section 506.202.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 506.151. DISTRIBUTION OF NET EARNINGS. If the board of directors of a county alliance corporation determines that sufficient provisions have been made to pay the corporation's expenses, bonds, and other obligations, any net earnings may be distributed among the counties in the county alliance as a percentage of the per capita contributions made by each of the counties during the corporation's existence.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER E. TERMINATION OF CORPORATION

Sec. 506.201. EFFECT OF WITHDRAWAL OF COUNTY. A county alliance corporation is not required to terminate its existence as

a result of the withdrawal of a county from the county alliance if at least two counties remain in the county alliance.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 3.01, eff. April 1, 2009.

Sec. 506.202. DISTRIBUTION OF ASSETS. (a) Subject to Subsection (b), on termination of the existence of a county alliance corporation, any assets of the corporation remaining after all the corporation's obligations have been met shall be distributed among the counties in the county alliance as a percentage of the per capita contributions made by each of the counties during the corporation's existence.

(b) A county that withdraws from a county alliance is entitled to receive a distribution under Subsection (a) that is reduced by one percent for each year the corporation operated without the county's membership in the alliance.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 3.01, eff. April 1, 2009.