

BILL ANALYSIS

C.S.H.B. 2825
By: Gooden
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that the commissioners courts of certain counties should be granted the authority to dissolve a levee improvement district under certain conditions. C.S.H.B. 2825 seeks to address this issue by granting such authority.

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

C.S.H.B. 2825 amends the Water Code to authorize the commissioners court of a county that contains a portion of the Trinity River to dissolve a levee improvement district at any time if the court finds that the district has been dormant for more than five years; that the physical boundaries of the district cannot be determined; that the board of directors of the district is not active, or cannot be determined; that property owners of the district cannot be determined; or that a levee partially or completely inside the boundaries of the district has received a rating of unacceptable from the U.S. Army Corps of Engineers and the district has not undertaken, attempted to undertake, or made plans to undertake reasonable efforts to address the concerns of the U.S. Army Corps of Engineers. The bill requires the commissioners court to hold a public hearing before voting on a dissolution order and requires the hearing to be held not later than the seventh day before the date the dissolution order is subject to a vote by the commissioners court. The bill requires notice of the public hearing to be published in a regularly circulated newspaper within the county not later than the seventh day before the date the public hearing is scheduled to occur. The bill requires the commissioners court, if the commissioners court votes to dissolve the district, to appoint the chairman of the board or some other suitable person as trustee to close the affairs of the district without delay and requires the commissioners court to determine the length of the term and the amount of compensation for the trustee. The bill prohibits a district from being dissolved under the bill's provisions if the district has any outstanding bonds or other indebtedness until that indebtedness has been repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonds or if the district has a contractual obligation to pay money until that obligation has been paid fully in accordance with the contract.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2825 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subchapter I, Chapter 57, Water Code, is amended by adding Section 57.3295 to read as follows:

Sec. 57.3295. DISSOLUTION OF DISTRICT BY COMMISSIONERS COURT WITHOUT PETITION. (a) The commissioners court may dissolve a district at any time if the court finds the following:

- (1) the district has been dormant for more than five years;
- (2) the physical boundaries of the district cannot be determined;
- (3) the board of directors of the district is not active, or cannot be determined;
- (4) property owners of the district cannot be determined; or
- (5) a levee partially or completely inside the boundaries of the district has received a rating of unacceptable from the United States Army Corps of Engineers.

(b) The commissioners court shall hold a public hearing before voting on a dissolution order. The hearing must be held not later than the seventh day before the date the dissolution order is subject to a vote by the commissioners court.

(c) Notice of the public hearing must be published in a regularly circulated newspaper within the county not later than the seventh day before the date the public hearing is scheduled to occur.

(d) If the commissioners court votes to dissolve the district, the commissioners court shall appoint the chairman of the board or some other suitable person as trustee to close the affairs of the district without delay, and shall determine the length of the term and the amount of compensation for the trustee.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter I, Chapter 57, Water Code, is amended by adding Section 57.3295 to read as follows:

Sec. 57.3295. DISSOLUTION OF DISTRICT BY COMMISSIONERS COURT WITHOUT PETITION. (a) The commissioners court of a county that contains a portion of the Trinity River may dissolve a district at any time if the court finds the following:

- (1) the district has been dormant for more than five years;
- (2) the physical boundaries of the district cannot be determined;
- (3) the board of directors of the district is not active, or cannot be determined;
- (4) property owners of the district cannot be determined; or
- (5) a levee partially or completely inside the boundaries of the district has received a rating of unacceptable from the United States Army Corps of Engineers and the district has not undertaken, attempted to undertake, or made plans to undertake reasonable efforts to address the concerns of the United States Army Corps of Engineers.

(b) The commissioners court shall hold a public hearing before voting on a dissolution order. The hearing must be held not later than the seventh day before the date the dissolution order is subject to a vote by the commissioners court.

(c) Notice of the public hearing must be published in a regularly circulated newspaper within the county not later than the seventh day before the date the public hearing is scheduled to occur.

(d) If the commissioners court votes to dissolve the district, the commissioners court shall appoint the chairman of the board or some other suitable person as trustee to close the affairs of the district without delay, and shall determine the length of the term and the amount of compensation for the trustee.

(e) A district may not be dissolved under

this section if the district:

(1) has any outstanding bonds or other indebtedness until that indebtedness has been repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonds; or

(2) has a contractual obligation to pay money until that obligation has been paid fully in accordance with the contract.

SECTION 2. The heading to Section 57.322, Water Code, is amended.

SECTION 2. Same as introduced version.

SECTION 3. This Act takes effect September 1, 2017.

SECTION 3. Same as introduced version.