

SUBJECT: Requiring joint election to annex Jefferson County WCID No. 10

COMMITTEE: Land and Resource Management — favorable, with amendment

VOTE: 8 ayes — Saunders, Mowery, Combs, Hamric, Hilderbran, Howard, Krusee, B. Turner

0 nays

1 absent — Alexander

WITNESSES: For — Lee Townsend, Water District 10 Citizens Against Annexation; C.J. Freeman, Jefferson County Water Control and Improvement District

Against — None

BACKGROUND: Most of the Jefferson County Water Control and Improvement District (WCID) No. 10 is located within the extraterritorial jurisdiction (ETJ) of the city of Nederland. A small portion of the district is located within the ETJ of the city of Beaumont. The Jefferson County WCID No. 10 was created in 1955.

The population of the city of Nederland, located in Jefferson County, is approximately 17,000, while the population of the Jefferson County Water Control and Improvement District population is approximately 4000. Generally, a city cannot annex only a portion of any water district but must annex the entire district (Local Government Code, sec. 43.071).

DIGEST: HB 635 as amended, would provide that the Jefferson County Water Control and Improvement District No. 10 could not be annexed by a city, unless the annexation was approved by a majority of the voters in a single election held jointly in the city and the district for that purpose.

The bill would take immediate effect if approved by two thirds of the membership of each house.

SUPPORTERS SAY: HB 635, as amended, would not eliminate Nederland’s power to annex the Jefferson County WCID No. 10, but would impose the reasonable requirement that the city hold a joint election in both Nederland and the district before any annexation. Voters in the district have a right to decide whether or not they want to be annexed by Nederland.

Residents of Jefferson County WCID No. 10 already contribute their share for the city services they use. When they shop in Nederland they pay the city's sales tax.

The district would gain nothing if it were annexed since it provides its own water and wastewater services, obtains road service and police protection from the county and has a volunteer fire department. It is estimated that district taxes would triple upon annexation. The only new service the district would receive in return would be city animal control services.

Nederland has recently been fined by the TNRCC and the Environmental Protection Agency for allowing the discharge of sewage into an outfall canal but the district has not had any problems of this nature. This does not inspire district residents with confidence regarding the quality of city service.

In 1994 voters in the Jefferson County WCID No. 10 approved \$2,890,000 to be spent on the construction of a new wastewater treatment facility, to be completed in 1995. District residents are paying off their debt and have kept expenses down. Property tax rates are half of Nederland's rate. Nederland would like to annex the district to expand its tax base without having to spend any money providing services.

If Nederland can persuade district voters that annexation would be advantageous for them, then annexation could proceed. The bill would just put the burden of proof on the city.

**OPPONENTS
SAY:**

The city of Nederland is almost "landlocked" in that it can only annex in one direction. Nederland is bordered on three sides by Port Arthur, Port Neches and the Jefferson County airport. If the city loses the ability to annex Jefferson County's WCID No. 10, it cannot grow at all. The ability to annex, critical to the city's health, could be thwarted by the requirements of HB 635 as amended. A city which cannot grow or expand its tax base will in the long term deteriorate. Limits on growth and development lead to urban decay.

The entire area would be more economically viable if the city and surrounding districts joined forces to forge a regional economy. A coordinated regional economy generates economic power in a way that isolated communities cannot.

The district would benefit from annexation. District residents would be protected by a fully staffed fire department rather than a purely voluntary one, and police protection would be close by rather than miles away. The district could also benefit from city ordinances that help areas deal with problems like with animals control or public nuisances.

District residents enjoy the city's facilities and services without paying for them. Their use of roads, bridges, libraries, parks and other city facilities is subsidized by Nederland's residents, who also pay county taxes. The county provides the district with road service and police protection.

HB 635 as amended, would set a bad precedent. Soon every district in the state will be trying to get specially exempted from annexation. Singling out one city for special restrictions unfair and unjustified.

NOTES:

The committee amendment would require that annexation of the district could take place only if a majority of the voters in the city and the district approved the proposal for annexation in a joint election. The original version would have barred annexation of the district.