

SUBJECT: Revising hearing conditions for dissolving or converting certain districts

COMMITTEE: Natural Resources — committee substitute recommended

VOTE: 10 ayes — Larson, Metcalf, Dominguez, Farrar, Harris, T. King, Lang, Nevárez, Price, Ramos

0 nays

1 absent — Oliverson

WITNESSES: For — (*Registered, but did not testify:* Trey Lary, Allen Boone Humphries Robinson LLP; Howard Cohen, Schwartz, Page & Harding, L.L.P.)

Against — None

On — (*Registered, but did not testify:* Todd Galiga, Cari-Michel LaCaille, and Chris Uhlman, Texas Commission on Environmental Quality)

BACKGROUND: Water Code ch. 49, subch. K governs the process by which the Texas Commission on Environmental Quality (TCEQ) may dissolve certain water districts or authorities.

In order to dissolve a district, TCEQ must issue notice and hold a hearing. The commission may enter an order dissolving the district at the conclusion of the hearing if it finds that the district has performed none of the functions for which it was created for a period of five consecutive years before the day of the proceeding and that the district had no outstanding bond indebtedness.

Under Water Code sec. 54.030, certain water districts may be converted into a municipal utility district by TCEQ if the district adopts a resolution stating that such a conversion would best serve the interest of the district and requesting a hearing on the conversion. Once the commission receives the resolution, either TCEQ or its authorized representative must fix a date, time, and place for the hearing, and notice of the hearing must be

circulated in the district.

It has been suggested that simplifying the process to dissolve or convert certain water districts would alleviate burdens currently placed on TCEQ and the applicable water districts.

DIGEST:

CSHB 2914 would allow the Texas Commission on Environmental Quality (TCEQ) adopt an order to dissolve certain water districts without conducting a hearing if the commission received a petition for dissolution from the owners of the majority in value of the land in the district or from the district's board of directors.

Within 10 days of submitting a petition for dissolution, the petitioners would have to:

- provide notice of the petition by certified mail to all the landowners in the district who did not sign the petition and, if the petition was not submitted by the district's board of directors, to the board; and
- certify in writing to TCEQ that this notice had been sent.

The notice would have to inform landowners that they could file a written objection to the district's dissolution within 30 days of receiving the notice. If a landowner filed an objection, TCEQ would be required to hold a hearing on the dissolution of the district. TCEQ would have to mail notice of the hearing to the petitioners, the district's board of directors if the board did not submit the petition, and each landowner who timely filed an objection to the dissolution.

The bill also would remove the requirement that TCEQ hold a hearing when certain water districts requested to be converted into municipal utility districts. Notice of the conversion would have to be published in a newspaper with general circulation in the district once a week for two weeks, and the notice would have to inform all interested persons of how they could offer comments regarding the conversion.

The bill would take effect September 1, 2019.

