

## **BILL ANALYSIS**

Senate Research Center  
76R9775 MI-F

H.B. 2332  
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Natural Resources  
4/28/1999  
Engrossed

### **DIGEST**

Existing law regarding the administration and consolidation of drainage districts may provide certain inconsistencies. H.B. 2332 would establish conditions regarding the administration and consolidation of drainage districts.

### **PURPOSE**

As proposed, H.B. 2332 establishes conditions regarding the administration and consolidation of drainage districts.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 56.061, Water Code, to provide that a drainage district (district) is governed by a board of three directors (board) unless special law provides otherwise. Requires the commissioners court to appoint three directors to serve until permanent directors are elected, when a district is established.

SECTION 2. Amends Section 56.064(a), Water Code, to establish conditions regarding an election or the petition for an election of district directors, for any district in which special law requires that directors be appointed, except when the special law otherwise provides.

SECTION 3. Amends Section 56.0641, Water Code, to provide that in those sections referred to in Subsection (b), rather than Subsection (e) of Section 56.064, until otherwise ordered by the board of directors, the three persons receiving the highest number of votes at each election are elected. Makes conforming changes.

SECTION 4. Amends Section 56.0642, Water Code, to make a conforming change.

SECTION 5. Amends Section 56.082(a), Water Code, to provide that the commissioners court has exclusive jurisdiction to hear and determine all proceedings of a district during its organization, rather than after it is organized.

SECTION 6. Amends Section 56.123(a), Water Code, to establish that after the board, rather than the commissioners court, authorizes bonds to be issued, the board may make certain changes.

SECTION 7. Amends Sections 56.124(a) and (b), Water Code, to make conforming changes.

SECTION 8. Amends Section 56.125(b), Water Code, to make conforming changes.

SECTION 9. Amends Section 56.135, Water Code, to make conforming changes.

SECTION 10. Amends Section 56.141(c), Water Code, to make conforming changes.

SECTION 11. Amends Section 56.142, Water Code, to make conforming changes.

SECTION 12. Amends Chapter 56K, Water Code, as follows:

## SUBCHAPTER K. CONSOLIDATION OF DISTRICTS

Sec. 56.801. CONSOLIDATION OF DISTRICTS. Authorizes two or more districts governed by this chapter to consolidate into one district. Deletes existing Sections 56.801, 56.802, 56.803, and 56.804.

Sec. 56.802. CONSOLIDATION BY AGREEMENT. Authorizes the boards of the districts proposed to be consolidated to initiate consolidation. Sets forth requirements for the board of each district regarding the terms and conditions of consolidation.

Sec. 56.803. CONSOLIDATION BY PETITION. Authorizes consolidation to be initiated by petition requesting that the districts be consolidated. Requires the petition to be signed by a certain number of qualified voters, and requires one petition for each district proposed to be consolidated. Authorizes a qualified voter to sign only one petition for the district in which the voter resides. Requires the petition to be filed simultaneously with the secretary of each district proposed to be consolidated. Requires a board to determine whether the petition presented to that district meets the necessary requirements and to notify the board of each other district proposed to be consolidated whether the petitions meet the requirements. Sets forth the requirements for each board if the petitions meet all necessary requirements.

Sec. 56.804. TIME OF HOLDING ELECTION; COST OF ELECTION. Requires the election to be held on a uniform election day in January or May. Requires the election date selected to provide sufficient time for necessary preparation regarding voter registration. Provides that each district is responsible for holding the election in that district and for the cost of the election in that district.

Sec. 56.805. BALLOT. Sets forth necessary language to be included in the ballot.

Sec. 56.806. CANVASS; RESULT. Requires each board to canvass the returns of the election held in that district. Requires the board of each district to publish the results for that district. Provides that if the majority of votes cast are in favor of consolidation, the districts become one and are governed as such. Provides that if the proposition does not carry, another election may not be held for the same purpose for at least two years after the results of the election are declared.

Sec. 56.807. GOVERNING CONSOLIDATED DISTRICTS; ELECTION OF DIRECTORS. Provides that when two or more districts are consolidated, they become one district and are governed as one district. Requires the directors of each district to continue to act jointly as directors of the consolidated district, until the directors of the consolidated district are elected and qualify. Prohibits a vacancy, occurring before the permanent directors are elected, on the board to remain vacant unless the number of members falls below three. Requires a vacancy, if the number of members fall below three, to be filled in the same manner as other vacancies on elected boards. Requires the joint board to immediately order an election of directors of the consolidated district to be held on the next available uniform election date. Authorizes the consolidation agreement to provide that the directors of the original districts continue to act jointly as directors of the consolidated district until the next election. Authorizes the agreement to name persons to serve as directors of the consolidated district until the next election if all directors of the original districts agree to resign. Requires the joint board of the consolidated district to approve the bond of each new director. Sets forth conditions regarding the operation of the consolidated district.

Sec. 56.808. TITLE TO PROPERTY; ASSUMPTION OF DEBT. Provides that title to all property of the consolidating districts vests in the consolidating district. Establishes that the consolidated district assumes and is liable for the outstanding indebtedness of the consolidating districts. Provides that all enforceable contract rights held or owned by a consolidating district are owned and held by the consolidated district. Establishes that the consolidated district is liable for contractual obligations of a consolidating district.

Sec. 56.809. UNEXPENED BOND PROCEEDS. Authorizes any money that has not been spent as a result of district consolidation to be spent by the consolidated district only on the project for which the bonds were issued.

Sec. 56.810. FISCAL YEAR; BUDGET. Sets forth requirements regarding the establishment

of a fiscal year, audits of each district and of the consolidated district, and the establishment of a budget for the consolidated district. Deletes existing text regarding the consolidation of a district.

SECTION 13. Repealers: Sections 56.070, 56.071, 56.072, 56.072, 56.073, 56.112, 56.117, 56.118, 56.127, and 56.181, Water Code (regarding treasurer, treasurer's bond, treasurer's compensation, tax assessor and collector, report of the board, duty to construct improvements, right-of-way, maintenance report, and duties of treasurer).

SECTION 14. Effective date: September 1, 1999.

SECTION 15. Emergency clause.