

BILL ANALYSIS

Senate Research Center
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H.B. 4748
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Williamson County Municipal Utility District No. 21 (district) was created during the 79th Legislature. Today that land remains undeveloped.

H.B. 4748 extends the time limit for holding the confirmation election and authorizes the district to divide into two districts.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 8132.003, Special District Local Laws Code, as follows:

Sec. 8132.003. CONFIRMATION ELECTION REQUIRED. Provides that if the creation of the Williamson County Municipal Utility District No. 21 (district) is not confirmed at a confirmation election held under Section 8131.023 (Confirmation and Initial Director's Election) before September 1, 2013, rather than 2009:

- (1) the district is dissolved September 1, 2013, rather than 2009, except that:
 - (A) any debts incurred are required to be paid;
 - (B) any assets that remain after the payment of debts are required to be transferred to Williamson County; and
 - (C) the organization of the district is required to be maintained until all debts are paid and remaining assets are transferred; and
- (2) this chapter expires September 1, 2016, rather than 2012.

SECTION 2. Amends Section 8132.021, Special District Local Laws Code, by amending Subsection (d) and adding Subsections (e) and (f), as follows:

- (d) Provides that temporary directors serve until the earlier of:
 - (1) the date initial directors are elected under Section 8131.023; or
 - (2) September 1, 2009, rather than the date this chapter expires under Section 8132.003.
- (e) Requires successor temporary directors, if initial directors have not been elected under Section 8132.023 and the terms of the temporary directors have expired, to be appointed or reappointed as provided by Subsection (f) to serve terms that expire on the earlier of:
 - (1) the date initial directors are elected under Section 8132.023; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(f) Authorizes the owner or owners of a majority of the assessed value of the real property in the district, if Subsection (e) applies, to submit a petition to the Texas Commission on Environmental Quality (TCEQ) requesting that TCEQ appoint as successor temporary directors the five persons named in the petition. Requires TCEQ to appoint as successor temporary directors the five persons named in the petition.

SECTION 3. Amends Section 8132.025, Special District Local Laws Code, as follows:

Sec. 8132.025. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2016, rather than 2012.

SECTION 4. Amends Chapter 8132, Special District Local Laws Code, by adding Subchapter D, as follows:

SUBCHAPTER D. ONE-TIME DIVISION OF DISTRICT

Sec. 8132.151. AUTHORITY TO DIVIDE DISTRICT. Authorizes the district to be divided into two districts in accordance with this subchapter after the creation of the district has been confirmed at an election under Section 8132.023 if:

- (1) the district does not have any outstanding debt secured by district taxes or revenue;
- (2) the district has not annexed land or been divided; and
- (3) each new district created by the division contains at least 100 acres.

Sec. 8132.152. DIVISION PROCEDURES. (a) Authorizes the board of directors of the district (board) to consider a proposal to divide the district on its own motion or on receipt of a petition to that effect from a district landowner.

(b) Authorizes the board to adopt a resolution to divide the district into two districts named Williamson County Municipal Utility District No. 21-A and Williamson County Municipal Utility District No. 21-B. Requires the resolution to include:

- (1) the names of and a metes and bounds description of the territory of the two new districts; and
- (2) the terms and conditions of the division, including a plan that:
 - (A) ensures current obligations of the district are not impaired by providing for the payment or performance of any outstanding district obligations; and
 - (B) provides for the assumption of any district obligations under an agreement with or resolution adopted by a municipality having jurisdiction over the creation of the district consenting to the creation of the district, to the extent that the agreement or resolution:
 - (i) is applicable;
 - (ii) is not contrary to any other law or provision of this chapter; and

(iii) does not impose obligations that limit the district's powers and authority to issue bonds for any purpose authorized under this chapter.

(c) Requires the board, not later than the 30th day after the date the board adopts a resolution dividing the district, to provide a copy of the resolution and the names of the temporary directors of the new district to TCEQ, the attorney general, the Commissioners Court of Williamson County, and any municipality having extraterritorial jurisdiction over land in the original district.

Sec. 8132.153. GOVERNING NEW DISTRICTS. (a) Provides that the new districts are separate districts and are required to be governed as separate districts.

(b) Requires the board, until the 91st day after the date the board adopts a resolution dividing the district, to continue to act on behalf of the district to wind up the affairs of the district.

(c) Requires the district to act as temporary directors of one of the new districts and to appoint five individuals to serve as temporary directors of the other new district. Provides that a temporary director is not required to own land in either of the new districts. Requires a temporary director to qualify for and assume office not later than the 90th day after the date the board adopts a resolution dividing the district.

(d) Provides that the temporary directors of a new district serve until the new district elects initial permanent directors. Requires that the election of directors for each new district be held on the next uniform election date in May of an even-numbered year after the date the temporary directors take office that allows sufficient time to comply with the requirements of other law.

(e) Provides that the initial permanent directors elected at an election held under Subsection (d) serve staggered terms determined in the manner provided for directors of the original district under Section 8132.024 (Initial Elected Directors).

Sec. 8132.154. POWERS AND DUTIES OF NEW DISTRICTS. (a) Provides that, except as provided by Subsection (b), each new district created under this subchapter has the powers and duties of the original district under this chapter, including the powers and duties under general law applicable to municipal utility districts that relate to the imposition of a tax or the issuance of bonds.

(b) Provides that a new district does not have the power to divide into new districts.

(c) Requires a new district to pay its proportionate share of any obligations of the original district in accordance with the resolution dividing the district. Authorizes the new districts to pay debts of the original district from district contributions or from the proceeds resulting from the imposition of a tax, assessments on the land in the district, or district revenue.

(d) Authorizes a new district to contract with the other new district for the provision of water or wastewater or regarding any other matter the boards of directors of the districts consider appropriate.

SECTION 5. Provides that all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 6. Effective date: upon passage or September 1, 2009.