

## **BILL ANALYSIS**

Senate Research Center  
85R8572 SLB-D

S.B. 2196  
By: Buckingham  
Intergovernmental Relations  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Political subdivision, residential, and business stakeholders are concerned that current law may result in a municipality succeeding to the powers, duties, or assets of Travis County Municipal Utility Districts 3, 4, 5, 6, 7, 8, and 9 (MUDs). These interested parties note that development of the MUDs involved tens of millions of dollars of infrastructure investments that were achieved through financial debt commitments. This infrastructure includes unique stand-alone water, wastewater, and drainage facilities. Additionally, the maintenance of significant miles of private roadways located within the geographic areas served by the MUDs is conducted via private financial resources.

S.B. 2196 seeks to address stakeholder concerns by establishing provisions relating to the requirements for notice from a municipality to the MUDs and annexation by a municipality of the MUDs. S.B. 2196 reforms provisions regarding municipal annexation of all or part of any of the MUDs by making annexation a more democratic process and requiring the consent of the majority of registered voters in all of the MUDs.

S.B. 2196 amends current law relating to municipal annexation of all or part of Travis County Municipal Utility Districts 3, 4, 5, 6, 7, 8, and 9.

As proposed, S.B. 2196 amends current law relating to the requirements for annexation by a municipality of certain municipal utility 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 8395.151, Special District Local Laws Code, as follows:

Sec. 8395.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of the Travis County Municipal Utility District No. 3 (MUD No. 3) to first adopt a resolution of intention to annex all or part of MUD No. 3 and transmit that resolution to the district and the Travis County Municipal Utility Districts No. 4 through 9, rather than authorizes a municipality to annex MUD No. 3 on the earlier of the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to fulfill certain functions, or the 20th anniversary of the date MUD No. 3 was confirmed.

(b) Requires that MUD No. 3 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described by the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires that the municipality seeking the annexation pay the costs of the elections held under this section.

SECTION 2. Amends Section 8396.151, Special District Local Laws Code, as follows:

Sec. 8396.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of Travis County Municipal District No. 4 (MUD No. 4) to first adopt a resolution of intention to annex all or part of MUD No. 4 and transmit that resolution to MUD No. 4 and Travis County Municipal Utility Districts No. 3 and 5 through 9. Deletes existing text authorizing a municipality to annex MUD No. 4 on the earlier of the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to fulfill certain functions, or the 20th anniversary of the date MUD No. 4 was confirmed.

(b) Requires that MUD No. 4 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires that the municipality seeking annexation pay the costs of the elections held under this section.

SECTION 3. Amends Section 8397.151, Special District Local Laws Code, as follows:

Sec. 8397.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of Travis County Municipal District No. 5 (MUD No. 5) to first adopt a resolution of intention to annex all or part of MUD No. 5 and transmit that resolution to MUD No. 5 and Travis County Municipal Utility Districts Nos. 3, 4 and 6 through 9. Deletes existing text authorizing a municipality to annex MUD No. 5 on the earlier of the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to fulfill certain functions, or the 20th anniversary of the date MUD No. 5 was confirmed.

(b) Requires that MUD No. 5 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires that the municipality seeking annexation pay the costs of the elections held under this section.

SECTION 4. Amends Section 8398.151, Special District Local Laws Code, as follows:

Sec. 8398.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of Travis County Municipal District No. 6 (MUD No. 6) to first adopt a resolution of

intention to annex all or part of MUD No. 6 and transmit that resolution to MUD No. 6 and Travis County Municipal Utility Districts Nos. 3 through 5 and 7 through 9. Deletes existing text authorizing a municipality to annex MUD No. 6 on the earlier of the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to fulfill certain functions, or the 20th anniversary of the date MUD No. 6 was confirmed.

(b) Requires that MUD No. 6 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires that the municipality seeking annexation pay the costs of the elections held under this section.

**SECTION 5. Amends Section 8399.151, Special District Local Laws Code, as follows:**

Sec. 8399.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of Travis County Municipal District No. 7 (MUD No. 7) to first adopt a resolution of intention to annex all or part of MUD No. 7 and transmit that resolution to MUD No. 7 and Travis County Municipal Utility Districts Nos. 3 through 6 and 8 and 9. Deletes existing text authorizing a municipality to annex MUD No. 7 on the earlier of the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to fulfill certain functions, or the 20th anniversary of the date MUD No. 7 was confirmed.

(b) Requires that MUD No. 7 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires that the municipality seeking annexation pay the costs of the elections held under this section.

**SECTION 6. Amends Section 8400.151, Special District Local Laws Code, as follows:**

Sec. 8400.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of Travis County Municipal District No. 8 (MUD No. 8) to first adopt a resolution of intention to annex all or part of MUD No. 8 and transmit that resolution to MUD No. 8 and Travis County Municipal Utility Districts Nos. 3 through 7 and 9. Deletes existing text authorizing a municipality to annex MUD No. 8 on the earlier of the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to fulfill certain functions, or the 20th anniversary of the date MUD No. 8 was confirmed.

(b) Requires that MUD No. 8 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires that the municipality seeking annexation pay the costs of the elections held under this section.

SECTION 7. Amends Section 8401.151, Special District Local Laws Code, as follows:

Sec. 8401.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of Travis County Municipal District No. 9 (MUD No. 9) to first adopt a resolution of intention to annex all or part of MUD No. 9 and transmit that resolution to MUD No. 9 and Travis County Municipal Utility Districts Nos. 3 through 8. Deletes existing text authorizing a municipality to annex MUD No. 9 on the earlier of the installation of 90 percent of all works, improvements, facilities, plants, equipment, and appliances necessary and adequate to fulfill certain functions, or the 20th anniversary of the date MUD No. 9 was confirmed.

(b) Requires that MUD No. 9 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires that the municipality seeking annexation pay the costs of the elections held under this section.

SECTION 8. Effective date: September 1, 2017.