

## **BILL ANALYSIS**

Senate Research Center  
86R27665 AAF-D

H.B. 2590  
By: Biedermann (Creighton)  
Intergovernmental Relations  
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Engrossed

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

Statutory changes are needed regarding the appointment of temporary directors for a municipal utility district and the conversion of a conservation and reclamation district into a municipal utility district. H.B. 2590 seeks to address these issues by setting out provisions relating to the administration, powers, and duties of a municipal utility district.

H.B. 2590 amends current law relating to the administration, powers, and duties of a municipal utility district.

Note: Although the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the change made to statute by this bill affect the Texas Commission on Environmental Quality as successor agency to TNRCC.

### **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 54.022, Water Code, as follows:

Sec. 54.022. TEMPORARY DIRECTORS. (a) Creates this subsection from existing text.

(b) Requires a majority of temporary directors appointed under Subsection (a), except as provided by Subsection (c), to be residents of:

(1) the county in which the district is located;

(2) a county adjacent to the county described by Subdivision (1); or

(3) if the district is located in a county that is in a metropolitan statistical area designated by the United States Office of Management and Budget or its successor agency, a county in the same metropolitan statistical area as the county in which the district is located.

(c) Authorizes the Texas Natural Resource Conservation Commission (TNRCC) to appoint temporary directors that do not meet the requirements of Subsection (b) if the petition or the application accompanying the petition provides that the petitioner made reasonable efforts but failed to identify candidates meeting those requirements who were willing to serve as temporary directors.

SECTION 2. Amends Section 54.030, Water Code, by amending Subsections (b) and (c) and adding Subsections (d) and (e), as follows:

(b) Requires the governing body of a district which desires to convert into a district operating under this chapter to, after providing notice in accordance with Section 54.032, hold a hearing on the question of the conversion of the district, rather than adopt and

enter in the minutes of the governing body a resolution declaring that in its judgment, conversion, into a municipal utility district operating under this chapter and under Article XVI, Section 59, of the Texas Constitution.

(c) Requires the governing body of the converting district to present a general description of any litigation that is pending against the district at the hearing under Subsection (b).

(d) Authorizes the governing body of the converting district, after the hearing held under Subsection (b), to adopt and enter in the minutes of the governing body a resolution declaring that in the judgment of the governing body, conversion under that subsection would serve the best interest of the district and would be a benefit to the land and property included in the district. Requires the resolution to also request that TNRCC approve the conversion of the district, rather than to hold a hearing on the question of the conversion of the district.

(e) Redesignates existing Subsection (c) as Subsection (e). Requires a copy of the resolution under Subsection (d) to be:

(1) creates this subdivision from existing text and makes a nonsubstantive change; and

(2) mailed to each state senator and representative who represents the area in which the district is located.

SECTION 3. Amends Section 54.032(a), Water Code, as follows:

(a) Requires the governing body of a district described by Section 54.030(b) (relating to requiring the governing body of a district which desires to convert into a district operating under this chapter to adopt and enter in the minutes of the governing body a resolution declaring that in its judgment, conversion into a certain municipal utility district would serve the best interest of the district and would be a benefit to the land and property included in the district) to give notice of the conversion hearing by publishing notice in a newspaper with general circulation in the district, rather than requiring notice of the conversion hearing to be given by publishing notice in a newspaper with general circulation in the county or counties in which the district is located.

SECTION 4. Amends Section 54.033(a), Water Code, as follows:

(a) Requires TNRCC, after receiving a request for the approval of a conversion under Section 54.030(d), if TNRCC finds that conversion of the district into one operating under this chapter would serve the best interest of the district and would be a benefit to the land and property included in the district, to enter an order making this finding and provided that the district is required to become a district operating under this chapter and no confirmation election is required. Makes nonsubstantive changes.

SECTION 5. Provides that Section 54.022, Water Code, as amended by this Act, does not affect the entitlement of a temporary director serving on the board of directors of a municipal utility district under Chapter 54, Water Code, immediately before the effective date of this Act to continue to serve as a temporary director for the remainder of the director's term.

SECTION 6. Makes application of the changes in law made by this Act to a water district's conversion into a municipal utility district operating under Chapter 54, Water Code, prospective.

SECTION 7. Effective date: September 1, 2019.