

BILL ANALYSIS

Senate Research Center
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H.B. 4617
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Local Government
5/18/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

High Point is a special utility district operating under Chapters 49 and 65 of the Water Code to furnish water utility service to the public inside a service area defined by Certificate of Convenience and Necessity No. 10841 issued by the Public Utility Commission of Texas or one of its predecessor agencies. The district is governed by a seven-member board of directors elected by eligible voters residing within High Point's political boundaries. Special utility districts have no taxing authority.

High Point's certificated service area contains an area of approximately 36.16 square miles located in northeast Kaufman County and south-central Rockwall County. The district is generally bounded by the City of Terrell on the east and the City of Forney on the west. There are no incorporated municipalities within the district's boundaries.

For most of its existence, High Point primarily served customers who reside on or farm large rural tracts of land. Then, in 2005, developers started submitting requests for the district to serve new high-density residential subdivisions, commercial developments, and multi-family developments. Most of High Point's service area remains rural, but these ever-growing densely populated areas possess the votes to take control of the district's board of directors and deny adequate representation for rural customers.

H.B. 4617 would authorize High Point's board to create and thereafter elect some or all board candidates from single-member districts. The bill would affect Texas Water Code Sections 49.103(d) and (f), and 65.103(a).

Special utility districts are excepted from the general provision authorizing all other forms of conservation and reclamation districts to elect directors either at large or from single-member districts. Sections 49.103(d) and (f), Water Code. Directors of special utility districts are elected at large. Section 65.103(a), Water Code. This local bill would except High Point from Section 49.103(f) and give the board the option to elect directors at-large or from single-member districts.

H.B. 4617 amends current law relating to the qualifications and method of electing directors of the High Point Special Utility District of Kaufman and Rockwall Counties.

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 Subtitle C, Title 6, Special District Local Laws Code, by adding Chapter 7220, as follows:

CHAPTER 7220. HIGH POINT SPECIAL UTILITY DISTRICT OF KAUFMAN AND ROCKWALL COUNTIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7220.0101. DEFINITIONS. Defines "board," "director," and "district."

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7220.0201. COMPOSITION OF BOARD. Provides that the High Point Special Utility District of Kaufman and Rockwall Counties (district) is governed by a board of seven directors.

Sec. 7220.0202. ELECTION OF DIRECTORS FROM SINGLE-MEMBER DISTRICTS. (a) Authorizes the board of directors of the district (board) by rule to provide for the election of some or all of the directors from single-member districts.

(b) Requires a person to be a resident of a single-member district to be eligible to be listed on the ballot as a candidate for or to serve as a director from a single-member district if the board provides for the election of some or all of the directors from single-member districts.

SECTION 2. Provides that the change in law made by Section 7220.0202, Special District Local Laws Code, as added by this Act, does not affect the entitlement of a member serving on the board immediately before the effective date of this Act to continue to carry out the board's functions for the remainder of the member's term. Provides that the change in law applies only to a member elected on or after the effective date of this Act. Provides that this Act does not prohibit a person who is a member of the board on the effective date of this Act from being reelected to the board if the person has the qualifications required for a member under Section 7220.0202, Special District Local Laws Code, as added by this Act.

SECTION 3. 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 4. Effective date: September 1, 2021.