

BILL ANALYSIS

Senate Research Center
88R3592 LRM-D

S.B. 2566
By: Zaffirini
Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

McMullen County Water Control and Improvement District 1 (MCWCID 1) currently costs more to maintain and operate than any revenue generated by the district. What's more, MCWCID 1 is owned by one engineer considering retirement who no longer wishes to be responsible for the district's operation. County officials and this engineer believe it is in their best interest that MCWCID 1 be dissolved, which would cut costs and provide better water services. Accordingly, S.B. 2566 would dissolve MCWCID 1.

As proposed, S.B. 2566 amends current law relating to the dissolution of the McMullen County Water Control and Improvement District No. 1.

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. Provides that on the effective date of this Act:

- (1) the McMullen County Water Control and Improvement District No. 1 (district) is dissolved;
- (2) the terms of the directors of the district expire;
- (3) any assets and liabilities of the district are transferred to McMullen County; and
- (4) McMullen County is authorized to, in all respects, conduct the affairs of the district.

SECTION 2. (a) Requires the McMullen County judge, as soon as practicable, to appoint a trustee to close the affairs of the district as a result of the dissolution.

- (b) Provides that the trustee has the same rights and responsibilities as the board of the district for the purposes of carrying out the winding up of the district.
- (c) Requires the trustee and the McMullen County judge to enter into an agreement to provide for the payment of the trustee for services rendered under this Act.
- (d) Requires the trustee to:
 - (1) wind up the business or affairs of the district;
 - (2) sell or otherwise dispose of the real or personal property of the district and distribute the proceeds to the creditors of the district and, if all creditors have been satisfied, to McMullen County;

(3) take any other action necessary to prepare for the dissolution of the district, including the filing of any dissolution documents with the Texas Commission on Environmental Quality; and

(4) deliver a report of the actions taken under this Act to the McMullen County judge at the conclusion of the trustee's duties.

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: upon passage or September 1, 2023.