

BILL ANALYSIS

H.B. 1832
By: Harper-Brown
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Dallas County Utility and Reclamation District (or the district) is a special law water district initially created by the Legislature effective February 1, 1984. The district is located wholly within the City of Irving and serves primarily the commercial areas of the Las Colinas development. In 1999, the Legislature amended the district's enabling legislation to provide (a) that its 5-member board be appointed by the Irving City Council to serve 4-year staggered terms; and (b) that its annual operating budget be approved by the Irving City Council. The implementation of the 1999 amendments caused the city's auditors to determine: (a) that the district had become a "component unit" of the city; and (b) that the district's significant annual audit had to be included in the city's annual audit, which increased the cost of the city's audit by more than \$30,000 annually.

The city council passed a resolution asking the district to seek three amendments to its enabling legislation to cause the district no longer to be considered a component unit of the city under the general accounting requirements. The district is audited by an independent accounting firm and has always filed its annual audit with TCEQ and its predecessors.

H.B. 1832 would eliminate the ability of the city to remove and replace the district's directors at any time without cause, eliminate the requirement that the city approve the district's annual operation and maintenance budget, and eliminate the ability of the city to abolish the district unilaterally.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1 - Amends Section 5, Chapter 628, Acts of the 68th Legislature, Regular Session, 1983, to eliminate the ability of the City Council of the City of Irving to remove and replace any director it appoints at any time without cause.

SECTION 2 - Amends Section 14, Chapter 628, Acts of the 68th Legislature, Regular Session, 1983, by eliminating the requirement of the City Council to approve the district's annual operation and maintenance budget.

SECTION 3 - Amends Section 15, Chapter 628, Acts of the 68th Legislature, Regular Session, 1983, by eliminating the city council's ability to abolish and dissolve the district unilaterally in which case the city would assume the district's assets and liabilities. This section provides that the abolition and dissolution requires the mutual consent of a three-fourths majority of the district's board of directors and a three-fourths majority of the members of the city council. This section also requires an agreed effective date of abolition and dissolution and specifies the transfer of assets, liabilities and functions to the city.

SECTION 4 - Validates certain actions of the district under certain conditions.

SECTION 5 - Specifies that this Act takes effect immediately if it receives a vote of two-thirds of all members elected to each house. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

EFFECTIVE DATE

On passage, or if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.