

## **BILL ANALYSIS**

C.S.H.B. 3626  
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Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Waterwood Municipal Utility District (MUD) is located in San Jacinto County. Portions of this MUD have never received utility services. Currently the board of the MUD does not have authority to exclude land from the district. C.S.H.B. 3626 simply allows the Waterwood Municipal Utility Board to exclude land from the district after a signed petition from the owners of a majority of the acreage being excluded indicates a desire for exclusion. The board would then call a hearing to consider exclusion of the land. C.S.H.B. 3626 does not affect pledged security for any outstanding debt of the district, such security remains until the final payment of the debt. The board members of the Waterwood Municipal Utility District will have complete jurisdiction over the exclusion of land from the district and the petition to exclude land must be filed with the board before August 31, 2005.

### **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. Creates definitions for this section.

SECTION 2. Creates a new special law "Exclusion of Land Within District." It requires a petition signed by the owner of a majority of the acreage indicating the desire to be excluded, a claim that the district has not provided utility services, facts for the board to make findings, and a requirement to file the petition by August 31, 2005. In addition, the section allows the board to find in favor of the petition if it is determined that the district has never provided utility service, the district has imposed a tax for 28 years, if all the fees and taxes have been fully paid on or before the date of the petition, and the executive director of TCEQ has no objection upon review.

SECTION 3. Requires that the excluded land serve as security on the debt until the districts final debt payment is made. It also requires any excluded land owner to pay their proportionate share of the outstanding debts.

### **EFFECTIVE DATE**

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

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The original bill amended the Water Code and the substitute creates a special law. This will ensure the provisions are only applicable to the Waterwood Municipal Utility District.

