

BILL ANALYSIS

Senate Research Center

S.B. 1933
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Natural Resources
8/14/2003
Enrolled

DIGEST AND PURPOSE

Currently the board of directors of the Waterwood Municipal Utility District No. 1 (board) is unable to de-annex land from the Waterwood Municipal Utility District No. 1. There is a large area of land that has not been developed and will never receive services. S.B. 1933 creates a special law to allow the board to hear a petition of de-annexation from a property owner who will never receive services. The board has discretion in granting the application. The exclusion of the land does not impair the rights of holders of any outstanding bonds, warrants, or other certificates of indebtedness.

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. DEFINITIONS. Defines “board” and “district.”

SECTION 2. EXCLUSION OF LAND WITHIN DISTRICT. (a) Authorizes the Waterwood Municipal Utility District No. 1 (district), notwithstanding any other provisions of law, to exclude land from its boundaries under this section. Requires the board of the district to call a hearing on the exclusion of land from the district on a written petition filed with the secretary of the board by a landowner whose land has been included in and taxable by the district for more than 28 years if any bonds issued by the district payable in whole or in part from taxes of the district are outstanding and the petition meets certain requirements.

(b) Authorizes the board of the district to exclude land under this section only on certain findings.

(c) Authorizes the board of directors of the district (board), if evidence presented at the hearing conclusively demonstrates that the requirements and grounds for exclusion described by Subsections (a) and (b) have been met, to enter an order excluding the land from the district. Requires the board, if the board enters an order excluding the land, to redefine in the order the boundaries of the district to embrace all land not excluded.

(d) Requires a copy of an order excluding land and redefining the boundaries of the district to be filed in the deed records of the county in which the district is located.

(e) Provides that the exclusion of land under this section does not impair the rights of the holders of any outstanding bonds, warrants, or other certificates of indebtedness of the district.

(f) Authorizes the district, after any land is excluded under this section, to issue any unissued additional debt approved by the voters of the district before exclusion of the land under this section without holding a new election. Prohibits additional debt issued after land is excluded from the district from being payable from the taxable value of the excluded land and provides that additional debt does

not create a lien against the taxable value of the excluded land.

(g) Provides that for purposes of this section, "land" includes any improvements to the land, and when used in the context of property taxes, "land" has the meaning assigned to "real property" by Section 1.04, Tax Code.

SECTION 3. TAX LIABILITY OF EXCLUDED LAND; BONDS OUTSTANDING. (a) Provides that land excluded from the district under Section 2 of this Act that is pledged as security for any outstanding debt of the district remains pledged for its pro rata share of the debt until final payment is made. Requires the district to continue to levy and collect taxes on the excluded land at the same rate levied on land remaining in the district until the amount of taxes collected from the excluded land equals the land's pro rata share of the district's debt outstanding at the time the land was excluded from the district.

(b) Requires the district to apply the taxes collected on the excluded land only to the payment of the excluded land's pro rata share of the debt.

SECTION 4. EFFECTIVE DATE. Effective date: upon passage or September 1, 2003.