

BILL ANALYSIS

Senate Research Center

S.B. 1933
By: Staples
Natural Resources
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DIGEST AND PURPOSE

Currently the board of director of the Waterwood Municipal Utility District are unable to de-annex land from the district. There is a large area of land that has not been developed and will never receive services. As proposed, S.B. 1933 creates a special law to allow the district's board to hear a petition of de-annexation from a property owner who will never receive services. The board maintains discretion in granting the application. The bill requires all bonds to be paid.

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 Subchapter H, Chapter 54, Water Code, by adding Sections 54.748 and Section 54.749 as follows:

Sec. 54.748. EXCLUSION LAND LOCATED WITHIN WATERWOOD MUNICIPAL UTILITY. (a) Requires the board of the Waterwood Municipal Utility 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 after considering evidence presented at the hearing that 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 and shall 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 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 and does not create a lien against the taxable value of the excluded land.

(g) Provides that for purposes of this section and Section 49.3077, "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 54.749. TAX LIABILITY OF EXCLUDED LAND, BONDS OUTSTANDING.

(a) Provides that land excluded from the district under Section 40.3076 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. 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 2. Effective date: upon passage or September 1, 2003.