

By: McReynolds

H.B. No. 3626

A BILL TO BE ENTITLED

AN ACT

relating to the exclusion of land from Waterwood Municipal Utility District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter H, Chapter 54, Water Code, is amended by adding Sections 54.748 and Section 54.749 to read as follows:

Sec. 54.748. EXCLUSION LAND LOCATED WITHIN WATERWOOD MUNICIPAL UTILITY. (a) The board of the Waterwood Municipal Utility shall 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:

(1) includes a signed petition evidencing the consent of the owners of a majority of the acreage proposed to be excluded, as reflected by the most recent certified tax roll of the district;

(2) includes a claim that the district has not provided the land with utility services;

(3) describes the property to be excluded;

(4) provides facts necessary at the petitioner's expense for the board to make the findings as required under subsection (b) of this section; and

(5) is filed prior to August 31, 2005.

1       (b) The board of the district may exclude land under this  
2 section only on finding that;

3           (1) the district has never provided utility service to  
4 the land described by the petition;

5           (2) the district has imposed a tax on the land for more  
6 than 28 years; and

7           (3) all taxes the district has levied and assessed  
8 against the land and all fees and assessments the district has  
9 imposed against the land or the owner that are due and payable on or  
10 before the date of the petition are fully paid;

11           (4) The executive director of the commission has  
12 reviewed the economic impact of the proposed exclusion of land and  
13 poses no objection.

14       (c) After considering evidence presented at the hearing  
15 that conclusively demonstrates that the requirements and grounds  
16 for exclusion described by subsections (a) and (b) have been met,  
17 the board may enter an order excluding the land from the district  
18 and shall redefine in the order the boundaries of the district to  
19 embrace all land not excluded.

20       (d) A copy of an order excluding land and redefining  
21 boundaries of the district shall be filed in the deed records of the  
22 county in which the district is located.

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

26       (f) After any land is excluded under this section, the  
27 district may issue any unissued additional debt approved by the

1 voters of the district before exclusion of the land under this  
2 section without holding a new election. Additional debt issued  
3 after land is excluded from the district may not be payable from and  
4 does not create a lien against the taxable value of the excluded  
5 land.

6 (g) For purposes of this section and Section 49.3077, "land"  
7 includes any improvements to the land, and when used in the context  
8 of property taxes, "land" has the meaning assigned to "real  
9 property" by Section 1.04, Tax Code.

10 Section 54.749. TAX LIABILITY OF EXCLUDED LAND, BONDS  
11 OUTSTANDING. (a) Land excluded from the district under Section  
12 40.3076 that is pledged as security for any outstanding debt of the  
13 district remains pledged for its pro rata share of the debt until  
14 final payment is made. The district shall continue to levy and  
15 collect taxes on the excluded land at the same rate levied on land  
16 remaining in the district until the amount of taxes collected from  
17 the excluded land equals the land's pro rata share of the district's  
18 debt outstanding at the time the land was excluded from the  
19 district.

20 The district shall apply the taxes collected on the excluded  
21 land only to the payment of the excluded land's pro rata share of  
22 the debt.

23 SECTION 2. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house as  
25 provided by Section 39, Article III Texas Constitution. If this Act  
26 does not receive the vote necessary for immediate effect, this Act  
27 takes effect September 1, 2003.