

AN ACT

relating to the exclusion of property from Waterwood Municipal Utility District No. 1.

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

SECTION 1. DEFINITIONS. In this Act:

(1) "Board" means the board of directors of the Waterwood Municipal Utility District No. 1.

(2) "District" means the Waterwood Municipal Utility District No. 1.

SECTION 2. EXCLUSION OF LAND WITHIN DISTRICT.

(a) Notwithstanding any other provision of law, the district may exclude land from its boundaries under this section. The board of the district 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;

1 (4) provides, at the petitioner's expense, facts
2 necessary for the board to make the findings required by Subsection
3 (b) of this section; and

4 (5) is filed before August 31, 2005.

5 (b) The board of the district may exclude land under this
6 section only on finding that:

7 (1) the district has never provided utility services
8 to the land described by the petition;

9 (2) the district has imposed a tax on the land for more
10 than 28 years;

11 (3) all taxes the district has levied and assessed
12 against the land and all fees and assessments the district has
13 imposed against the land or the owner that are due and payable on or
14 before the date of the petition are fully paid; and

15 (4) the executive director of the Texas Commission on
16 Environmental Quality has reviewed the economic impact of the
17 proposed exclusion of land and does not oppose the exclusion.

18 (c) If evidence presented at the hearing conclusively
19 demonstrates that the requirements and grounds for exclusion
20 described by Subsections (a) and (b) of this section have been met,
21 the board may enter an order excluding the land from the district.
22 If the board enters an order excluding the land, the board shall
23 redefine in the order the boundaries of the district to embrace all
24 land not excluded.

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

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

4 (f) After any land is excluded under this section, the
5 district may issue any unissued additional debt approved by the
6 voters of the district before exclusion of the land under this
7 section without holding a new election. Additional debt issued
8 after land is excluded from the district may not be payable from and
9 does not create a lien against the taxable value of the excluded
10 land.

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

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

25 (b) The district shall apply the taxes collected on the
26 excluded land only to the payment of the excluded land's pro rata
27 share of the debt.

1 SECTION 4. EFFECTIVE DATE. This Act takes effect
2 immediately if it receives a vote of two-thirds of all the members
3 elected to each house, as provided by Section 39, Article III, Texas
4 Constitution. If this Act does not receive the vote necessary for
5 immediate effect, this Act takes effect September 1, 2003.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1933 passed the Senate on
May 15, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1933 passed the House on
May 28, 2003, by the following vote: Yeas 144, Nays 0, two
present not voting.

Chief Clerk of the House

Approved:

Date

Governor