

1-1 By: Staples S.B. No. 1933  
1-2 (In the Senate - Filed April 29, 2003; April 30, 2003, read  
1-3 first time and referred to Committee on Natural Resources;  
1-4 May 9, 2003, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 9, Nays 0; May 9, 2003, sent  
1-6 to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1933 By: Staples

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the exclusion of property from Waterwood Municipal  
1-11 Utility District No. 1.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. DEFINITIONS. In this Act:

1-14 (1) "Board" means the board of directors of the  
1-15 Waterwood Municipal District No. 1.

1-16 (2) "District" means the Waterwood Municipal Utility  
1-17 District No. 1.

1-18 SECTION 2. EXCLUSION OF LAND WITHIN DISTRICT.

1-19 (a) Notwithstanding any other provision of law, the district may  
1-20 exclude land from its boundaries under this section. The board of  
1-21 the district shall call a hearing on the exclusion of land from the  
1-22 district on a written petition filed with the secretary of the board  
1-23 by a landowner whose land has been included in and taxable by the  
1-24 district for more than 28 years if any bonds issued by the district  
1-25 payable in whole or in part from taxes of the district are  
1-26 outstanding and the petition:

1-27 (1) includes a signed petition evidencing the consent  
1-28 of the owners of a majority of the acreage proposed to be excluded,  
1-29 as reflected by the most recent certified tax roll of the district;

1-30 (2) includes a claim that the district has not  
1-31 provided the land with utility services;

1-32 (3) describes the property to be excluded;

1-33 (4) provides, at the petitioner's expense, facts  
1-34 necessary for the board to make the findings required by Subsection  
1-35 (b) of this section; and

1-36 (5) is filed before August 31, 2005.

1-37 (b) The board of the district may exclude land under this  
1-38 section only on finding that:

1-39 (1) the district has never provided utility services  
1-40 to the land described by the petition;

1-41 (2) the district has imposed a tax on the land for more  
1-42 than 28 years;

1-43 (3) all taxes the district has levied and assessed  
1-44 against the land and all fees and assessments the district has  
1-45 imposed against the land or the owner that are due and payable on or  
1-46 before the date of the petition are fully paid; and

1-47 (4) the executive director of the Texas Commission on  
1-48 Environmental Quality has reviewed the economic impact of the  
1-49 proposed exclusion of land and does not oppose the exclusion.

1-50 (c) If evidence presented at the hearing conclusively  
1-51 demonstrates that the requirements and grounds for exclusion  
1-52 described by Subsections (a) and (b) of this section have been met,  
1-53 the board may enter an order excluding the land from the district.  
1-54 If the board enters an order excluding the land, the board shall  
1-55 redefine in the order the boundaries of the district to embrace all  
1-56 land not excluded.

1-57 (d) A copy of an order excluding land and redefining the  
1-58 boundaries of the district shall be filed in the deed records of the  
1-59 county in which the district is located.

1-60 (e) The exclusion of land under this section does not impair  
1-61 the rights of holders of any outstanding bonds, warrants, or other  
1-62 certificates of indebtedness of the district.

1-63 (f) After any land is excluded under this section, the

2-1 district may issue any unissued additional debt approved by the  
2-2 voters of the district before exclusion of the land under this  
2-3 section without holding a new election. Additional debt issued  
2-4 after land is excluded from the district may not be payable from and  
2-5 does not create a lien against the taxable value of the excluded  
2-6 land.

2-7 (g) For purposes of this section, "land" includes any  
2-8 improvements to the land, and when used in the context of property  
2-9 taxes, "land" has the meaning assigned to "real property" by  
2-10 Section 1.04, Tax Code.

2-11 SECTION 3. TAX LIABILITY OF EXCLUDED LAND; BONDS  
2-12 OUTSTANDING. (a) Land excluded from the district under Section 2  
2-13 of this Act that is pledged as security for any outstanding debt of  
2-14 the district remains pledged for its pro rata share of the debt  
2-15 until final payment is made. The district shall continue to levy  
2-16 and collect taxes on the excluded land at the same rate levied on  
2-17 land remaining in the district until the amount of taxes collected  
2-18 from the excluded land equals the land's pro rata share of the  
2-19 district's debt outstanding at the time the land was excluded from  
2-20 the district.

2-21 (b) The district shall apply the taxes collected on the  
2-22 excluded land only to the payment of the excluded land's pro rata  
2-23 share of the debt.

2-24 SECTION 4. EFFECTIVE DATE. This Act takes effect  
2-25 immediately if it receives a vote of two-thirds of all the members  
2-26 elected to each house, as provided by Section 39, Article III, Texas  
2-27 Constitution. If this Act does not receive the vote necessary for  
2-28 immediate effect, this Act takes effect September 1, 2003.

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