

## **BILL ANALYSIS**

H.B. 1041  
By: Gattis  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Many Texans reside within Municipal Utility Districts (MUDs) that provide essential services, such as water and wastewater service. Governed under Chapters 49 and 54, Water Code, MUDs may have the power to incur debt and/or levy taxes. In essence, MUDs have many of the same functions and powers as municipalities.

MUDs are governed by an elected board of directors. Elections are a mechanism by which residents can hold a MUD board accountable. However, some MUD board members have engaged in "seat jumping," a practice in which a current board member resigns his or her seat, and then is appointed by the board to a vacant seat with a longer remaining term, thus avoiding having to stand for reelection. House Bill 1041 aims to prohibit such practice.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1041 prevents a MUD board of directors from filling a vacant seat on the board with a person who :

- resigned from the board within the two years preceding the vacancy date,
- resigned from the board on or after the vacancy date but before the vacancy was filled, or
- was defeated in a directors election for the MUD within the two years preceding the vacancy.

### **EFFECTIVE DATE**

H.B. 1041 takes effect immediately if it receives 2/3rds vote in both chambers, otherwise it is effective Sept. 1, 2005.