

BILL ANALYSIS

Senate Research Center
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H.B. 3524
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Intergovernmental Relations
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Williamson County Municipal Utility District No. 19 (district) will encompass an area of land located outside the corporate limits and the extraterritorial jurisdiction of any city. The land to be located within the district will be developed into single family residential and commercial developments; and therefore, water, sewer, and drainage services need to be secured. It is necessary to create the municipal utility district under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, in order to purchase, acquire, and/or construct facilities for such services to serve the future occupants of the land utilizing tax exempt bonds. H.B. 3524 provides regulations regarding the creation, administration, powers, duties, operation, and financing of the district, and provides authority for the district to divide into smaller districts.

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 Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8134, as follows:

CHAPTER 8134. WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT
NO. 19

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8134.001. DEFINITIONS. Defines "board," "city," "director," and "district."

Sec. 8134.002. NATURE OF DISTRICT. Provides that the Williams County Municipal Utility District No. 19 (district) is a municipality utility in Williamson County created under and essential to accomplish the purposes of Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution.

Sec. 8134.003. CONFIRMATION ELECTION REQUIRED. Sets forth certain requirements for the district if the creation of the district is not confirmed at a confirmation election held under Section 8134.022 before September 1, 2009. Provides that this chapter expires September 1, 2012, if the district is not confirmed at said election.

Sec. 8134.004. INITIAL DISTRICT TERRITORY. (a) Provides that the district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) Provides that the boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. Provides that a mistake made in the field notes or in copying the field notes in the legislative process does not affect certain aspects of the district.

Sec. 8134.005. APPLICABILITY OF OTHER LAW. Provides that certain chapters of the Water Code, apply to the district, with an exception.

[Reserves Sections 8134.006-8134.020 for expansion.]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8134.021. TEMPORARY DIRECTORS. (a) Sets forth the composition of the temporary board.

(b) Provides that temporary directors of the district are not required to own land in or be residents of the district.

(c) Requires the temporary directors who have qualified to appoint a person to fill a vacancy if a temporary director fails to qualify for office. Requires the Texas Commission on Environmental Quality to appoint the necessary number of persons to fill all vacancies on the board if at any time there are fewer than three qualified temporary directors,.

(d) Requires the temporary directors to serve until the earlier of certain dates.

Sec. 8134.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Requires a majority of the temporary directors, as soon as practicable after all the temporary directors have qualified under Section 49.055 (Sworn, Statement, Bond, and Oath of Office), Water Code, to convene the organizational meeting of the district at a location in the district agreeable to a majority of the directors.

Sec. 8134.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) Requires the temporary directors to hold an election to confirm the creation of the district and to elect five initial directors as provided by Section 49.102 (Confirmation and Director Election), Water Code. Authorizes the temporary directors, if the creation of the district is not confirmed at the initial election, to hold a second election not sooner than the first anniversary of the initial election.

(b) Authorizes the board to submit to the voters a proposition to authorize certain taxes and bonds at the confirmation and initial directors' election.

(c) Provides that Section 41.001(a) (pertaining to uniform election dates), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Sec. 8134.024. INITIAL ELECTED DIRECTORS; TERMS. Requires the directors elected under Section 8134.022 to draw lots to determine which two are required to serve terms expiring June 1 following the first regularly scheduled election of directors under Section 8134.052 and which three are required to serve until June 1 following the second regularly scheduled election of directors.

Sec. 8134.024. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2012.

[Reserves Sections 8134.026-8134.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8134.051. DIRECTORS; TERMS. Provides that the district is governed by a board of five directors (board) who serve staggered four-year terms that expire June 1 of even-numbered years.

Sec. 8134.052. ELECTION OF DIRECTORS. Requires the appropriate number of directors to be elected on the uniform election date in May of each even-numbered year.

[Reserves Sections 8134.053-8134.100 for expansion.]

SUBCHAPTER C. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8134.101. DIVISION OF DISTRICT; PREREQUISITES. (a) Provides that, subject to the approval of the city, at any time before the district issues indebtedness secured by taxes or net revenues, the district, including any annexed territory, may be divided into two or more new districts. Requires the board to determine which portion of the divided area constitutes the original district.

(b) Authorizes a district created by division of the original district under Subsection (a) to further subdivide as determined by the board of that district.

(c) Requires the original and any new district created to be at least 100 acres, after a division under Subsection (a) and (b).

(d) Authorizes the board by resolution to declare an intent to divide the district. Sets forth certain requirements for the resolution.

(e) Provides that Section 42.042 (Injunction), Local Government Code, and Section 54.016 (Consent of City), Water Code, do not apply to the creation of a new district by division under this subchapter.

Sec. 8134.102. DISTRICT DIVISION BY ELECTION. (a) Requires the board to hold an election in the district to determine whether the district should be divided as proposed under Section 8134.101(d), with exception.

(b) Requires the board to give notice of the election not later than the 20th day before the date of the election. Sets forth certain requirements for the notice.

(c) Provides that if a majority of the votes are cast in favor of the division, the district is divided.

(d) Prohibits the district from being divided if less than a majority of the votes are cast in favor of the division.

Sec. 8134.103. DISTRICT DIVISION BY CONSENT. (a) Authorizes the board to approve and order the division of the district without an election if the board has received written consent to the proposed division from all title holders of the land in the proposed new district or districts as indicated by the tax rolls of the central appraisal district.

(b) Provides that if the board orders the division without an election, the district is divided as of the date of the order.

Sec. 8134.104. NOTICE OF DIVISION. Requires the district to provide written notice of the plan for division to certain entities not later than the 30th day after the date of a division under this subchapter.

Sec. 8134.105. DISTRICT NAMES FOLLOWING DIVISION. Provides that the area designated by the board as the original district retains the name of the original district. Provides that the resulting new districts are assigned consecutive letters to be appended to the name of the original district.

Sec. 8134.106. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) After a division under this subchapter, the board shall continue to act as the board of the original district.

(b) Requires the board, not later than the 90th day after the date of the division, to appoint five directors for each of the new districts. Provides that a person appointed under this subsection is not required to own land in or reside in the district for which the person is appointed.

(c) Provides that directors of the original district serve the staggered terms to which they were elected before the division. Provides that directors appointed under Subsection (b) serve until June 1 following the election for directors under Subsection (d).

(d) Requires an election to be held to elect five directors in each district for which directors were appointed under Subsection (b) on the uniform election date in May of the first even-numbered year after the year in which the directors are appointed. Requires, of the five directors elected in each district, the three directors receiving the greatest number of votes to serve until the second regularly scheduled election of directors under Subsection (e), and the remaining two directors to serve until the first regularly scheduled election of directors.

(e) Provides that except as provided by Subsection (d), directors serve staggered four-year terms. Requires the appropriate number of directors to be elected on the uniform election date in May of each even-numbered year.

Sec. 8134.107. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Authorizes each new district to incur and pay debts and provides that it has all powers of the original district created by this chapter.

(b) Provides that if the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Requires debts to be paid by revenues or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board in the plan for division.

(c) Requires any other district obligation to be divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Sec. 8134.108. CONTRACT AUTHORITY OF NEW DISTRICTS. Authorizes the new districts to contract with each other for certain services.

Sec. 8134.109. ANNEXATION BY MUNICIPALITY. Authorizes a municipality to annex the original district, or a new district that is created as a result of a division of the district under Section 8134.102 or 8134.103, only after certain measures are taken.

SECTION 2. Sets forth the territory initially contained in the district.

SECTION 3. Provides that all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. Effective date: September 1, 2005.