

AN ACT

relating to the procedure for conversion and creation of a special utility district.

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

SECTION 1. Section 65.020(a), Water Code, is amended to read as follows:

(a) If the commission determines that a hearing is necessary under Section 49.011, the commission shall conduct a hearing and accept evidence on the sufficiency of the resolution and whether or not the request for conversion for each purpose specified in the resolution, as required by Section 65.015, is feasible and practicable and is necessary and would be a benefit to all or any part of the land proposed to be included in the district. The commission may only consider a purpose for which the district is being created that is specified in the resolution.

SECTION 2. Sections 65.021(a), (b), and (d), Water Code, are amended to read as follows:

(a) If the commission finds that the resolution conforms to the requirements of Section 65.015, ~~[and that]~~ the request for conversion is feasible and practicable, and each purpose for which the district is created is necessary and would be a benefit to the land proposed to be included in the district, the commission shall make these findings in an order and shall authorize the creation of the district for the purpose or purposes specified in the

1 resolution, as required by Section 65.015, on approval at the
2 confirmation and directors' election called and held under this
3 subchapter.

4 (b) In determining if the request for conversion is feasible
5 and practicable and if each purpose for which the district is
6 created [~~it~~] is necessary and would be a benefit to the land
7 included in the district, the commission shall consider:

8 (1) the availability of comparable service from other
9 systems, including water districts, municipalities, and regional
10 authorities;

11 (2) the reasonableness of projected construction
12 costs, if any, tax rates, and water and sewer rates; and

13 (3) whether or not the district and its system and
14 subsequent development within the district will have an
15 unreasonable effect on the following:

16 (A) land elevation;

17 (B) subsidence;

18 (C) groundwater level within the region;

19 (D) recharge capability of a groundwater source;

20 (E) natural runoff rates and drainage; and

21 (F) water quality.

22 (d) If the commission finds that the resolution does not
23 conform to the requirements of Section 65.015 of this code, ~~or~~
24 ~~that~~ the request for conversion is not feasible or [7] practicable,
25 or a purpose for which the district is created is not necessary [7]
26 or a benefit to the land in the district, the commission shall make
27 this finding in its order and shall deny the creation of the

1 district.

2 SECTION 3. The change in law made by this Act applies only
3 to a resolution filed with the Texas Commission on Environmental
4 Quality on or after the effective date of this Act. A resolution
5 filed before the effective date of this Act is covered by the law in
6 effect on the date the resolution was filed, and the former law is
7 continued in effect for that purpose.

8 SECTION 4. This Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I certify that H.B. No. 1673 was passed by the House on April 22, 2005, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 1673 was passed by the Senate on May 25, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor