

1-1 By: Haggerty (Senate Sponsor - Shapleigh) H.B. No. 3527
1-2 (In the Senate - Received from the House May 16, 2005;
1-3 May 17, 2005, read first time and referred to Committee on Natural
1-4 Resources; May 20, 2005, reported favorably by the following vote:
1-5 Yeas 9, Nays 0; May 20, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the ability of certain water supply or sewer service
1-9 corporations to dissolve and transfer assets to a municipality.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Sections 67.001-67.017, Chapter 67, Water Code,
1-12 are designated as Subchapter A, Chapter 67, Water Code, and a
1-13 subchapter heading is added to read as follows:

1-14 SUBCHAPTER A. GENERAL PROVISIONS

1-15 SECTION 2. Chapter 67, Water Code, is amended by adding
1-16 Subchapter B to read as follows:

1-17 SUBCHAPTER B. DISSOLUTION

1-18 Sec. 67.051. DEFINITION. In this subchapter, "executive
1-19 director" means the executive director of the Texas Commission on
1-20 Environmental Quality.

1-21 Sec. 67.052. APPLICABILITY OF SUBCHAPTER. This subchapter
1-22 applies only to a corporation and municipality located in a county:

1-23 (1) with a population of 650,000 or more; and

1-24 (2) adjacent to an international border.

1-25 Sec. 67.053. TRANSFER OF ASSETS AND LIABILITIES; REQUEST
1-26 FOR DISSOLUTION ORDER. (a) A board may transfer to a municipality
1-27 the corporation's assets and liabilities in accordance with the
1-28 corporation's written request for the municipality to take over the
1-29 management of the corporation's water supply system.

1-30 (b) On favorable action of the municipality, the board shall
1-31 notify the executive director and request an order of dissolution.

1-32 (c) The board shall provide the executive director with any
1-33 information or documentation the executive director requests to
1-34 monitor the corporation's progress toward the complete transfer of
1-35 its assets and liabilities to the municipality.

1-36 Sec. 67.054. ORDER OF DISSOLUTION; TRANSFER OF ASSETS AND
1-37 LIABILITIES. (a) On receipt of the notice and request from the
1-38 corporation, the executive director shall investigate to verify
1-39 whether the parties have met all the necessary conditions for the
1-40 transfer.

1-41 (b) After investigation, the executive director shall issue
1-42 an order of dissolution if the executive director determines:

1-43 (1) the corporation is ready to be dissolved;

1-44 (2) all of the corporation's assets and liabilities
1-45 are ready to be transferred to the municipality for incorporation
1-46 into the municipality's water system;

1-47 (3) the municipality is prepared to accept the
1-48 transfer; and

1-49 (4) the governing body of the municipality has adopted
1-50 a resolution accepting the transfer.

1-51 (c) In issuing an order of dissolution under Subsection (b),
1-52 the executive director shall:

1-53 (1) direct the board to provide to the municipality
1-54 and the secretary of state all transfer documents, including all
1-55 deeds, easements, and bills of sale in the possession of the board,
1-56 and any other information necessary or appropriate to transfer all
1-57 corporation assets and liabilities to the municipality;

1-58 (2) order the corporation dissolved; and

1-59 (3) order that all assets and liabilities of the
1-60 corporation be transferred to the municipality for incorporation
1-61 into the municipality's water system.

1-62 (d) The consideration and adoption of an order of
1-63 dissolution under this section is not a contested case under
1-64 Chapter 2001, Government Code.

