

BILL ANALYSIS

H.B. 3696
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Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The purpose of House Bill No. 3696 is to authorize Lake View Management and Development District (the District), to utilize the provisions of Sections 53.030 to 53.041 of the Water Code, which allows Districts under certain circumstances to divide into two (2) Districts. The District, a conservation and reclamation district, authorized by the Legislature by the passage of House Bill No. 2533 during the Regular Session of the 78th Legislature in 2003, is located entirely in Henderson County, is contemplating the annexation of additional lands, and is in need of the ability to divide into two (2) Districts, provided at the time there are no outstanding bonds and no ad valorem tax is being levied, all in accordance with Sections 53.030 to 53.041 Water Code. House Bill No. 3696 would add a new Section 3828.112 to Subchapter C, Chapter 3828, Special District Local Laws Code.

RULEMAKING AUTHORITY

Section 17 of the District's Enabling Act grants the District's Board rule-making authority to assist in operations and to protect the District's property.

SUMMARY ANALYSIS

House Bill No. 3696 would have no negative fiscal impact on any other entities or property. The flexibility to divide into two Districts is a necessary legal mechanism that is a customary and legally-acceptable procedure that many similar Districts in the State use successfully. The Bill adds a new Section 3828.112 to Subchapter C, Chapter 3828, Special District Local Laws Code approved by the Legislature in 2003, which chapter authorized the creation of Lake View Management and Development District, a conservation and reclamation district pursuant to Article 16, Section 59, and Article 3, Section 52, of the Texas Constitution.

The additional Section 3828.112 to Chapter 3828 provides for DIVISION INTO MULTIPLE DISTRICTS. The District encompasses approximately 549 acres and is contemplating the annexation of approximately 400 acres, which is generally considered too large for one District to practically serve. Before the District issues debt or levies an ad valorem tax, it may, under the proposed Bill, divide itself into two (2) Districts in compliance with Sections 53.030 to 53.041, Water Code.

The division into two (2) Districts shall require the Board to call an election on its own motion or on presentation of a petition signed by 20 or more qualified property taxpaying electors of the District.

The petition and order and notice of election shall set forth the metes and bounds of the proposed new Districts. The order shall set the time of the election.

The order calling the election shall state that the new Districts will each be governed by a Board of five supervisors elected in the same election.

The order shall establish a division of properties and money between the new Districts if the election shall pass.

House Bill No. 3696 provides in SECTION 2 a validation Act with an exception for pending or finalized litigation.

EFFECTIVE DATE

Date of approval if it receives a two-thirds record vote taken; otherwise, September 1, 2007.