

BILL ANALYSIS

Senate Research Center
81R10255 PMO-D

H.B. 4815
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Intergovernmental Relations
5/20/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Ranch at Cypress Creek Municipal Utility District No. 1 (district) is scheduled to be annexed by the City of Cedar Park in 2011, at which time the district will be dissolved. The district currently provides enhanced landscaping services and restrictive covenant enforcement, which will not be continued upon dissolution of the district in some subdivisions in the district that are not included in the homeowners' association. The district would like to ensure that superior landscaping and restrictive covenant enforcement continue to be provided to the areas not within a homeowners' association upon annexation and dissolution of the district.

This bill allows properties in the district currently not included in a homeowners' association to elect to join an existing homeowners' association located within the current boundaries of the district. An election will be held among the members of the existing homeowners' association and a separate election will be held among the owners of the properties to be added to the homeowners' association to approve the inclusion of these properties in the existing homeowners' association.

H.B. 4815 relates to certain procedures regarding dissolution of the Ranch at Cypress Creek Municipal Utility District No. 1.

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 Chapter 21, Acts of the 71st Legislature, 6th Called Session, 1990, by amending Section 2 and adding Section 6A, as follows:

Sec. 2. New heading: DEFINITIONS. Defines "association," "board," "declaration," "director," and "supplemental property," and redefines "district."

Sec. 6A. INCLUSION OF CERTAIN PROPERTY IN ASSOCIATION ON DISSOLUTION OF THE DISTRICT. (a) Provides that if the Ranch at Cypress Creek Municipal Utility District No. 1 (district) is dissolved, notwithstanding an existing restrictive covenant or real property restriction to the contrary, any supplemental property not included in the Ranch at Cypress Creek Homeowners Association (association) immediately before the dissolution is included in the association on dissolution if the addition of the supplemental property to the association is approved at the election or elections held under this section.

(b) Requires the association, before the district is dissolved, to hold an election or set of elections under the election procedures of the association at which all members of the association and all property owners of the supplemental property as of the date the district is dissolved are authorized to vote on the question of whether the supplemental property is to be included in the association.

(c) Provides that the supplemental property is included in the association if the property's inclusion is approved by a vote of two-thirds majority if all members of

the association on the date the election is held, and all property owners of the supplemental property on the date the election is held.

(d) Requires the board of directors of the district (board) to identify and transfer district funds from the district's operating account to the association before the district is dissolved in an amount adequate, as determined by the board in consultation with the association, to pay the costs and expenses of the election or elections required by Subsection (b).

(e) Prohibits the association from holding the election or set of elections under this section more than once.

(f) Provides that if the supplemental property is included in the association under this section:

(1) the declaration applies to and replaces the restrictive covenants and real property restrictions governing the supplemental property immediately before the dissolution of the district, including the obligation of property owners to pay dues, charges, and assessments to the association;

(2) the association is required to include two additional members of the association board to represent the owners of the supplemental property; and

(3) the first directors included under Subdivision (2) of this subsection are required to be appointed by the association board, as it existed immediately before the appointments, not later than the 30th day after the date of the election or elections under this section, and subsequent directors are required to be elected according to the covenants and bylaws of the association.

SECTION 2. (a) Provides that the legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI (General Provisions), Texas Constitution, and Chapter 313 (Notice for Local and Special Laws), Government Code.

(b) Provides that the governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality (TCEQ).

(c) Provides that TCEQ has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

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

SECTION 3. Effective date: upon passage or September 1, 2009.