

By: Reynolds

H.B. No. 1798

A BILL TO BE ENTITLED

AN ACT

relating to districts in certain municipalities.

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

SECTION 1. Chapter 551, Local Government Code, WATER CONTROL BY MUNICIPALITIES, is amended by adding section 551.008 to read as follows:

Sec. 551.008. APPROVAL OF CERTAIN DISTRICT ACTIONS INSIDE
A MUNICIPALITY BY CERTAIN MUNICIPALITIES

A. DEFINITIONS. In this Section:

(1) "Municipality" means a home rule municipality that has adopted a Charter pursuant to Article XI Section 5 of the Texas Constitution.

(2) "District" means a water control and improvement district formed under Article XVI, Section 59, of the Texas Constitution or in accordance with Water Code, Chapter 51.

(3) "Major Action" means any one or more of the following:

(a) calling an election for bonds or long-term debt;
(b) issuing bonds, refinancing, refunding or assuming long-term debt;

(c) annexing territory;

(d) increasing an ad valorem tax rate;

(e) reimbursing any commercial property owner for infrastructure or improvements;

(f) increasing water rates;

- 1 (g) increasing sewer rates;
2 (h) the sale or transfer of water rights; and
3 (i) contracts or agreements for the sale or lease of
4 water that commit more than 10% of the District's available surface
5 or ground water.

6 B. APPLICABILITY. This section applies to any District with
7 50 percent or more of the District's geographic territory located
8 within the boundaries of a Municipality where:

9 (1) the taxable value of the accounts located within the
10 boundaries of the Municipality and its Extraterritorial
11 Jurisdiction comprise, on average, 60 percent or more of the
12 taxable value of the District over the previous 5 years; and

13 (2) the Municipality and the District are located within the
14 boundaries of the same two adjacent counties one of which has a
15 population of over 4 million persons.

16 C. MAJOR ACTION SUBJECT TO APPROVAL.

17 A District shall not initiate, put into place or practice any
18 Major Action without first obtaining a vote of the majority of the
19 members of the governing body of the Municipality in favor of
20 proceeding with the proposed Major Action.

21 SECTION 2. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2011.