

BILL ANALYSIS

S.B. 1423
By: Hinojosa
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

As part of its dissolution activities, the Lower Nueces Water Supply District (district) was supposed to transfer its assets to the City of Corpus Christi (city) by August 1, 1986. Documentation of the district formally conveying the assets to the city has not been located. Recording of those real property asset transfers was completed, although not recorded at the county courthouse in Atascosa, San Patricio, Live Oak and Jim Wells counties for approximately 25 years due to records being inadvertently misplaced.

Once discovered, the city properly recorded those transactions in the respective counties:

- Nueces County on September 26, 2011, as Document 2011034981 filed in the property records of Nueces County;
- Atascosa County on September 30, 2011, as recording number 125295 filed in the property records of Atascosa County;
- Jim Wells County on September 27, 2011, as recording number 413632 filed in the property records of Jim Wells County;
- Live Oak County on September 27, 2011, as recording number 195798 filed in the property records of Live Oak County; and
- San Patricio County on September 27, 2011, as recording number 611795 filed in the property records of San Patricio County.

To avoid any potential adverse possession claims against the city, a validation act is needed to perfect the land transfers from the now-dissolved district to the city. Passing a validation act confirming the city's ownership of the original land as transferred by the district by August 1, 1986, will prevent any future claims of ownership by other parties. It will save the future city legal expenses, by cutting off invalid land ownership claims.

As proposed, S.B. 1423 amends current law relating to validating certain acts of the Lower Nueces River Water Supply District transferring real property rights.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Provides that, on or before August 1, 1986, in accordance with Chapter 844, Acts of the 69th Legislature, Regular Session, 1985, the board of directors of the Lower Nueces River Water Supply District paid or provided for the payment of all debts and liabilities of the district and transferred all district assets to the City of Corpus Christi, including all district rights to real property. Provides that additionally, the district's enabling legislation, Chapter 159, Acts of the 51st Legislature, Regular Session, 1949, was repealed, and the Lower Nueces River Water Supply District was dissolved in accordance with Chapter 844.

SECTION 2. (a) Provides that the governmental acts and proceedings of the Lower Nueces River Water Supply District taken to comply with Chapter 844, Acts of the 69th Legislature, Regular Session, 1985, relating to the 1986 transfer to the City of Corpus Christi of district rights to real property included in the 1986 quitclaim deed recordings described by Section 3 of this Act are validated and confirmed as of the dates the transfers occurred. Prohibits the acts and proceedings from being held invalid because they were not performed in accordance with Chapter 51 (Water Control and Improvement Districts), Water Code, or other law.

(b) Prohibits the 1986 transfer of rights to real property included in the 1986 quitclaim deed recordings described by Section 3 of this Act by the Lower Nueces River Water Supply District to the City of Corpus Christi from being held invalid on the ground that the transfer, in the absence of this Act, was invalid.

(c) Provides that the City of Corpus Christi is the owner of the rights to real property transferred to the city in accordance with Chapter 844, Acts of the 69th Legislature, Regular Session, 1985, and included in the 1986 quitclaim deed recordings described by Section 3 of this Act.

(d) Provides that this section does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment or has been held invalid by a final court judgment.

SECTION 3. Provides that the property transfers made in 1986 as quitclaim deeds in accordance with Section 3, Chapter 844, Acts of the 69th Legislature, Regular Session, 1985, transferring property from the Lower Nueces River Water Supply District to the City of Corpus Christi have been filed as follows:

(1) in Nueces County on September 26, 2011, as Document 2011034981 filed in the property records of Nueces County;

(2) in Atascosa County on September 30, 2011, as recording number 125295 filed in the property records of Atascosa County;

(3) in Jim Wells County on September 27, 2011, as recording number 413632 filed in the property records of Jim Wells County;

(4) in Live Oak County on September 27, 2011, as recording number 195798 filed in the property records of Live Oak County; and

(5) in San Patricio County on September 27, 2011, as recording number 611795 filed in the property records of San Patricio County.

SECTION 4. Provides for the effective date of this Act.

EFFECTIVE DATE

This Act takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house; otherwise, this Act takes effect September, 2013.