

BILL ANALYSIS

H.B. 4172
By: Farney
Special Purpose Districts
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to interested parties, Chisholm Trail Special Utility District has entered into an agreement under which all assets and liabilities were transferred to the City of Georgetown and the district has defeased all its debt. The district no longer owns assets to operate a water utility within its district boundaries and all operations have been contracted to the City of Georgetown. H.B. 4172 seeks to provide a mechanism for the district to dissolve under certain conditions.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 4172 amends the Special District Local Laws Code to provide for the dissolution of the Chisholm Trail Special Utility District. The bill authorizes the district's board of directors to issue notice of a hearing on a proposal to dissolve the district if a majority of the board votes to propose to dissolve the district. The bill sets out notice and hearing requirements and requires the board, if two-thirds of the board members vote to dissolve the district at the hearing, to enter a finding in its records that the district will be dissolved after completion of the process to transfer to the City of Georgetown the district's certificate of convenience and necessity and other applicable assets and liabilities. The bill requires the board to enter an order in its records dissolving the district after the transfer. The bill requires the board to enter an order in its records providing that the district is not to be dissolved if two-thirds of the board members do not vote to dissolve the district.

H.B. 4172 requires the city, on the date the board enters a finding that the district will be dissolved, to assume control of the operation and management of the affairs of the district, to the extent that the operation and management was not previously assumed by the city by contractual agreement; all rights, duties, and obligations of the district, to the extent that those rights, duties, and obligations were not previously assumed by the city by contractual agreement; all files, records, and accounts of the district; and all permits, approvals, and licenses of the district. The bill requires a state agency to grant approval without additional notice or hearing to the extent that the assumption of an item by the city requires the approval of the agency. The bill establishes that these provisions of the bill regarding the city's assumption of the operation, management, and assets and liabilities of the district do not enhance or harm the position of a contracting party.

H.B. 4172 makes the board's order dissolving the district final and prohibits the order from being appealed in any manner to any judicial, administrative, or other tribunal if the order is entered after the completion of the process to transfer the district's certificate of convenience and necessity.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.