

## **BILL ANALYSIS**

Senate Research Center

S.B. 1987  
By: Lucio  
Intergovernmental Relations  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Special purpose districts, particularly municipal utility districts and municipal management districts (MMDs), play a critical role in the development of public infrastructure and utilities to allow the growth and development of the state. Landowners initiate and support the creation of new districts by passage of special act of the legislature or administratively through the Texas Commission on Environmental Quality.

S.B. 1987 originates from the hearings of the Senate Committee on Intergovernmental Relations (IGR) during the 2016 interim. Upon examination, several statutory provisions relating to the creation of new districts and the annexation of land into existing districts could be improved.

S.B. 1987 addresses IGR's findings and provides that the same notices given to landowners being included in a new district are given when a landowner's property has been included in a proposed legislative annexation into an existing district. The bill also updates the district creations and annexations petition process to better reflect landowner support.

The committee substitute incorporated another IGR recommendation that provides that when proposing the creation of a new MMD or proposing adding territory to an existing MMD, a second written notice is given after a bill has been filed that includes the bill's number corresponding to the proposed district. In this way, the affected property owner can more easily track the legislation and attend committee hearings or take any actions needed in regard to the legislation during the legislative process. (Original Author's / Sponsor's Statement of Intent)

S.B. 1987 amends current law relating to the notice and procedural requirements for bills proposing the creation of or annexation of land to certain special purpose districts.

### **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 the heading to Section 313.006, Government Code, to read as follows:

Sec. 313.006. NOTICE FOR LAWS ESTABLISHING OR ADDING TERRITORY TO MUNICIPAL MANAGEMENT DISTRICTS.

SECTION 2. Amends Sections 313.006, Government Code, by amending Subsections (a), (b), and (d) and adding Subsections (e) and (f), as follows:

(a) Requires a person, other than a member of the legislature, who intends to apply for the passage of a law establishing or adding territory to a special district, rather than establishing a special district, that incorporates a power from Chapter 375 (Municipal Management Districts in General), Local Government Code, in addition to other requirements of this chapter (Notice for Local and Special Laws), to provide notice as provided by this section.

(b) Requires the person to notify by mail each person who owns real property proposed to be included in a new district or to be added to an existing district, rather than each person who owns real property in the proposed district, according to the most recent certified tax appraisal roll for the county in which the real property is owned.

(d) Provides that the person is not required to mail notice under Subsection (b) or (e) to a person who owns real property in the proposed district or in the area proposed to be added to a district, rather than in the proposed district, if the property cannot be subject to an assessment by the district.

(e) Requires the person, after the introduction of a law in the legislature establishing or adding territory to a special district that incorporates a power from Chapter 375, Local Government Code, to mail to each person who owns real property proposed to be included in a new district or to be added to an existing district a notice that the legislation has been introduced, including the applicable bill number. Requires that the notice, properly addressed with postage paid, be deposited with the United States Postal Service not later than the 30th day after the date on which the intended law is introduced in the legislature. Authorizes a person, if the person has not mailed the notice required under this subsection on the 31st day after the date on which the intended law is introduced in the legislature, to cure the deficiency by immediately mailing the notice, but requires that the person in no event mail the notice later than the date on which the intended law is reported out of committee in the chamber other than the chamber in which the intended law was introduced. Provides that if similar bills are filed in both chambers of the legislature, a person is only required to provide a single notice under this subsection not later than the 30th day after the date the first of the bills is filed.

(f) Authorizes a landowner to waive any notice required under this section at any time.

SECTION 3. Amends Section 375.022(b), Local Government Code, to delete existing text requiring that the petition requesting creation of a municipal management district (MMD) be signed by 50 persons who own real property in the proposed MMD if, according to the most recent certified county property tax rolls, more than 50 persons own real property in the proposed MMD. Makes nonsubstantive changes.

SECTION 4. Amends Section 49.302(b), Water Code, to delete existing text requiring that a petition requesting the annexation of a defined area, signed by 50 landowners if the number of landowners is more than 50, describe the land in a certain manner.

SECTION 5. Amends Section 54.014, Water Code, to delete existing text providing that, if there are more than 50 persons holding title to the land in the proposed municipal utility district (MUD), as indicated by the tax rolls of the central appraisal district, the petition is sufficient if it is signed by 50 holders of title to the land in the MUD.

SECTION 6. Amends Section 54.016(a), Water Code, to delete existing text providing that, if there are more than 50 persons holding title to the land in the proposed MUD as indicated by the county tax rolls, the request to the city will be sufficient if it is signed by 50 holders of title to the land in the MUD.

SECTION 7. Effective date: upon passage or September 1, 2017.