

BILL ANALYSIS

Senate Research Center

H.B. 2914
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Water & Rural Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In order to dissolve a district, the Texas Commission on Environmental Quality (TCEQ) must issue notice and hold a hearing. TCEQ may enter an order dissolving the district at the conclusion of the hearing if it finds that the district has performed none of the functions for which it was created for a period of five consecutive years before the day of the proceeding and that the district had no outstanding bond indebtedness.

Certain water districts may be converted into a municipal utility district by TCEQ if the district adopts a resolution stating that such a conversion would best serve the interest of the district and requesting a hearing on the conversion.

H.B. 2914 would allow TCEQ adopt an order to dissolve certain water districts without conducting a hearing if TCEQ received a petition for dissolution from the owners of the majority in value of the land in the district or from the district's board of directors.

H.B. 2914 amends current law relating to the necessity of hearings regarding the dissolution or conversion of certain conservation and reclamation districts.

Note: While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the amendments in this bill affect the Texas Commission on Environmental Quality as the successor agency to TNRCC.

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 Subchapter K, Chapter 49, Water Code, by adding Section 49.3225, as follows:

Sec. 49.3225. ORDER WITHOUT HEARING. (a) Authorizes the Texas Natural Resource Conservation Commission (TNRCC) to adopt an order under Section 49.324 without conducting a hearing if it receives a petition under this section from:

(1) the owners of the majority in value of the land in the district, as shown by the most recent certified tax roll of the central appraisal district of the county or counties in which the district is located; or

(2) the board of directors of the district.

(b) Requires the petitioners, not later than the 10th day after the date a petition is submitted under Subsection (a), to:

(1) provide notice of the petition by certified mail:

(A) to all the landowners in the district, as shown by the most recent certified tax roll of the central appraisal district of the county or counties in which the district is located, who did not sign the petition; and

(B) if the petition was submitted by persons described by Subsection (a)(1), to the board of directors; and

(2) certify in writing to TNRCC that the requirements of Subdivision (1) have been met.

(c) Requires a notice provided under Subsection (b)(1) to state that the landowner is authorized to file a written objection to the dissolution of the district not later than the 30th day after the date the notice was received.

(d) Requires TNRCC, if a landowner files a written objection to the dissolution of the district with TNRCC within the period specified in the notice, to hold a hearing on the dissolution of the district. Requires TNRCC to mail notice of the hearing by first class mail to certain people.

(e) Prohibits a district from being dissolved under this section or any other provision of law if the district:

(1) has any outstanding bonded indebtedness unless the bonded indebtedness is assumed by a third party, or repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonds;

(2) has a contractual obligation to pay money unless the obligation is assumed by a third party, fully paid in accordance with the contract, or waived by the obligee; or

(3) owns, operates, or maintains public works, facilities, or improvements, unless the ownership, operation, or maintenance is assumed by a third party.

SECTION 2. Amends Section 54.030(b), Water Code, to require the resolution adopted by the governing body of a district which desires to convert into a district operating under this chapter (Municipal Utility Districts) to also request that TNRCC approve the conversion of the district, rather than request that TNRCC to hold a hearing on the question of the conversion of the district.

SECTION 3. Amends Section 54.032, Water Code, as follows:

Sec. 54.032. CONVERSION OF DISTRICT: NOTICE. (a) Requires notice of the conversion, rather than the conversion hearing, to be given by publishing notice in a newspaper with general circulation in the county or counties in which the district is located.

(b) Requires the notice to be published once a week for two consecutive weeks, rather than requiring the notice to be published once a week for two consecutive weeks with the first publication to be made not less than 14 full days before the time set for the hearing.

(c) Requires the notice to set out the resolution adopted by the district in full and notify all interested persons how they may offer comments for or against the proposal contained in the resolution, rather than requiring the notice to state the time and place of the hearing, set out the resolution adopted by the district in full, and notify all interested persons to appear and offer testimony for or against the proposal contained in the resolution.

SECTION 4. Amends Section 54.033(a), Water Code, to require TNRCC, if TNRCC finds that conversion of the district into one operating under this chapter would serve the best interest of the district and would be a benefit to the land and property included in the district, rather than after a hearing if TNRCC finds that conversion of the district into one operating under this chapter would serve the best interest of the district and would be a benefit to the land and property included in the district, to enter an order making this finding and requires the district to become a district operating under this chapter and no confirmation election shall be required.

SECTION 5. Repealer: Section 54.031 (Establishing Date for Hearing), Water Code.

SECTION 6. Effective date: September 1, 2019.