2019S0254-1 02/22/19

By:  Hinojosa S.B. No. 1108

A BILL TO BE ENTITLED

AN ACT

relating to the dissolution of certain general law districts.

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

SECTION 1.  Chapter 55, Water Code, is amended by adding Subchapter Q to read as follows:

SUBCHAPTER Q. DISSOLUTION BY ELECTION

Sec. 55.851.  DISSOLUTION ELECTION CALLED BY BOARD. The board may order an election on the question of dissolving the district and transferring the district's assets and obligations to another political subdivision of the state if the board concludes after a public hearing held on the issue that it is in the best interest of the district's residents and of the persons served by the district for the district to dissolve.

Sec. 55.852.  DISSOLUTION ELECTION CALLED BY COMMISSIONERS COURT. (a)  The commissioners court of a county in which the district is located may order an election to be held in the district's territory on the question of dissolving the district and transferring the district's assets and obligations to another political subdivision of the state if the commissioners court concludes after a public hearing held on the issue that it is in the best interest of the district's residents and of the persons served by the district for the district to dissolve.

(b)  If the district is located in more than one county, the election order must be in the form of a joint order issued by the commissioners court of each county in which the district is located after a hearing as described by Subsection (a).

Sec. 55.853.  DISSOLUTION ELECTION CALLED BY PETITION. The board shall order an election on the question of dissolving the district and transferring the district's assets and obligations to another political subdivision of the state if the board receives a petition requesting an election on that question. The petition must be signed by at least 15 percent of the district's registered voters.

Sec. 55.854.  ELECTION ORDER. An order calling an election to be held under this subchapter must state:

(1)  the nature of the election, including the proposition that is to appear on the ballot;

(2)  the date of the election;

(3)  the hours during which the polls will be open; and

(4)  the location of the polling places.

Sec. 55.855.  NOTICE OF DISSOLUTION ELECTION. (a)  The board shall give notice of an election ordered under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b)  The first publication must appear not later than the 30th day before the date set for the election.

Sec. 55.856.  APPLICABILITY OF UNIFORM ELECTION DATES. Section 41.001, Election Code, does not apply to an election held under this subchapter.

Sec. 55.857.  ELECTION RESULTS. (a)  If a majority of the votes in an election held under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b)  If a majority of the votes in an election held under this subchapter do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election held on the question of dissolving the district.

Sec. 55.858.  TRANSFER OF ASSETS, OBLIGATIONS, AND PROVISION OF SERVICES. (a)  As soon as practicable following the issuance of an order under Section 55.857(a), the board shall:

(1)  begin the process of transferring the district's assets and obligations to one or more political subdivisions in a fair and equitable manner; and

(2)  administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b)  If the district provides services, the board or a receiver appointed under Section 55.859 shall make arrangements for the uninterrupted provision of services.

Sec. 55.859.  RECEIVER. (a)  If the commission determines that the board has failed to make substantial progress in transferring the district's assets and obligations to one or more political subdivisions in a fair and equitable manner, the commission may, after notice and opportunity for a hearing conducted under Chapter 2001, Government Code, request the attorney general to bring suit for the appointment of a receiver.

(b)  If the attorney general brings suit for the appointment of a receiver under Subsection (a), a district court shall appoint a receiver if the court finds the appointment is necessary for the transfer of the assets and obligations of the district.

(c)  The receiver shall execute a bond in the amount set by the court to ensure the proper performance of the receiver's duties.

(d)  After execution of the bond, the receiver shall take possession of the assets specified by the court.

(e)  Until discharged by the court, the receiver shall perform the duties as directed by the court to preserve the assets and ensure that district assets and obligations are transferred.

Sec. 55.860.  REPORT; DISSOLUTION ORDER. (a)  Not later than the 60th day after the date the district has transferred all of the district's assets and obligations and has arranged for the continued provision of services provided by the district, if applicable, the board, or the receiver appointed under Section 55.859, as applicable, shall file a written report with the commission summarizing the board's or the receiver's actions, as applicable, in dissolving the district.

(b)  Not later than the 45th day after the date the commission receives the report and determines that the requirements of this subchapter have been fulfilled, the commission shall enter an order dissolving the district.

SECTION 2.  Chapter 58, Water Code, is amended by adding Subchapter P to read as follows:

SUBCHAPTER P. DISSOLUTION BY ELECTION

Sec. 58.901.  DISSOLUTION ELECTION CALLED BY BOARD. The board may order an election on the question of dissolving the district and transferring the district's assets and obligations to another political subdivision of the state if the board concludes after a public hearing held on the issue that it is in the best interest of the district's residents and of the persons served by the district for the district to dissolve.

Sec. 58.902.  DISSOLUTION ELECTION CALLED BY COMMISSIONERS COURT. (a)  If the district is located entirely within one county, the commissioners court may order an election to be held in the district's territory on the question of dissolving the district and transferring the district's assets and obligations to another political subdivision of the state if the commissioners court concludes after a public hearing held on the issue that it is in the best interest of the district's residents and of the persons served by the district for the district to dissolve.

(b)  If the district is located in more than one county, the election order must be in the form of a joint order issued by the commissioners court of each county in which the district is located after a hearing as described by Subsection (a).

Sec. 58.903.  DISSOLUTION ELECTION CALLED BY PETITION. The board shall order an election on the question of dissolving the district and transferring the district's assets and obligations to another political subdivision of the state if the board receives a petition requesting an election on that question. The petition must be signed by at least 15 percent of the district's registered voters.

Sec. 58.904.  ELECTION ORDER. An order calling an election to be held under this subchapter must state:

(1)  the nature of the election, including the proposition that is to appear on the ballot;

(2)  the date of the election;

(3)  the hours during which the polls will be open; and

(4)  the location of the polling places.

Sec. 58.905.  NOTICE OF DISSOLUTION ELECTION. (a)  The board shall give notice of an election ordered under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b)  The first publication must appear not later than the 30th day before the date set for the election.

Sec. 58.906.  APPLICABILITY OF UNIFORM ELECTION DATES. Section 41.001, Election Code, does not apply to an election held under this subchapter.

Sec. 58.907.  ELECTION RESULTS. (a)  If a majority of the votes in an election held under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b)  If a majority of the votes in an election held under this subchapter do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election held on the question of dissolving the district.

Sec. 58.908.  TRANSFER OF ASSETS, OBLIGATIONS, AND PROVISION OF SERVICES. (a)  As soon as practicable following the issuance of an order under Section 58.907(a), the board shall:

(1)  begin the process of transferring the district's assets and obligations to one or more political subdivisions in a fair and equitable manner; and

(2)  administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b)  If the district provides services, the board or a receiver appointed under Section 58.909 shall make arrangements for the uninterrupted provision of services.

Sec. 58.909.  RECEIVER. (a)  If the commission determines that the board has failed to make substantial progress in transferring the district's assets and obligations to one or more political subdivisions in a fair and equitable manner, the commission may, after notice and opportunity for a hearing conducted under Chapter 2001, Government Code, request the attorney general to bring suit for the appointment of a receiver.

(b)  If the attorney general brings suit for the appointment of a receiver under Subsection (a), a district court shall appoint a receiver if the court finds the appointment is necessary for the transfer of the assets and obligations of the district.

(c)  The receiver shall execute a bond in the amount set by the court to ensure the proper performance of the receiver's duties.

(d)  After execution of the bond, the receiver shall take possession of the assets specified by the court.

(e)  Until discharged by the court, the receiver shall perform the duties as directed by the court to preserve the assets and ensure that district assets and obligations are transferred.

Sec. 58.910.  REPORT; DISSOLUTION ORDER. (a)  Not later than the 60th day after the date the district has transferred all of the district's assets and obligations and has arranged for the continued provision of services provided by the district, if applicable, the board, or the receiver appointed under Section 58.909, as applicable, shall file a written report with the commission summarizing the board's or the receiver's actions, as applicable, in dissolving the district.

(b)  Not later than the 45th day after the date the commission receives the report and determines that the requirements of this subchapter have been fulfilled, the commission shall enter an order dissolving the district.

SECTION 3.  Chapter 65, Water Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. DISSOLUTION BY ELECTION

Sec. 65.801.  DISSOLUTION ELECTION CALLED BY BOARD. The board may order an election on the question of dissolving the district and transferring the district's assets and obligations to another political subdivision of the state if the board concludes after a public hearing held on the issue that it is in the best interest of the district's residents and of the persons served by the district for the district to dissolve.

Sec. 65.802.  DISSOLUTION ELECTION CALLED BY COMMISSIONERS COURT. (a)  The commissioners court of a county in which the district is located may order an election to be held in the district's territory on the question of dissolving the district and transferring the district's assets and obligations to another political subdivision of the state if the commissioners court concludes after a public hearing held on the issue that it is in the best interest of the district's residents and of the persons served by the district for the district to dissolve.

(b)  If the district is located in more than one county, the election order must be in the form of a joint order issued by the commissioners court of each county in which the district is located after a hearing as described by Subsection (a).

Sec. 65.803.  DISSOLUTION ELECTION CALLED BY PETITION. The board shall order an election on the question of dissolving the district and transferring the district's assets and obligations to another political subdivision of the state if the board receives a petition requesting an election on that question. The petition must be signed by at least 15 percent of the district's registered voters.

Sec. 65.804.  ELECTION ORDER. An order calling an election to be held under this subchapter must state:

(1)  the nature of the election, including the proposition that is to appear on the ballot;

(2)  the date of the election;

(3)  the hours during which the polls will be open; and

(4)  the location of the polling places.

Sec. 65.805.  NOTICE OF DISSOLUTION ELECTION. (a)  The board shall give notice of an election ordered under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b)  The first publication must appear not later than the 30th day before the date set for the election.

Sec. 65.806.  APPLICABILITY OF UNIFORM ELECTION DATES. Section 41.001, Election Code, does not apply to an election held under this subchapter.

Sec. 65.807.  ELECTION RESULTS. (a)  If a majority of the votes in an election held under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b)  If a majority of the votes in an election held under this subchapter do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election held on the question of dissolving the district.

Sec. 65.808.  TRANSFER OF ASSETS, OBLIGATIONS, AND PROVISION OF SERVICES. (a)  As soon as practicable following the issuance of an order under Section 65.807(a), the board shall:

(1)  begin the process of transferring the district's assets and obligations to one or more political subdivisions in a fair and equitable manner; and

(2)  administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b)  If the district provides services, the board or a receiver appointed under Section 65.809 shall make arrangements for the uninterrupted provision of services.

Sec. 65.809.  RECEIVER. (a)  If the commission determines that the board has failed to make substantial progress in transferring the district's assets and obligations to one or more political subdivisions in a fair and equitable manner, the commission may, after notice and opportunity for a hearing conducted under Chapter 2001, Government Code, request the attorney general to bring suit for the appointment of a receiver.

(b)  If the attorney general brings suit for the appointment of a receiver under Subsection (a), a district court shall appoint a receiver if the court finds the appointment is necessary for the transfer of the assets and obligations of the district.

(c)  The receiver shall execute a bond in the amount set by the court to ensure the proper performance of the receiver's duties.

(d)  After execution of the bond, the receiver shall take possession of the assets specified by the court.

(e)  Until discharged by the court, the receiver shall perform the duties as directed by the court to preserve the assets and ensure that district assets and obligations are transferred.

Sec. 65.810.  REPORT; DISSOLUTION ORDER. (a)  Not later than the 60th day after the date the district has transferred all of the district's assets and obligations and has arranged for the continued provision of services provided by the district, if applicable, the board, or the receiver appointed under Section 65.809, as applicable, shall file a written report with the commission summarizing the board's or the receiver's actions, as applicable, in dissolving the district.

(b)  Not later than the 45th day after the date the commission receives the report and determines that the requirements of this subchapter have been fulfilled, the commission shall enter an order dissolving the district.

SECTION 4.  This Act takes effect September 1, 2019.