

By: Biedermann

H.B. No. 2590

Substitute the following for H.B. No. 2590:

By: Craddick

C.S.H.B. No. 2590

A BILL TO BE ENTITLED

AN ACT

relating to the administration, powers, and duties of a municipal utility district.

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

SECTION 1. Section 54.022, Water Code, is amended to read as follows:

Sec. 54.022. TEMPORARY DIRECTORS. (a) If the commission grants the petition, it shall appoint five temporary directors to serve until permanent directors are elected.

(b) Except as provided by Subsection (c), a majority of temporary directors appointed under Subsection (a) must be residents of:

(1) the county in which the district is located;

(2) a county adjacent to the county described by Subdivision (1); or

(3) if the district is located in a county that is in a metropolitan statistical area designated by the United States Office of Management and Budget or its successor agency, a county in the same metropolitan statistical area as the county in which the district is located.

(c) The commission may appoint temporary directors that do not meet the requirements of Subsection (b) if the petition or the application accompanying the petition provides that the petitioner made reasonable efforts but failed to identify candidates meeting

1 those requirements who were willing to serve as temporary  
2 directors.

3 SECTION 2. Section 54.030, Water Code, is amended by  
4 amending Subsections (b) and (c) and adding Subsections (d) and (e)  
5 to read as follows:

6 (b) The governing body of a district which desires to  
7 convert into a district operating under this chapter shall, after  
8 providing notice in accordance with Section 54.032, hold a hearing  
9 on the question of the conversion of the district [~~adopt and enter~~  
10 ~~in the minutes of the governing body a resolution declaring that in~~  
11 ~~its judgment, conversion~~] into a municipal utility district  
12 operating under this chapter and under Article XVI, Section 59, of  
13 the Texas Constitution.

14 (c) The governing body of the converting district must  
15 present a general description of any litigation that is pending  
16 against the district at the hearing under Subsection (b).

17 (d) After the hearing held under Subsection (b), the  
18 governing body of the converting district may adopt and enter in the  
19 minutes of the governing body a resolution declaring that in the  
20 judgment of the governing body, conversion under that subsection  
21 [7] would serve the best interest of the district and would be a  
22 benefit to the land and property included in the district. The  
23 resolution shall also request that the commission approve [~~to hold~~  
24 ~~a hearing on the question of~~] the conversion of the district.

25 (e) [~~(c)~~] A copy of the resolution under Subsection (d)  
26 shall be:

27 (1) filed with the commission; and

1           (2) mailed to each state senator and representative  
2 who represents the area in which the district is located.

3           SECTION 3. Section 54.032(a), Water Code, is amended to  
4 read as follows:

5           (a) The governing body of a district described by Section  
6 54.030(b) shall give notice [~~Notice~~] of the conversion hearing  
7 [~~shall be given~~] by publishing notice in a newspaper with general  
8 circulation in the [~~county or counties in which~~] the district [~~is~~  
9 ~~located~~].

10          SECTION 4. Section 54.033(a), Water Code, is amended to  
11 read as follows:

12          (a) After receiving a request for the approval of a  
13 conversion under Section 54.030(d) [~~a hearing~~], if the commission  
14 finds that conversion of the district into one operating under this  
15 chapter would serve the best interest of the district and would be a  
16 benefit to the land and property included in the district, the  
17 commission [~~it~~] shall enter an order making this finding and the  
18 district shall become a district operating under this chapter and  
19 no confirmation election is [~~shall be~~] required.

20          SECTION 5. Section 54.022, Water Code, as amended by this  
21 Act, does not affect the entitlement of a temporary director  
22 serving on the board of directors of a municipal utility district  
23 under Chapter 54, Water Code, immediately before the effective date  
24 of this Act to continue to serve as a temporary director for the  
25 remainder of the director's term.

26          SECTION 6. The changes in law made by this Act apply only to  
27 a water district's conversion into a municipal utility district

1 operating under Chapter 54, Water Code, occurring on or after the  
2 effective date of this Act. A conversion that occurs before the  
3 effective date of this Act is governed by the law in effect on the  
4 date the conversion occurred, and the former law is continued in  
5 effect for that purpose.

6 SECTION 7. This Act takes effect September 1, 2019.