

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

1 commissioners court of each county in which the district is located
2 after a hearing as described by Subsection (a).

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

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

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

14 (2) the date of the election;

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

16 (4) the location of the polling places.

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

22 (b) The first publication must appear not later than the
23 30th day before the date set for the election.

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

27 Sec. 55.857. ELECTION RESULTS. (a) If a majority of the

1 votes in an election held under this subchapter favor dissolution,
2 the board shall order that the district be dissolved.

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

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

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

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

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

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

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

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

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

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

13 Sec. 55.860. REPORT; DISSOLUTION ORDER. (a) Not later
14 than the 60th day after the date the district has transferred all of
15 the district's assets and obligations and has arranged for the
16 continued provision of services provided by the district, if
17 applicable, the board, or the receiver appointed under Section
18 55.859, as applicable, shall file a written report with the
19 commission summarizing the board's or the receiver's actions, as
20 applicable, in dissolving the district.

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

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

1 SUBCHAPTER P. DISSOLUTION BY ELECTION

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

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

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

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

1 voters.

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

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

6 (2) the date of the election;

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

8 (4) the location of the polling places.

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

14 (b) The first publication must appear not later than the
15 30th day before the date set for the election.

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

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

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

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

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

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

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

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

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

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

27 (d) After execution of the bond, the receiver shall take

1 possession of the assets specified by the court.

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

5 Sec. 58.910. REPORT; DISSOLUTION ORDER. (a) Not later
6 than the 60th day after the date the district has transferred all of
7 the district's assets and obligations and has arranged for the
8 continued provision of services provided by the district, if
9 applicable, the board, or the receiver appointed under Section
10 58.909, as applicable, shall file a written report with the
11 commission summarizing the board's or the receiver's actions, as
12 applicable, in dissolving the district.

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

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

19 SUBCHAPTER I. DISSOLUTION BY ELECTION

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

27 Sec. 65.802. DISSOLUTION ELECTION CALLED BY COMMISSIONERS

1 COURT. (a) The commissioners court of a county in which the
2 district is located may order an election to be held in the
3 district's territory on the question of dissolving the district and
4 transferring the district's assets and obligations to another
5 political subdivision of the state if the commissioners court
6 concludes after a public hearing held on the issue that it is in the
7 best interest of the district's residents and of the persons served
8 by the district for the district to dissolve.

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

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

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

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

24 (2) the date of the election;

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

26 (4) the location of the polling places.

27 Sec. 65.805. NOTICE OF DISSOLUTION ELECTION. (a) The

1 board shall give notice of an election ordered under this
2 subchapter by publishing a substantial copy of the election order
3 in a newspaper with general circulation in the district once a week
4 for two consecutive weeks.

5 (b) The first publication must appear not later than the
6 30th day before the date set for the election.

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

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

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

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

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

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

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

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

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

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

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

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

23 Sec. 65.810. REPORT; DISSOLUTION ORDER. (a) Not later
24 than the 60th day after the date the district has transferred all of
25 the district's assets and obligations and has arranged for the
26 continued provision of services provided by the district, if
27 applicable, the board, or the receiver appointed under Section

1 65.809, as applicable, shall file a written report with the
2 commission summarizing the board's or the receiver's actions, as
3 applicable, in dissolving the district.

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

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