

By: Harris

H.B. No. 1796

A BILL TO BE ENTITLED

AN ACT

relating to the division of and assumption of road district authority by fresh water supply districts.

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

SECTION 1. Section 53.029, Water Code, is amended to read as follows:

Sec. 53.029. [~~DIVISION OF OR~~] ASSUMPTION OF ROAD DISTRICT AUTHORITY [~~BY CERTAIN DISTRICTS~~]. (a) [~~This section applies to a district located in a county that:~~

~~(1) has a population of 1.3 million or more and in which a municipality with a population of more than one million is primarily located; or~~

~~(2) is adjacent to a county having the characteristics described by Subdivision (1).~~

~~(b) A district covered by this section may be divided into two new districts if it has no outstanding bonded debt and is not levying ad valorem taxes. The division procedure is prescribed by Sections 53.030 to 53.041 of this code.~~

~~(c)~~ The board of a district [~~covered by this section~~] may order an election to be held in the district to determine whether the district should assume the rights, authority, privileges, and functions of a road district under Article III, Section 52(b)(3), of the Texas Constitution. The election shall be ordered, conducted, and the results canvassed in the manner provided by the

1 applicable provisions of this chapter and the Election Code. The
2 ballots for the election shall be printed to provide for voting for
3 or against: The assumption by the _____ Fresh Water Supply
4 District of the rights, authority, privileges, and functions of a
5 road district under Article III, Section 52(b)(3), of the Texas
6 Constitution. If a majority of the persons voting in the election
7 vote in favor of the proposition, the district shall assume the
8 rights, authority, privileges, and functions of a road district
9 operating under Article III, Section 52(b)(3), of the Texas
10 Constitution, Chapter 257, Transportation Code, and other general
11 laws of this state relating to road districts.

12 (b) [~~(a)~~] A district operating as a road district may not
13 issue bonds or otherwise lend its credit for road district purposes
14 except on approval of not less than two-thirds of the qualified
15 voters of the district voting at an election called and held for
16 that purpose. The total amount of bonds, notes, and other
17 obligations of the district issued or incurred under this
18 subsection may not exceed one-fourth of the assessed valuation of
19 real property in the district.

20 (c) [~~(e)~~] A district that has adopted the rights,
21 authority, privileges, and functions of a road district in the
22 manner provided by Subsection (a) [~~(e)~~] may, following approval of
23 a construction contract by the district's governing body, reimburse
24 expenditures as provided by Sections 257.003(a) and (b),
25 Transportation Code, without any additional approval under Section
26 257.003, Transportation Code.

27 SECTION 2. Subchapter B, Chapter 53, Water Code, is amended

1 by adding Section 53.0291 to read as follows:

2 Sec. 53.0291. DIVISION OF DISTRICT. A district may be
3 divided into two new districts as provided by Sections 53.030
4 through 53.041 if the district:

5 (1) has no outstanding bonded debt; and

6 (2) is not levying ad valorem taxes.

7 SECTION 3. This Act takes effect September 1, 2021.