

By: Gates

H.B. No. 4451

A BILL TO BE ENTITLED

AN ACT

relating to the consolidation of municipal utility districts.

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

SECTION 1. Subchapter H, Chapter 54, Water Code, is amended by adding Sections 54.7285, 54.7287, 54.7335, and 54.7337 to read as follows:

Sec. 54.7285. PETITION TO CONSOLIDATE BY MAJORITY OF VOTERS. (a) For two or more districts, if a majority of the registered voters of each district submit to the board of each district a written petition requesting the consolidation of those districts, the board of each district must negotiate the terms and conditions of consolidation, including the assumption by each district of the bonds, notes, or other obligations and voted but unissued bonds of the other consolidating districts payable wholly or partly from taxation, the levy of taxes to pay for the bonds, and the adoption of a name for the consolidated district.

(b) After the boards of each district consolidating under this section have agreed to terms and conditions under Subsection (a), each board shall issue an order consolidating the districts.

(c) During a period of 90 days after the date of the order to consolidate, the officers of each district shall continue to act jointly as officers of the original districts to settle the affairs of their respective districts.

Sec. 54.7287. PETITION TO CONSOLIDATE BY LESS THAN A

1 MAJORITY OF VOTERS. For two or more districts, if 10 percent of the
2 registered voters in each district submit a written petition to the
3 board of each district requesting the consolidation of those
4 districts, the board of each district must hold an election on the
5 question of consolidation as provided by Section 54.729.

6 Sec. 54.7335. OPERATION OF LAW. A district formed by
7 consolidation under this subchapter operates as a general law
8 district under Chapter 49 and this chapter. A special law
9 applicable to a district before consolidation does not apply to a
10 consolidated district after the consolidation.

11 Sec. 54.7337. REPORT TO COMMISSION. On or before the 30th
12 day after the date of adoption of an order consolidating a number of
13 districts, the consolidated district shall file the order with the
14 commission and record the order in the real property records of each
15 county in which the district is located.

16 SECTION 2. This Act takes effect September 1, 2021.