

By: Hinojosa

S.B. No. 2185

A BILL TO BE ENTITLED

1 AN ACT
2 relating to procedures for the dissolution of the Hidalgo County
3 Water Improvement District No. 3.

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

5 SECTION 1. DEFINITIONS. In this Act:

6 (1) "City" means a municipality described by Section 2
7 of this Act.

8 (2) "City commission" means the governing body of the
9 city.

10 (3) "District" means the Hidalgo County Water
11 Improvement District No. 3.

12 SECTION 2. DISTRICT AND MUNICIPALITY TO WHICH ACT IS
13 APPLICABLE. This Act applies only to:

14 (1) the district; and

15 (2) a municipality that:

16 (A) has a population greater than 100,000; and

17 (B) contained on April 1, 2021, within its
18 corporate boundaries or extraterritorial jurisdiction more than
19 half of the district's territory.

20 SECTION 3. TRANSFER OF ASSETS AND DISSOLUTION OF DISTRICT.

21 (a) On the date the city commission passes an ordinance accepting
22 the assets, debts, and contractual rights and obligations of the
23 district:

24 (1) all assets, debts, and contractual rights and

1 obligations of the district are property of the city; and

2 (2) the district is dissolved.

3 (b) The ordinance must contain provisions that:

4 (1) eliminate the required payment of any flat tax or
5 assessments paid to the district by landowners in the district;

6 (2) ensure that all water rights are held in trust by
7 the city for the uses previously adjudicated;

8 (3) ensure that all individual water users are
9 entitled to continue to use or have access to the same amount of
10 water they were entitled to before the dissolution of the district;

11 (4) require the city to perform all the functions of
12 the district, including the provision of services; and

13 (5) ensure delivery of water to landowners at or below
14 the lowest comparable delivery charge imposed by any other
15 irrigation district in Hidalgo County.

16 (c) On the date of the dissolution of the district, and
17 notwithstanding Section 51.790, Water Code, ownership of any
18 certificate of adjudication held by the district, including any
19 attachments or amendments to the certificate, transfers to the
20 city.

21 (d) The city shall notify the Texas Commission on
22 Environmental Quality of the dissolution of the district and the
23 transfer of any certificate of adjudication held by the district to
24 the city.

25 (e) On receipt of notice under Subsection (d) of this
26 section, the Texas Commission on Environmental Quality shall note
27 in its records that a certificate of adjudication transferred under

1 Subsection (c) of this section is owned by the city. The Texas
2 Commission on Environmental Quality shall, as a ministerial act,
3 transfer the certificate to the city without further application,
4 notice, or hearing. A person, party, or entity does not have any
5 right of protest, objection, or administrative review of the
6 transfer prescribed by this Act.

7 (f) The transfer of the district's water rights and any
8 certificate of adjudication to the city does not affect or impair
9 the priority, extent, validity, or purpose of the water rights or
10 certificate.

11 SECTION 4. TRANSFER OF ASSETS. On or before the effective
12 date of the dissolution of the district, the district shall:

13 (1) provide the district's management and operational
14 records to the city;

15 (2) transfer to the city the ownership of any water
16 rights and certificates of adjudication;

17 (3) transfer the assets, debts, and contractual rights
18 and obligations of the district to the city; and

19 (4) provide notice and make recordings of the
20 transfers under this section as required by the Water Code and other
21 law.

22 SECTION 5. CITY CONSENT. (a) Without the consent of a
23 majority of the members of a city commission that provides notice
24 under Section 3 of this Act, the district may not:

25 (1) sell, transfer, or encumber any district asset;

26 (2) issue debt or acquire additional obligations; or

27 (3) default on or fail to honor financial, legal, or

1 other obligations of the district.

2 (b) Unless a majority of the members of a city commission
3 that provides notice under Section 3 of this Act agree otherwise,
4 the district shall:

5 (1) maintain assets of the district in an appropriate
6 condition reflective of good stewardship and proper repair; and

7 (2) preserve district records, including information
8 maintained by the district in electronic format.

9 (c) Any action undertaken by the district that does not
10 comply with Subsection (a) of this section is void.

11 (d) This section expires on the date that a city has
12 provided notice under Section 3 of this Act.

13 SECTION 6. EXPIRATION. This Act expires January 1, 2026.

14 SECTION 7. EFFECTIVE DATE. This Act takes effect
15 immediately if it receives a vote of two-thirds of all the members
16 elected to each house, as provided by Section 39, Article III, Texas
17 Constitution. If this Act does not receive the vote necessary for
18 immediate effect, this Act takes effect September 1, 2021.