

1-1 By: Hinojosa S.B. No. 2185
 1-2 (In the Senate - Filed April 1, 2021; April 6, 2021, read
 1-3 first time and referred to Committee on Local Government;
 1-4 April 21, 2021, reported favorably by the following vote: Yeas 9,
 1-5 Nays 0; April 21, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to procedures for the dissolution of the Hidalgo County
 1-20 Water Improvement District No. 3.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. DEFINITIONS. In this Act:

1-23 (1) "City" means a municipality described by Section 2
 1-24 of this Act.

1-25 (2) "City commission" means the governing body of the
 1-26 city.

1-27 (3) "District" means the Hidalgo County Water
 1-28 Improvement District No. 3.

1-29 SECTION 2. DISTRICT AND MUNICIPALITY TO WHICH ACT IS
 1-30 APPLICABLE. This Act applies only to:

1-31 (1) the district; and

1-32 (2) a municipality that:

1-33 (A) has a population greater than 100,000; and

1-34 (B) contained on April 1, 2021, within its
 1-35 corporate boundaries or extraterritorial jurisdiction more than
 1-36 half of the district's territory.

1-37 SECTION 3. TRANSFER OF ASSETS AND DISSOLUTION OF DISTRICT.

1-38 (a) On the date the city commission passes an ordinance accepting
 1-39 the assets, debts, and contractual rights and obligations of the
 1-40 district:

1-41 (1) all assets, debts, and contractual rights and
 1-42 obligations of the district are property of the city; and

1-43 (2) the district is dissolved.

1-44 (b) The ordinance must contain provisions that:

1-45 (1) eliminate the required payment of any flat tax or
 1-46 assessments paid to the district by landowners in the district;

1-47 (2) ensure that all water rights are held in trust by
 1-48 the city for the uses previously adjudicated;

1-49 (3) ensure that all individual water users are
 1-50 entitled to continue to use or have access to the same amount of
 1-51 water they were entitled to before the dissolution of the district;

1-52 (4) require the city to perform all the functions of
 1-53 the district, including the provision of services; and

1-54 (5) ensure delivery of water to landowners at or below
 1-55 the lowest comparable delivery charge imposed by any other
 1-56 irrigation district in Hidalgo County.

1-57 (c) On the date of the dissolution of the district, and
 1-58 notwithstanding Section 51.790, Water Code, ownership of any
 1-59 certificate of adjudication held by the district, including any
 1-60 attachments or amendments to the certificate, transfers to the
 1-61 city.

2-1 (d) The city shall notify the Texas Commission on
2-2 Environmental Quality of the dissolution of the district and the
2-3 transfer of any certificate of adjudication held by the district to
2-4 the city.

2-5 (e) On receipt of notice under Subsection (d) of this
2-6 section, the Texas Commission on Environmental Quality shall note
2-7 in its records that a certificate of adjudication transferred under
2-8 Subsection (c) of this section is owned by the city. The Texas
2-9 Commission on Environmental Quality shall, as a ministerial act,
2-10 transfer the certificate to the city without further application,
2-11 notice, or hearing. A person, party, or entity does not have any
2-12 right of protest, objection, or administrative review of the
2-13 transfer prescribed by this Act.

2-14 (f) The transfer of the district's water rights and any
2-15 certificate of adjudication to the city does not affect or impair
2-16 the priority, extent, validity, or purpose of the water rights or
2-17 certificate.

2-18 SECTION 4. TRANSFER OF ASSETS. On or before the effective
2-19 date of the dissolution of the district, the district shall:

2-20 (1) provide the district's management and operational
2-21 records to the city;

2-22 (2) transfer to the city the ownership of any water
2-23 rights and certificates of adjudication;

2-24 (3) transfer the assets, debts, and contractual rights
2-25 and obligations of the district to the city; and

2-26 (4) provide notice and make recordings of the
2-27 transfers under this section as required by the Water Code and other
2-28 law.

2-29 SECTION 5. CITY CONSENT. (a) Without the consent of a
2-30 majority of the members of a city commission that provides notice
2-31 under Section 3 of this Act, the district may not:

2-32 (1) sell, transfer, or encumber any district asset;

2-33 (2) issue debt or acquire additional obligations; or

2-34 (3) default on or fail to honor financial, legal, or
2-35 other obligations of the district.

2-36 (b) Unless a majority of the members of a city commission
2-37 that provides notice under Section 3 of this Act agree otherwise,
2-38 the district shall:

2-39 (1) maintain assets of the district in an appropriate
2-40 condition reflective of good stewardship and proper repair; and

2-41 (2) preserve district records, including information
2-42 maintained by the district in electronic format.

2-43 (c) Any action undertaken by the district that does not
2-44 comply with Subsection (a) of this section is void.

2-45 (d) This section expires on the date that a city has
2-46 provided notice under Section 3 of this Act.

2-47 SECTION 6. EXPIRATION. This Act expires January 1, 2026.

2-48 SECTION 7. EFFECTIVE DATE. This Act takes effect
2-49 immediately if it receives a vote of two-thirds of all the members
2-50 elected to each house, as provided by Section 39, Article III, Texas
2-51 Constitution. If this Act does not receive the vote necessary for
2-52 immediate effect, this Act takes effect September 1, 2021.

2-53 * * * * *