

## **BILL ANALYSIS**

C.S.H.B. 2816  
By: Jetton  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Statutes regarding the procedure for sending prescribed notices to property buyers in certain water districts have not been updated in over 10 years. These statutes need to be updated due to a lack of clarity that can lead to homeowners and residents within such districts being misled. The lack of clarity also harms the efficiency of the parties involved, especially those with time-sensitive matters. C.S.H.B. 2816 seeks to update and modernize provisions regarding these notices by, among other things, revising and consolidating prescribed notice provisions and statements in order to increase the organization of relevant administrative processes.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 2816 amends the Water Code to include a municipal management district among the certain water districts for which a person who proposes to sell or convey real property located in the district is required to give to the purchaser certain written notice. The bill makes statutory provisions relating to the notice inapplicable to transfers of title for the purpose of qualifying a director. The bill repeals provisions that prescribe the notice for the following:

- districts located in whole or in part in the extraterritorial jurisdiction of one or more home-rule municipalities and not located within the corporate boundaries of a municipality;
- districts located in whole or in part within the corporate boundaries of a municipality; and
- districts that are not located in whole or in part within the corporate boundaries of a municipality or the extraterritorial jurisdiction of one or more home-rule municipalities.

C.S.H.B. 2816 instead sets out requirements for the required prescribed notice, revising and consolidating prescribed notice provisions and statements. The bill requires a district to omit or edit for accuracy statements not applicable to the district, as determined by the district. The bill requires a notice to be dated and executed by the seller and the purchaser. The bill changes the condition under which a district is required to revise the content of a notice to accurately reflect current law from the law relating to annexation or district dissolution being amended and causing inaccuracies in the content of a notice to any law being amended and causing such inaccuracies. The bill's provisions relating to a prescribed notice apply only to notice given to a purchaser of real property within a water district on or after the bill's effective date.

C.S.H.B. 2816 requires a district required to maintain a website or have access to a generally accessible website for the posting of tax rate and budget information to post or create a process for posting the district's notice to purchasers on the applicable website.

C.S.H.B. 2816 does the following with respect to the requirement that an applicable district board file with the county clerk in each of the counties in which all or part of the district is located a duly affirmed and acknowledged information form that includes specified information and a complete and accurate map or plat showing the district's boundaries:

- removes the requirement that the map or plat be signed by a majority of the members of the board and be affirmed and acknowledged by each such officer before it is filed with the county clerk and removes the requirement that each amendment made to the map also be signed by the members of the board and be affirmed and acknowledged by each such officer before it is filed with the county clerk;
- repeals a provision that makes that any person who affirms the corrections and accuracy of and acknowledges an information form, map, or plat, or any amendment to an information form, map, or plat that includes information that is inaccurate or incorrect guilty of a misdemeanor and subject to a fine of not less than \$100 nor more than \$1,000 for each violation; and
- repeals a provision that makes any member of a governing board who wilfully fails or refuses to join in filing an information form, map, or plat or an amendment to an information form, map, or plat guilty of a misdemeanor and subject to a fine of not less than \$100 nor more than \$1,000 for each violation.

These provisions of the bill apply only to an information form filed on or after the bill's effective date.

C.S.H.B. 2816 amends the Special District Local Laws Code to make a conforming change.

C.S.H.B. 2816 repeals the following provisions of the Water Code:

- Sections 49.452(b), (c), (d), and (e); and
- Sections 49.455(f) and (h).

### **EFFECTIVE DATE**

September 1, 2023.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 2816 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Other than by conforming to certain bill drafting conventions, the substitute differs from the introduced as follows:

- the substitute includes saving provisions, whereas the introduced did not include such provisions;
- the substitute includes a provision absent in the introduced that makes a conforming change to the Special District Local Laws Code; and
- the substitute changes the bill's effective date to remove its possible immediate effect, contingent on receiving the requisite constitutional vote, which was present in the introduced.