

BILL ANALYSIS

S.B. 2566
By: Zaffirini
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

State law provides for the creation of water control and improvement districts, which are formed with property owner consent and have taxing authority and responsibility for activities such as flood control, irrigation, and reclamation. Property owners and local government officials in McMullen County have requested the dissolution of the McMullen County Water Control and Improvement District No. 1 and the transfer of its assets and duties to the county. The county's population has declined significantly in the last century, reaching only 600 people in the 2020 census, and a water control and improvement district specific to the county is no longer necessary. S.B. 2566 provides for the dissolution of the district and authorizes the county to conduct the district's affairs, which would remove the tax levied to finance the district while not significantly burdening or increasing county government spending and also improve local government efficiency by having authority over water resources in the county be under one roof.

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

S.B. 2566 does the following on its effective date:

- dissolves the McMullen County Water Control and Improvement District No. 1;
- extinguishes the terms of the district's directors;
- transfers any district assets and liabilities to McMullen County; and
- authorizes the county, in all respects, to conduct the district's affairs.

S.B. 2566 requires the McMullen County judge, as soon as practicable, to appoint a trustee to close the district's affairs as a result of the dissolution. The bill grants the trustee the same rights and responsibilities as the district's board for the purposes of carrying out the district's winding up. The bill requires the trustee and the judge to enter into an agreement to provide for the payment of the trustee for services rendered under the bill's provisions. The bill requires the trustee to do the following:

- wind up the business or affairs of the district;
- sell or otherwise dispose of the district's real or personal property and distribute the proceeds to the district's creditors and, if all creditors have been satisfied, to the county;
- take any other action necessary to prepare for the district's dissolution, including the filing of any dissolution documents with the Texas Commission on Environmental Quality; and

- deliver a report of the actions taken under the bill's provisions to the judge at the conclusion of the trustee's duties.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.