

BILL ANALYSIS

C.S.H.B. 363
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Land & Resource Management
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Commission on Environmental Quality (TCEQ) is required to promptly notify the commissioners court of a county in which certain proposed municipal utility districts are to be located after the petition requesting the creation of the district is filed with the TCEQ. While current law provides for a county's review of a petition requesting a district's creation after it has been filed with the TCEQ, it is more appropriate to provide a pre-petition notice before the petition for creation is filed. C.S.H.B. 363 seeks to address this issue by providing requirements regarding the filing of a draft of such a petition with an applicable county at least 30 days before the official petition is filed with the TCEQ.

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. 363 amends the Water Code to set out requirements relating to the filing of a draft of a petition for the creation of a proposed municipal utility district (MUD) all of which is to be located outside the corporate limits of a municipality. The bill requires the applicant requesting the creation of a proposed MUD, at least 30 days before the date the applicant files the petition, to file a draft of the petition with the county clerk of each county in which the proposed MUD is to be located.

C.S.H.B. 363 requires the petition to be accompanied by evidence that the applicant timely filed a draft of the petition with the county clerk of each county in which the proposed MUD is to be located. An applicant may satisfy this requirement by filing an affidavit attesting to the fact that the applicant timely filed a draft of the petition.

C.S.H.B. 363 applies only to a petition requesting creation of a MUD that is filed with the Texas Commission on Environmental Quality (TCEQ) on or after the bill's effective date. A petition requesting creation of a MUD that was filed with the TCEQ before that date is governed by the law in effect on the date the petition was filed, and the former law is continued in effect for that purpose.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 363 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.

Whereas the introduced included a requirement for an applicant requesting the creation of the proposed MUD to send a notice by certified mail to the commissioners court of each county in which the proposed MUD is to be located at least 30 days before the date a petition requesting creation of the proposed MUD is filed, the substitute does not include that requirement. Instead, the substitute includes a requirement absent from the introduced for such an applicant to file a draft of a petition requesting creation of a proposed MUD with the county clerk of each county in which the proposed district is to be located at least 30 days before the date the applicant files the petition. The substitute omits the required contents of the notice, which were included in the introduced.

The substitute includes a requirement for a petition to create a proposed MUD to be accompanied by evidence that the applicant timely filed a draft of the petition with the county clerk of each county in which the proposed district is to be located, whereas the introduced required the petition to include a copy of the notice. The substitute includes a provision absent from the introduced establishing that an applicant may satisfy the evidence requirement by filing an affidavit attesting to the fact that the applicant timely filed the draft of the petition.