

BILL ANALYSIS

H.B. 5437
By: Kitman
Land & Resource Management
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill author has informed the committee that certain actions of Austin County Municipal Utility District (MUD) No. 1 are in need of legislative validation due to confusion about certain provisions of the legislation that created the MUD. H.B. 5437 seeks to address this issue by validating those actions.

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

H.B. 5437 establishes that the creation of the Austin County Municipal Utility District No. 1 and all acts and proceedings related to the district's creation, effective as of the date on which the creation or related acts or proceedings occurred, are validated and confirmed in all respects, including the following:

- any act or proceeding of the district's temporary directors taken not more than five years before the bill's effective date, including an order calling for an election to confirm and establish the district, to elect permanent directors, and to approve the issuance of bonds and the imposition of property taxes;
- all orders canvassing and declaring results of the district election held on November 2, 2021, including confirming the creation and establishment of the district, electing five permanent directors, and approving the issuance of water, sewage, drainage, and road bonds and the imposition of property taxes; and
- each proposition passed at the district election held on November 2, 2021.

Such validation and confirmation expressly does not apply to the following:

- an act, proceeding, director, other official, bond, or other obligation the validity of which or of whom is the subject of litigation that is pending on the bill's effective date; or
- an act or proceeding that has been held invalid by a final judgment of a court of competent jurisdiction.

H.B. 5437 establishes that all applicable requirements relating to the following have been fulfilled and accomplished with respect to the bill:

- the legal notice of intention to introduce;
- governor action;
- Texas Commission on Environmental Quality recommendations; and
- the state constitution and laws and legislative rules and procedures.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.