

By: Bell of Montgomery

H.B. No. 5172

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a district.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 49.011, Water Code is amended to read as follows:

Sec. 49.011. NOTICE APPLICABLE TO CREATION OF A DISTRICT OR
ADDITION OF LANDS TO A DISTRICT BY THE COMMISSION. (a) On receipt
by the commission of all required documentation associated with an
application for creation of a district by the commission under
Chapter 36, 50, 51, 54, 55, 58, 65, or 66 of this code or Chapter
375, Local Government Code or addition of lands to a district by the
commission under Section 54.016 of this code or Section 42.042,
Local Government Code the commission shall issue a notice
indicating that the application is administratively complete.

(b) The commission by rule shall establish a procedure for
public notice and hearing of applications. The rules must require
an applicant to publish the notice issued by the commission under
Subsection (a) once a week for two consecutive weeks in a newspaper
regularly published or circulated in the county where the district
or added land is proposed to be located not later than the 30th day
before the date on which the commission may act on the application.
The commission shall provide the notice to each state
representative and state senator who represents an area inside the
proposed district's boundaries or boundaries of land to be added to

1 the district under Section 54.016 of this code or Section 42.042,
2 Local Government Code.

3 (c) The commission may act on an application without holding
4 a public hearing if a public hearing is not requested by the
5 commission, the executive director, or an affected person in the
6 manner prescribed by commission rule during the 30 days following
7 the final publication of notice under Subsection (b).

8 (d) If the commission determines that a public hearing is
9 necessary, the commission shall advise all parties of the time and
10 place of the hearing. The commission is not required to provide
11 public notice of a hearing under this section.

12 (e) The commission shall require any affected person that is
13 a taxing unit or other provider of water or wastewater services that
14 requests a hearing on a petition under this section to post a bond
15 issued by a surety company qualified to do business in this state or
16 other adequate security in the pro rata amount of the estimated
17 legal, engineering, and related costs that may be incurred by the
18 applicant for the hearing proceeding. The amount of the bond or
19 other security shall be determined by the commission at the time a
20 hearing is granted. If the petition is denied by the commission
21 after a hearing, then the commission shall order the applicant to
22 reimburse the legal, engineering and other related costs and
23 expenses related to hearing incurred by any affected person that is
24 a taxing unit or other provider of water or wastewater services. If
25 the petition is approved by the commission after a hearing, then the
26 commission shall order each affected person that is a taxing unit or
27 other provider of water or wastewater services to reimburse its pro

1 rata share of the applicant's legal, engineering and related costs
2 and expenses related to the hearing.

3 (f) A copy of the order of the commission granting or
4 denying a petition for the creation of a district shall be mailed to
5 each city having extraterritorial jurisdiction in the county or
6 counties in which the district is located who requested a hearing
7 under Section 49.011.

8 SECTION 2. This Act takes effect immediately if it receives
9 a vote of two-thirds of all the members elected to each house, as
10 provided by Section 39, Article III, Texas Constitution. If this
11 Act does not receive the vote necessary for immediate effect, this
12 Act takes effect September 1, 2025.