

By: Hinojosa

S.B. No. 1175

A BILL TO BE ENTITLED

AN ACT

relating to the dissolution of water districts.

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

SECTION 1. The heading to Subchapter K, Chapter 49, Water Code, is amended to read as follows:

SUBCHAPTER K. DISSOLUTION BY COMMISSION

SECTION 2. Section 49.323, Water Code, is amended to read as follows:

Sec. 49.323. INVESTIGATION. (a) The executive director shall investigate the facts and circumstances of the district to be dissolved and the result of the investigation shall be included in a written report.

(b) On request of a board, the executive director shall investigate whether the district may be dissolved under this subchapter and issue to the commission the written conclusion of the investigation.

SECTION 3. Chapter 49, Water Code, is amended by adding Subchapter P to read as follows:

SUBCHAPTER P. DISSOLUTION BY ELECTION

Sec. 49.551. DISSOLUTION ELECTION CALLED BY BOARD. The board may order an election on the question of dissolving the district and transferring the district's assets and obligations to another political subdivision of the state, if the board concludes after a public hearing held on the issue that it is in the best

1 interest of the district's residents and of the persons served by  
2 the district for the district to dissolve.

3 Sec. 49.552. DISSOLUTION ELECTION CALLED BY COMMISSIONERS  
4 COURT. (a) The commissioners court of a county in which the  
5 district is located may order an election to be held in the  
6 district's territory on the question of dissolving the district and  
7 transferring the district's assets and obligations to another  
8 political subdivision of the state, if the commissioners court  
9 concludes after a public hearing held on the issue that it is in the  
10 best interest of the district's residents and of the persons served  
11 by the district for the district to dissolve.

12 (b) If the district is located in more than one county, the  
13 election order must be in the form of a joint order issued by the  
14 commissioners court of each county in which the district is located  
15 after a hearing as described by Subsection (a).

16 Sec. 49.553. DISSOLUTION ELECTION CALLED BY PETITION. The  
17 board shall order an election on the question of dissolving the  
18 district and transferring the district's assets and obligations to  
19 another political subdivision of the state if the board receives a  
20 petition requesting an election on that question. The petition must  
21 be signed by at least 15 percent of the district's registered  
22 voters.

23 Sec. 49.554. ELECTION ORDER. An order calling an election  
24 held under this subchapter must state:

25 (1) the nature of the election, including the  
26 proposition that is to appear on the ballot;

27 (2) the date of the election;

1           (3) the hours during which the polls will be open; and

2           (4) the location of the polling places.

3           Sec. 49.555. NOTICE OF DISSOLUTION ELECTION. (a) The board  
4 shall give notice of an election ordered under this subchapter by  
5 publishing a substantial copy of the election order in a newspaper  
6 with general circulation in the district once a week for two  
7 consecutive weeks.

8           (b) The first publication must appear not later than the  
9 30th day before the date set for the election.

10          Sec. 49.556. APPLICABILITY OF UNIFORM ELECTION DATES.  
11 Section 41.001, Election Code, does not apply to an election held  
12 under this subchapter.

13          Sec. 49.557. ELECTION RESULTS. (a) If a majority of the  
14 votes in an election held under this subchapter favor dissolution,  
15 the board shall order that the district be dissolved.

16          (b) If a majority of the votes in an election held under this  
17 subchapter do not favor dissolution, the board shall continue to  
18 administer the district, and another election on the question of  
19 dissolution may not be held before the first anniversary of the date  
20 of the most recent election held on the question of dissolving the  
21 district.

22          Sec. 49.558. TRANSFER OF ASSETS, OBLIGATIONS, AND PROVISION  
23 OF SERVICES. (a) As soon as practicable following the issuance of an  
24 order under Section 49.557(a), the board shall:

25           (1) begin the process of transferring the district's  
26 assets and obligations to one or more political subdivisions in a  
27 fair and equitable manner; and

1           (2) administer the property, assets, and debts of the  
2 district until all money has been disposed of and all district debts  
3 have been paid or settled.

4           (b) If the district provides services, the board or a  
5 receiver appointed under Section 49.559 shall make arrangements for  
6 the uninterrupted provision of services.

7           Sec. 49.559. RECEIVER. If the executive director  
8 determines that the board has failed to make substantial progress  
9 in transferring the district's assets and obligations to one or  
10 more political subdivisions in a fair and equitable manner, the  
11 executive director shall appoint a receiver for the district.

12           Sec. 49.560. REPORT; DISSOLUTION ORDER. (a) After the  
13 district has transferred all of the district's assets and  
14 obligations and has arranged for the continued provision of  
15 services provided by the district, if applicable, the board shall  
16 file a written report with the commission summarizing the board's  
17 actions in dissolving the district.

18           (b) Not later than the 10th day after the date the  
19 commission receives the report and determines that the requirements  
20 of this subchapter have been fulfilled, the commission shall enter  
21 an order dissolving the district.

22           SECTION 4. This Act takes effect September 1, 2017.