

BILL ANALYSIS

Senate Research Center
78R7123 RCJ-D

H.B. 1832
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Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

Currently, the Dallas County Utility and Reclamation District (DCURD) is a special law water district initially created by the legislature effective February 1, 1984. DCURD is located wholly within the City of Irving and serves primarily the commercial areas of the Las Colinas development. In 1999, the legislature amended DCURD's enabling legislation to provide that its 5-member board be appointed by the Irving City Council to serve 4-year staggered terms and that its annual operating budget be approved by the Irving City Council. The implementation of the 1999 amendments caused the city's auditors to determine that DCURD had become a component unit of the city and that DCURD's significant annual audit had to be included in the city's annual audit, which increased the cost of the city's audit by more than \$30,000 annually.

The city council passed a resolution asking DCURD to seek three amendments to its enabling legislation to cause DCURD to no longer be considered a component unit of the city under the general accounting requirements. DCURD is audited by an independent accounting firm and has always filed its annual audit with the Texas Commission on Environmental Quality and its predecessors.

H.B. 1832 eliminates the ability of the city to remove and replace the DCURD's directors at any time without cause; eliminates the requirement that the city approve the DCURD's annual operation and maintenance budget; and eliminates the ability of the city to abolish DCURD unilaterally.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 5, Chapter 628, Acts of the 68th Legislature, Regular Session, 1983, as follows:

Sec. 5. Deletes text authorizing the City of Irving City Council to remove and replace any Dallas County Utility and Reclamation District (DCURD) director it appoints at any time without cause and make a conforming change.

SECTION 2. Amends Section 14, Chapter 628, Acts of the 68th Legislature, Regular Session, 1983, as follows:

Sec. 14. Requires DCURD to obtain the approval of the City of Irving in the form of a city council resolution as a condition precedent to the annexation of any additional land. Deletes text regarding the approval of DCURD's annual operation and maintenance budget.

SECTION 3. Amends Section 15, Chapter 628, Acts of the 68th Legislature, Regular Session, 1983, as follows:

Sec. 15. Authorizes DCURD to be abolished and dissolved on a specified effective date

by the mutual consent of a three-fourths majority of DCURD's board of directors and a three-fourths majority of the members of the city council of the City of Irving. Provides that in the event of those consents, on the agreed effective date, DCURD is abolished and dissolved and the City of Irving owns all the property and assets of DCURD; assumes all the debts, liabilities, and obligations of DCURD; and performs all the functions of DCURD, including the provision of services. Deletes text requiring the City of Irving to have certain rights and duties.

SECTION 4. (a) Provides that certain actions of DCURD are validated and confirmed as if the actions had been done as authorized by law.

(b) Provides that this Act does not apply to certain acts, rules, and matters.

SECTION 5. Effective date: upon passage or September 1, 2003.